

**Chia Hsin Cement Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Three Months Ended March 31, 2021 and 2020 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Chia Hsin Cement Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Chia Hsin Cement Corporation and its subsidiaries (collectively, the "Group") as of March 31, 2021 and 2020, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 following paragraph, we conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of 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 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 disclosed in Note 15 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of March 31, 2021 and 2020, combined total assets of these non-significant subsidiaries were \$12,112,507 thousand and \$12,538,947 thousand, respectively, representing 29.96% and 33.83%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were \$4,838,139 thousand and \$5,172,275 thousand, respectively, representing 33.46% and 34.19%, respectively, of the consolidated total liabilities; for the three months ended March 31, 2021 and 2020, the amounts of combined comprehensive income (loss) of these subsidiaries were \$(123,855) thousand and \$(142,126) thousand, respectively, representing (13.25)% and 8.21%, respectively, of the consolidated total comprehensive income (loss). In addition, as disclosed in Note 16 to the consolidated financial statements, as of March 31, 2021 and 2020, the amounts of investments accounted for using the equity method were \$3,616,945 thousand and \$2,491,525 thousand, respectively, and for the three months ended March 31, 2021 and 2020, the amounts of share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method were \$(842) thousand and \$(132,500) thousand, respectively. The abovementioned amounts were recognized according to the unreviewed financial statements for the same accounting periods of the aforementioned investee companies. The related information disclosed in the notes to the consolidated financial

statements about the aforementioned subsidiaries and investee companies were also not reviewed by the auditors.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and investee companies as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of or do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2021 and 2020 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 Chen Chiang Hsun and Keng Hsi Chang.



Deloitte & Touche
Taipei, Taiwan
Republic of China

May 7, 2021

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with 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 applied in the Republic of China.

For the convenience of readers, the independent auditors’ review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors’ review report and consolidated financial statements shall prevail.

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2021 (Reviewed)		December 31, 2020 (Audited)		March 31, 2020 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 2,240,337	6	\$ 3,375,981	8	\$ 2,416,061	7
Financial assets at fair value through profit or loss - current (Note 7)	1,323,303	3	1,091,077	3	1,368,762	4
Financial assets at fair value through other comprehensive income - current (Note 8)	2,917,818	7	2,713,193	7	2,356,607	6
Financial assets at amortized cost - current (Note 14)	4,129,206	10	4,065,846	10	3,351,917	9
Notes receivable (Notes 9 and 27)	131,270	1	147,422	1	141,041	1
Trade receivables (Notes 9 and 27)	98,223	-	108,712	-	79,189	-
Trade receivables from related parties (Notes 27 and 36)	3,528	-	4,041	-	5,236	-
Finance lease receivables - current (Note 11)	2,690	-	2,618	-	2,518	-
Other receivables (Note 10)	32,561	-	33,016	-	362,154	1
Other receivables from related parties (Note 36)	18,673	-	19,435	-	35,189	-
Current tax assets	1,231	-	1,197	-	1,292	-
Inventories (Note 12)	28,457	-	61,497	-	20,458	-
Prepayments (Note 21)	120,669	-	100,846	-	72,946	-
Disposal groups held for sale (Note 13)	-	-	-	-	42,226	-
Refundable deposits - current	1,642	-	1,639	-	-	-
Other current assets (Note 21)	-	-	-	-	4,486	-
Total current assets	11,049,608	27	11,726,520	29	10,260,082	28
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 8)	11,784,940	29	10,895,230	27	9,473,252	25
Financial assets at amortized cost - non-current (Notes 14 and 37)	25,794	-	25,794	-	21,747	-
Investments accounted for using the equity method (Note 16)	3,616,945	9	3,628,571	9	2,491,525	7
Property, plant and equipment (Notes 17 and 37)	5,813,973	15	6,195,433	15	6,527,268	18
Right-of-use assets (Note 18)	1,750,905	4	1,786,356	4	1,821,294	5
Investment properties (Notes 19 and 37)	6,101,653	15	6,138,701	15	6,237,827	17
Intangible assets (Note 20)	9,923	-	11,347	-	6,466	-
Deferred tax assets (Note 4)	208,100	1	174,983	1	155,464	-
Refundable deposits - non-current	32,778	-	32,990	-	30,451	-
Finance lease receivables - non-current (Note 11)	6,172	-	6,879	-	8,862	-
Other non-current assets (Notes 9 and 21)	22,753	-	23,423	-	30,457	-
Total non-current assets	29,373,936	73	28,919,707	71	26,804,613	72
TOTAL	\$ 40,423,544	100	\$ 40,646,227	100	\$ 37,064,695	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 22 and 37)	\$ 880,000	2	\$ 1,564,000	4	\$ 1,311,180	4
Short-term bills payable (Note 22)	-	-	136,773	-	469,685	1
Contract liabilities - current (Note 27)	15,750	-	13,154	-	9,289	-
Notes payable (Note 23)	2,099	-	3,011	-	2,177	-
Trade payables (Note 23)	74,374	-	76,579	-	107,952	-
Trade payables to related parties (Note 36)	94,096	-	73,132	-	56,257	-
Other payables (Notes 24 and 33)	300,779	1	345,715	1	328,902	1
Other payables to related parties (Note 36)	2	-	89	-	-	-
Current tax liabilities	133,501	1	137,173	1	46,189	-
Liabilities directly associated with disposal group held for sale (Note 13)	-	-	-	-	377,984	1
Lease liabilities - current (Note 18)	124,942	1	124,926	-	112,969	-
Advance receipts (Note 24)	10,177	-	11,829	-	12,757	-
Current portion of long-term borrowings (Notes 22 and 37)	523,462	1	528,223	1	923,708	3
Guarantee deposits - current (Note 36)	23,243	-	19,768	-	24,108	-
Other current liabilities (Note 24)	9,310	-	8,093	-	2,922	-
Total current liabilities	2,191,735	6	3,042,465	7	3,786,079	10
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 22 and 37)	8,516,223	21	8,771,785	22	7,555,168	21
Deferred tax liabilities (Note 4)	1,560,472	4	1,559,363	4	1,517,842	4
Lease liabilities - non-current (Note 18)	1,696,724	4	1,723,014	4	1,722,376	5
Deferred revenue - non-current (Notes 24 and 32)	404,232	1	437,169	1	442,218	1
Net defined benefit liabilities - non-current (Note 4)	993	-	1,007	-	3,242	-
Guarantee deposits - non-current (Note 36)	89,430	-	94,075	-	100,558	-
Total non-current liabilities	12,268,074	30	12,586,413	31	11,341,404	31
Total liabilities	14,459,809	36	15,628,878	38	15,127,483	41
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 26)						
Share capital						
Ordinary shares	7,747,805	19	7,747,805	19	7,747,805	21
Capital surplus	961,578	2	960,402	3	847,377	2
Retained earnings						
Legal reserve	2,319,663	6	2,319,663	6	2,143,611	6
Special reserve	2,275,704	6	2,275,704	6	2,346,051	6
Unappropriated earnings	6,931,280	17	7,058,382	17	5,961,024	16
Total retained earnings	11,526,647	29	11,653,749	29	10,450,686	28
Other equity	5,951,590	15	4,939,214	12	3,189,456	9
Treasury shares	(1,108,495)	(3)	(1,119,023)	(3)	(1,104,083)	(3)
Total equity attributable to owners of the Company	25,079,125	62	24,182,147	60	21,131,241	57
NON-CONTROLLING INTERESTS (Note 26)	884,610	2	835,202	2	805,971	2
Total equity	25,963,735	64	25,017,349	62	21,937,212	59
TOTAL	\$ 40,423,544	100	\$ 40,646,227	100	\$ 37,064,695	100

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated May 7, 2021)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 27 and 36)	\$ 544,526	100	\$ 495,334	100
OPERATING COSTS (Notes 12, 28 and 36)	<u>(554,747)</u>	<u>(102)</u>	<u>(514,817)</u>	<u>(104)</u>
GROSS LOSS	<u>(10,221)</u>	<u>(2)</u>	<u>(19,483)</u>	<u>(4)</u>
OPERATING EXPENSES (Notes 9, 10, 13, 28 and 36)				
Selling and marketing expenses	(8,070)	(1)	(8,541)	(2)
General and administrative expenses	(117,049)	(22)	(131,195)	(26)
Expected credit loss reversed	<u>70</u>	<u>-</u>	<u>308</u>	<u>-</u>
Total operating expenses	<u>(125,049)</u>	<u>(23)</u>	<u>(139,428)</u>	<u>(28)</u>
LOSS FROM OPERATIONS	<u>(135,270)</u>	<u>(25)</u>	<u>(158,911)</u>	<u>(32)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 13, 16, 28 and 36)				
Interest income	15,044	3	25,755	5
Other income	14,647	3	12,857	3
Other gains and losses	76,871	14	(56,249)	(11)
Finance costs	(42,244)	(8)	(31,819)	(7)
Share of profit or loss of associates and joint ventures	<u>(39,878)</u>	<u>(7)</u>	<u>2,632</u>	<u>-</u>
Total non-operating income and expenses	<u>24,440</u>	<u>5</u>	<u>(46,824)</u>	<u>(10)</u>
LOSS BEFORE INCOME TAX FROM CONTINUING OPERATIONS	(110,830)	(20)	(205,735)	(42)
INCOME TAX EXPENSE (Notes 4 and 29)	<u>(9,475)</u>	<u>(2)</u>	<u>(11,236)</u>	<u>(2)</u>
NET LOSS FROM CONTINUING OPERATIONS	(120,305)	(22)	(216,971)	(44)
NET PROFIT FROM DISCONTINUED OPERATIONS (Note 13)	<u>-</u>	<u>-</u>	<u>2,777</u>	<u>1</u>
NET LOSS FOR THE PERIOD	<u>(120,305)</u>	<u>(22)</u>	<u>(214,194)</u>	<u>(43)</u>

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CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2021		2020	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (Notes 4, 26 and 29)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	\$ 1,099,651	202	\$ (1,381,409)	(279)
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	<u>39,294</u>	<u>7</u>	<u>(134,871)</u>	<u>(27)</u>
	<u>1,138,945</u>	<u>209</u>	<u>(1,516,280)</u>	<u>(306)</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(122,770)	(22)	1,541	-
Share of the other comprehensive loss of associates and joint ventures accounted for using the equity method	(258)	-	(261)	-
Income tax related to items that may be reclassified subsequently to profit or loss	<u>39,070</u>	<u>7</u>	<u>(2,519)</u>	<u>(1)</u>
	<u>(83,958)</u>	<u>(15)</u>	<u>(1,239)</u>	<u>(1)</u>
Other comprehensive income (loss) for the period, net of income tax	<u>1,054,987</u>	<u>194</u>	<u>(1,517,519)</u>	<u>(307)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ 934,682</u>	<u>172</u>	<u>\$ (1,731,713)</u>	<u>(350)</u>
NET LOSS ATTRIBUTABLE TO:				
Owners of the Company	\$ (127,102)	(23)	\$ (210,089)	(42)
Non-controlling interests	<u>6,797</u>	<u>1</u>	<u>(4,105)</u>	<u>(1)</u>
	<u>\$ (120,305)</u>	<u>(22)</u>	<u>\$ (214,194)</u>	<u>(43)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 885,274	163	\$ (1,674,901)	(338)
Non-controlling interests	<u>49,408</u>	<u>9</u>	<u>(56,812)</u>	<u>(12)</u>
	<u>\$ 934,682</u>	<u>172</u>	<u>\$ (1,731,713)</u>	<u>(350)</u>

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CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2021		2020	
	Amount	%	Amount	%
LOSS PER SHARE (Note 30)				
From continuing and discontinued operations				
Basic	\$ (0.20)		\$ (0.33)	
Diluted	\$ (0.20)		\$ (0.33)	
From continuing operations				
Basic	\$ (0.20)		\$ (0.33)	
Diluted	\$ (0.20)		\$ (0.33)	

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated May 7, 2021)

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CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company											
	Share Capital	Capital Surplus	Retained Earnings			Other Equity			Treasury Shares	Total	Non-controlling Interests	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gain on Financial Assets at Fair Value Through Other Comprehensive Income					
BALANCE, JANUARY 1, 2020	\$ 7,747,805	\$ 847,377	\$ 2,143,611	\$ 2,346,051	\$ 6,171,113	\$ (343,071)	\$ 4,997,339	\$ (1,096,783)	\$ 22,813,442	\$ 862,783	\$ 23,676,225	
Net loss for the three months ended March 31, 2020	-	-	-	-	(210,089)	-	-	-	(210,089)	(4,105)	(214,194)	
Other comprehensive loss for the three months ended March 31, 2020	-	-	-	-	-	(308)	(1,464,504)	-	(1,464,812)	(52,707)	(1,517,519)	
Total comprehensive loss for the three months ended March 31, 2020	-	-	-	-	(210,089)	(308)	(1,464,504)	-	(1,674,901)	(56,812)	(1,731,713)	
Buy-back of ordinary shares (Note 26)	-	-	-	-	-	-	-	(7,300)	(7,300)	-	(7,300)	
BALANCE, MARCH 31, 2020	<u>\$ 7,747,805</u>	<u>\$ 847,377</u>	<u>\$ 2,143,611</u>	<u>\$ 2,346,051</u>	<u>\$ 5,961,024</u>	<u>\$ (343,379)</u>	<u>\$ 3,532,835</u>	<u>\$ (1,104,083)</u>	<u>\$ 21,131,241</u>	<u>\$ 805,971</u>	<u>\$ 21,937,212</u>	
BALANCE, JANUARY 1, 2021	\$ 7,747,805	\$ 960,402	\$ 2,319,663	\$ 2,275,704	\$ 7,058,382	\$ (404,225)	\$ 5,343,439	\$ (1,119,023)	\$ 24,182,147	\$ 835,202	\$ 25,017,349	
Net (loss) profit for the three months ended March 31, 2021	-	-	-	-	(127,102)	-	-	-	(127,102)	6,797	(120,305)	
Other comprehensive (loss) income for the three months ended March 31, 2021	-	-	-	-	-	(82,869)	1,095,245	-	1,012,376	42,611	1,054,987	
Total comprehensive (loss) income for the three months ended March 31, 2021	-	-	-	-	(127,102)	(82,869)	1,095,245	-	885,274	49,408	934,682	
Share-based payments	-	1,200	-	-	-	-	-	-	1,200	-	1,200	
Reissuance of treasury shares	-	(24)	-	-	-	-	-	10,528	10,504	-	10,504	
BALANCE, MARCH 31, 2021	<u>\$ 7,747,805</u>	<u>\$ 961,578</u>	<u>\$ 2,319,663</u>	<u>\$ 2,275,704</u>	<u>\$ 6,931,280</u>	<u>\$ (487,094)</u>	<u>\$ 6,438,684</u>	<u>\$ (1,108,495)</u>	<u>\$ 25,079,125</u>	<u>\$ 884,610</u>	<u>\$ 25,963,735</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated May 7, 2021)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax from continuing operations	\$ (110,830)	\$ (205,735)
Income before income tax from discontinued operations	-	2,777
Loss before income tax	<u>(110,830)</u>	<u>(202,958)</u>
Adjustments for:		
Depreciation expenses	133,285	138,489
Amortization expenses	686	308
Net (gain) loss on fair value changes of financial assets at fair value through profit or loss	(85,652)	131,112
Expected credit loss reversed	(70)	(308)
Finance costs	42,244	31,819
Interest income	(15,044)	(29,498)
Compensation costs arising from share-based payments	1,200	-
Share of loss (profit) of associates and joint ventures	39,878	(2,632)
Gain on disposal of property, plant and equipment	-	(63,122)
Gain on lease modification	-	(75)
Reversal of deferred revenue	(3,645)	(3,779)
Net loss (gain) on foreign currency exchange	14,990	(22,415)
Changes in operating assets and liabilities:		
Financial assets mandatorily classified as at fair value through profit or loss	(146,574)	163,442
Notes receivable	16,306	24,428
Trade receivables	9,489	(17,876)
Trade receivables from related parties	513	(2,556)
Other receivables	9,252	3,021
Inventories	32,855	24,480
Prepayments	(21,879)	(80)
Other current assets	-	(3,794)
Notes payable	(912)	(729)
Trade payables	(2,017)	(2,615)
Trade payables to related parties	20,964	(27,323)
Other payables	(33,311)	(50,832)
Other payables to related parties	(87)	-
Contract liabilities	2,708	(192)
Advance receipts	(1,612)	(28,523)
Other current liabilities	1,725	711
Net defined benefit liabilities	<u>(14)</u>	<u>34</u>
Cash (used in) generated from operations	(95,552)	58,537
Interest paid	(34,324)	(33,752)
Income tax paid	<u>(5,639)</u>	<u>(10,225)</u>
Net cash (used in) generated from operating activities	<u>(135,515)</u>	<u>14,560</u>

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CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ -	\$ (10,000)
Purchase of financial assets at amortized cost	(127,729)	-
Proceeds from sale of financial assets at amortized cost	51,366	76,347
Payments for property, plant and equipment	(53,581)	(503,104)
Proceeds from disposal of property, plant and equipment	-	68,499
Increase in refundable deposits	(12)	(294)
(Increase) decrease in other receivables from related parties	(67)	89,202
Payments for intangible assets	-	(1,192)
Payments for investment properties	(545)	(3,600)
Decrease in finance lease receivables	635	620
Decrease (increase) in other non-current assets	936	(979)
Increase in prepayments for equipment	(442)	(578)
Interest received	<u>5,771</u>	<u>26,724</u>
Net cash used in investing activities	<u>(123,668)</u>	<u>(258,355)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	-	504,700
Repayments of short-term borrowings	(684,000)	-
(Repayments of) proceeds from short-term bills payable	(137,000)	200,000
Repayments of long-term loans	-	(89,971)
(Refunds of) proceeds from guarantee deposits received	(1,142)	2,676
Repayments of the principal portion of lease liabilities	(25,022)	(20,692)
Payments for buy-back of ordinary shares	-	(7,300)
Proceeds from reissuance of treasury shares	<u>10,504</u>	<u>-</u>
Net cash (used in) generated from financing activities	<u>(836,660)</u>	<u>589,413</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(39,801)</u>	<u>3,546</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(1,135,644)</u>	<u>349,164</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>3,375,981</u>	<u>2,066,897</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 2,240,337</u>	<u>\$ 2,416,061</u>

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated May 7, 2021)

(Concluded)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

- a. Chia Hsin Cement Corporation (the “Company”; the Company and the entities controlled by the Company are referred to as the “Group”) was incorporated in the Republic of China (ROC) with capital of \$24,000 thousand in December 1954. Over the years, the Company has increased its capital through capital contributions in cash, undistributed earnings, and asset revaluation increments. As of March 31, 2021, the Company has authorized capital of \$15,000,000 thousand and paid-in capital of \$7,747,805 thousand. The Company’s business activities include cement manufacturing, wholesale of building materials, retail sale of building materials, non-metallic mining, mixed-concrete products manufacturing, international trade, construction and development of residences and buildings, lease, construction and development of industrial factory buildings, real estate commerce, real estate rental and leasing, reconstruction within the renewal area and warehousing and storage, healthcare, fitness and training, manufacture of beverages and bakery products, and hotel management.
- b. On December 30, 2016, the Company’s subsidiary, Jiangsu Union Cement Co., Ltd., went into liquidation under the resolution of the subsidiary’s board of directors. Several disposal agreements have been reached and the subsidiary has been reclassified to the group of items ready for disposal, and presented on the consolidated financial statements as “discontinued operation”. The dissolution of the subsidiary had been completed on April 1, 2020.

The Company’s shares have been listed on the Taiwan Stock Exchange (TWSE) since November 1969.

The consolidated financial statements are presented in the Company’s functional currency, New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on May 7, 2021.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

b. New IFRSs issued but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 2)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 3)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 6)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 7)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 8)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 4)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 5)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 4: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

Note 6: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 7: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 8: Except that deferred taxes will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's consolidated financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For the convenience of readers, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the ROC. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language financial statements shall prevail.

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Group directly disposed of the related assets or liabilities.

See Note 15 and Table 6 and Table 8 in Note 41 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other significant accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2020.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events

2) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Refer to the consolidated financial statements for the year ended December 31, 2020 for the critical accounting judgments and key sources of estimation uncertainty.

6. CASH AND CASH EQUIVALENTS

	March 31, 2021	December 31, 2020	March 31, 2020
Cash on hand	\$ 3,835	\$ 4,790	\$ 4,553
Checking accounts and demand deposits	1,044,219	921,356	1,411,591
Cash equivalents (investments with original maturities of 3 months or less)			
Commercial paper	262,825	452,656	165,940
Time deposits	835,990	1,904,118	736,101
Repurchase agreements collateralized by bonds	<u>93,468</u>	<u>93,061</u>	<u>97,876</u>
	<u>\$ 2,240,337</u>	<u>\$ 3,375,981</u>	<u>\$ 2,416,061</u>

The market rate intervals of commercial paper, cash in the bank and repurchase agreements collateralized by bonds at the end of the reporting period were as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Commercial paper	0.16%-0.21%	0.19%-0.23%	0.39%-0.49%
Demand deposits and time deposits	0.001%-2.03%	0.001%-2.12%	0.07%-2.03%
Repurchase agreements collateralized by bonds	0.30%-0.45%	0.50%-0.60%	1.40%-2.10%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Financial assets at fair value through profit or loss (FVTPL) - current</u>			
Non-derivative financial assets			
Domestic listed shares	\$ 998,804	\$ 922,018	\$ 950,047
Overseas listed shares	67,533	64,909	76,426
Overseas mutual funds - beneficiary certificates	<u>256,966</u>	<u>104,150</u>	<u>342,289</u>
	<u>\$ 1,323,303</u>	<u>\$ 1,091,077</u>	<u>\$ 1,368,762</u>

The Group has investments in shares of Taiwan Cement Corporation. As of March 31, 2021, the Group held 21,332,026 shares (book value \$998,339 thousand) accounted for as financial assets at fair value through profit or loss and 302,818,769 shares (book value \$14,171,920 thousand) accounted for as financial assets at fair value through other comprehensive income. Information for other price risk and sensitivity analysis are provided in Note 35.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Investments in equity instruments - current</u>			
Domestic investments			
Listed shares and emerging market shares	<u>\$ 2,917,818</u>	<u>\$ 2,713,193</u>	<u>\$ 2,356,607</u>
<u>Investments in equity instruments - non-current</u>			
Domestic investments			
Listed shares and emerging market shares	\$ 11,464,167	\$ 10,582,307	\$ 9,215,049
Unlisted shares	<u>320,773</u>	<u>312,923</u>	<u>258,203</u>
	<u>\$ 11,784,940</u>	<u>\$ 10,895,230</u>	<u>\$ 9,473,252</u>

These investments in equity instruments are held for medium to long-term strategic purposes, and expected to render long-term paybacks. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. NOTES RECEIVABLE, TRADE RECEIVABLES AND OVERDUE RECEIVABLES

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 132,576	\$ 148,892	\$ 142,433
Less: Allowance for impairment loss	<u>(1,306)</u>	<u>(1,470)</u>	<u>(1,392)</u>
	<u>\$ 131,270</u>	<u>\$ 147,422</u>	<u>\$ 141,041</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 98,760	\$ 109,296	\$ 79,452
Less: Allowance for impairment loss	<u>(537)</u>	<u>(584)</u>	<u>(263)</u>
	<u>\$ 98,223</u>	<u>\$ 108,712</u>	<u>\$ 79,189</u>
<u>Overdue receivables (Note)</u>			
At amortized cost			
Gross carrying amount	\$ 13,089	\$ 13,022	\$ 12,727
Less: Allowance for impairment loss	<u>(13,089)</u>	<u>(13,022)</u>	<u>(12,727)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: The overdue receivables are classified to other assets. Please refer to Note 21.

Notes Receivable

The average number of days of cashing the notes is 30 to 90 days. In order to mitigate credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals, and other monitoring procedures to ensure that follow-up action is taken to recover overdue debt. In addition, the Group reviews the recoverable amount of each individual notes receivable at the end of the year to ensure that adequate allowance is provided for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for notes receivable at an amount equal to lifetime expected credit losses (ECLs). The expected credit losses on notes receivable are estimated by reference to the past default experience of the debtor, an analysis of the debtor's current financial position, and economic conditions.

Trade Receivables

The average credit period of the sales of goods was 60 to 180 days, and no interest was charged on overdue trade receivables. In determining the recoverability of the trade receivables, the Group considered any change in the credit quality of the trade receivables since the date credit was initially granted to the end of the reporting period. From historical experience, most of the receivables were recovered.

Before accepting new customers, the Group assesses that the credit quality of the potential customer complied with the administration regulations of customer credit, and set up the credits limit for each customer. The credit rating of customers would then be assessed by the supervisors and given an ultimate credit limit.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the debtor, the debtor's current financial position, economic conditions of the industry in which the debtors operate, as well as an assessment of both the current and the forecasted direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation, or when the trade receivables are over 1 year past due. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables (including trade receivables from related parties) based on the Group's provision matrix:

March 31, 2021

	Not Overdue	Overdue within 90 Days	Overdue 91-360 Days	Overdue 1 Year or More	Total
Expected credit loss rate	0.78%	1.15%	0%	100%	
Gross carrying amount	\$ 234,604	\$ 260	\$ -	\$ 13,089	\$ 247,953
Loss allowance (Lifetime ECLs)	<u>(1,840)</u>	<u>(3)</u>	<u>-</u>	<u>(13,089)</u>	<u>(14,932)</u>
Amortized cost	<u>\$ 232,764</u>	<u>\$ 257</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 233,021</u>

December 31, 2020

	Not Overdue	Overdue within 90 Days	Overdue 91-360 Days	Overdue 1 Year or More	Total
Expected credit loss rate	0.73%	0.77%	100%	100%	
Gross carrying amount	\$ 261,965	\$ 130	\$ 134	\$ 13,022	\$ 275,251
Loss allowance (Lifetime ECLs)	<u>(1,919)</u>	<u>(1)</u>	<u>(134)</u>	<u>(13,022)</u>	<u>(15,076)</u>
Amortized cost	<u>\$ 260,046</u>	<u>\$ 129</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 260,175</u>

March 31, 2020

	Not Overdue	Overdue within 90 Days	Overdue 91-360 Days	Overdue 1 Year or More	Total
Expected credit loss rate	0.72%	0.99%	0%	100%	
Gross carrying amount	\$ 216,577	\$ 10,544	\$ -	\$ 12,727	\$ 239,848
Loss allowance (Lifetime ECLs)	<u>(1,550)</u>	<u>(105)</u>	<u>-</u>	<u>(12,727)</u>	<u>(14,382)</u>
Amortized cost	<u>\$ 215,027</u>	<u>\$ 10,439</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 225,466</u>

The movements of the loss allowance of receivables (including receivables from related parties) were as follows:

	For the Three Months Ended March 31	
	2021	2020
Balance at January 1	\$ 15,076	\$ 14,784
Add: Net remeasurement of loss allowance	94	-
Less: Net remeasurement of loss allowance reversed	(164)	(308)
Foreign exchange gains and losses	<u>(74)</u>	<u>(94)</u>
Balance at March 31	<u>\$ 14,932</u>	<u>\$ 14,382</u>

10. OTHER RECEIVABLES

	March 31, 2021	December 31, 2020	March 31, 2020
Interest receivables	\$ 24,158	\$ 15,015	\$ 20,839
VAT refunds receivable	-	4,226	332,865
Government grants receivable	-	3,585	-
Others	10,285	12,081	10,298
Less: Allowance of impairment loss	<u>(1,882)</u>	<u>(1,891)</u>	<u>(1,848)</u>
	<u>\$ 32,561</u>	<u>\$ 33,016</u>	<u>\$ 362,154</u>

The movements of the loss allowance of other receivables were as follows:

	For the Three Months Ended March 31	
	2021	2020
Balance at January 1	\$ 1,891	\$ 1,862
Foreign exchange gains and losses	<u>(9)</u>	<u>(14)</u>
Balance at March 31	<u>\$ 1,882</u>	<u>\$ 1,848</u>

The following table details the loss allowance of others receivables based on the Group's provision matrix:

March 31, 2021

	Not Overdue	Overdue within 90 Days	Overdue 91-360 Days	Overdue 1 Year or More	Total
Expected credit loss rate	0%	0%	0%	100%	
Gross carrying amount	\$ 32,561	\$ -	\$ -	\$ 1,882	\$ 34,443
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,882)</u>	<u>(1,882)</u>
Amortized cost	<u>\$ 32,561</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,561</u>

December 31, 2020

	Not Overdue	Overdue within 90 Days	Overdue 91-360 Days	Overdue 1 Year or More	Total
Expected credit loss rate	0%	0%	0%	100%	
Gross carrying amount	\$ 33,016	\$ -	\$ -	\$ 1,891	\$ 34,907
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,891)</u>	<u>(1,891)</u>
Amortized cost	<u>\$ 33,016</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,016</u>

March 31, 2020

	Not Overdue	Overdue within 90 Days	Overdue 91-360 Days	Overdue 1 Year or More	Total
Expected credit loss rate	0%	0%	0%	100%	
Gross carrying amount	\$ 362,105	\$ 49	\$ -	\$ 1,848	\$ 364,002
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,848)</u>	<u>(1,848)</u>
Amortized cost	<u>\$ 362,105</u>	<u>\$ 49</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 362,154</u>

Other receivables were mainly interest, VAT refund, and government grant receivables. The Group only transacts with counterparts who have good credit ratings. The Group continues to monitor the conditions of the receivables and refers to the past default experience of the debtor and the analysis of the debtor's current financial position in determining whether the credit risk of the other receivables increased significantly since the initial recognition as well as in measuring the expected credit losses.

11. FINANCE LEASE RECEIVABLES

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Undiscounted lease payments</u>			
Year 1	\$ 2,857	\$ 2,800	\$ 2,743
Year 2	2,972	2,972	2,857
Year 3	2,972	2,972	2,971
Year 4	371	1,114	2,971
Year 5	<u>-</u>	<u>-</u>	<u>373</u>
	9,172	9,858	11,915
Less: Unearned finance income	<u>(310)</u>	<u>(361)</u>	<u>(535)</u>
Lease payments receivable	<u>8,862</u>	<u>9,497</u>	<u>11,380</u>
Net investment in leases presented as finance lease receivables	<u>\$ 8,862</u>	<u>\$ 9,497</u>	<u>\$ 11,380</u>
<u>Lease payments receivable</u>			
Not more than 1 year	\$ 2,690	\$ 2,618	\$ 2,518
More than 1 year and not more than 5 years	<u>6,172</u>	<u>6,879</u>	<u>8,862</u>
	<u>\$ 8,862</u>	<u>\$ 9,497</u>	<u>\$ 11,380</u>

The Group has been subleasing its building to Gping Wellness Co., Ltd. since August 2015. As the Group subleases the retail stores for all the remaining lease term of the main lease to the sublessee, the sublease contract is classified as a finance lease.

The interest rates inherent in the leases are fixed at the contract dates for the entire term of the lease. As of March 31, 2021, December 31, 2020 and March 31, 2020, the interest rate inherent in the finance leases was approximately 2.25% per annum.

To reduce the residual asset risk related to the leased building at the end of the relevant lease, the lease contract includes general risk management strategy of the Group.

The Group measures the loss allowance for finance lease receivables at an amount equal to lifetime ECLs. As of March 31, 2021, December 31, 2020 and March 31, 2020, no finance lease receivables were past due. The Group has not recognized a loss allowance for finance lease receivables after taking into consideration the historical default experience and the future prospects of the industries in which the lessee operates, together with the value of collateral held over these finance lease receivables.

12. INVENTORIES

	March 31, 2021	December 31, 2020	March 31, 2020
Finished goods	\$ 23,343	\$ 55,699	\$ 16,018
Raw materials	246	271	219
Supplies	<u>1,702</u>	<u>2,361</u>	<u>1,055</u>
	<u>25,291</u>	<u>58,331</u>	<u>17,292</u>
Land held for construction	<u>3,166</u>	<u>3,166</u>	<u>3,166</u>
	<u>\$ 28,457</u>	<u>\$ 61,497</u>	<u>\$ 20,458</u>

The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2021 and 2020 was \$276,587 thousand and \$239,656 thousand, respectively.

13. DISPOSAL GROUPS HELD FOR SALE

a. Discontinued operations

On December 30, 2016, the board of directors of the Company resolved to liquidate Jiangsu Union Cement Co., Ltd. (“Union Cement”) and to cease the production of cement clinker. In May 2018, Union Cement entered into contract with Zhenjiang City Construction Industry Group Company Limited, Jurong Taiwan Cement Co., Ltd., and Jiangsu Jinbiaoying Construction Co., Ltd. to dispose of its land use rights, buildings, inventory, and equipment. The transactions for disposal of inventory and equipment were completed in June 2019. The cancellation of registration was approved by Zhenjiang Bureau of Administration for Market Regulation on April 1, 2020.

The above transactions met the criteria of IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations.” Therefore, assets disposed of were classified as a disposal group held for sale. The disposal group was presented as a discontinued operation since it met the definition of discontinued operations.

The details of profit (loss) from discontinued operations and the related cash flow information were as follows:

	For the Three Months Ended March 31, 2020
Operating revenue	\$ -
Operating costs	<u>-</u>
Gross profit	-
Selling and marketing expenses	-
General and administrative expenses	<u>(966)</u>
Loss from operations	(966)
Interest income	3,743
Other income	-
Other gains and losses	-
Finance costs	<u>-</u>
Profit before tax	2,777
Income tax expense	<u>-</u>
Net profit for the year	<u>\$ 2,777</u>
Profit from discontinued operations attributable to:	
Owners of the Company	\$ 2,777
Non-controlling interests	<u>-</u>
	<u>\$ 2,777</u>
Cash flows	
Operating activities	\$ (7,961)
Investing activities	3,743
Financing activities	<u>-</u>
Net cash outflows	<u>\$ (4,218)</u>

b. Disposal groups held for sale

	March 31, 2021	December 31, 2020	March 31, 2020
Total amount of disposal group held for sale	\$ _____ -	\$ _____ -	\$ <u>42,226</u>
Liabilities directly associated with disposal groups classified as held for sale	\$ _____ -	\$ _____ -	\$ <u>377,984</u>

March 31, 2020

	Shanghai Jia Huan Concrete Co., Ltd.
Property, plant and equipment - machinery	\$ 11,415
Investment property - building	14,736
Right-of-use asset - land use right	<u>16,075</u>
Total amount of disposal group held for sale	\$ <u>42,226</u>
Advance receipt	\$ <u>377,984</u>
Liabilities directly associated with disposal groups classified as held for sale	\$ <u>377,984</u>

On June 26, 2018, the board of directors of the Company resolved to authorize the subsidiary, Shanghai Jia Huan Concrete Co., Ltd., (“Shanghai Jia Huan”), to act in accordance with the land reserve plan for environmental improvement by Shanghai city, and to dispose of its plants located in the waterfront area of Xuhui District and the related land use rights. On July 12, 2018, the board of directors and shareholders of Shanghai Jia Huan resolved to enter into a compensation contract with Shanghai Xuhui District Land Reserve Center and Shanghai Xuhui Waterfront Development, Construction, and Investment Co., Ltd. The compensation contract was signed in August 2018, and the aforementioned disposal was completed in June 2020. The total proceeds of \$441,258 thousand (RMB105,430 thousand) were fully received, and after deducting the cost of assets in the disposal group classified as held for sale of \$41,426 thousand (RMB9,898 thousand) and other relevant demolition cost and taxes, the gain on disposal was recognized in 2020.

As of March 31, 2020, Shanghai Jia Huan had received advance consideration of \$377,984 thousand for the disposal. The advance received was presented as liability directly associated with disposal groups classified as held for sale.

The sales proceeds were expected to exceed the carrying amount of the related net assets and, accordingly, no impairment loss was recognized on the classification of these operations as held for sale.

14. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Current</u>			
Principal protected investments (Note)	\$ 492,425	\$ 501,955	\$ 1,093,377
Time deposits with original maturities of more than 3 months	<u>3,636,781</u>	<u>3,563,891</u>	<u>2,258,540</u>
	<u>\$ 4,129,206</u>	<u>\$ 4,065,846</u>	<u>\$ 3,351,917</u>
<u>Non-current</u>			
Restricted deposits	<u>\$ 25,794</u>	<u>\$ 25,794</u>	<u>\$ 21,747</u>
<u>Interest rate range</u>			
Principal protected investments	2.05%-2.70%	2.20%-2.70%	3.10%-3.48%
Bank deposits (original maturities of more than 3 months)	0.80%-2.33%	0.57%-2.25%	0.57%-2.60%
Restricted deposits	0.09%-0.815%	0.41%-1.045%	0.12%-1.065%

Note: Early redemption is inapplicable to the investment product.

- a. The Group has tasked its credit management committee to develop a credit risk grading framework to determine whether the credit risk of financial assets at amortized cost increases significantly since the last period to the reporting date as well as to measure the expected credit losses. The credit rating information may be obtained from independent rating agencies where available and, if not available, the credit management committee uses other publicly available financial information to rate the debtors. In the consideration of an analysis of the debtor's current financial position and the forecasted direction of economic conditions in the industry, the Group forecasts both 12-month expected credit losses and lifetime expected credit losses of financial assets at amortized cost. As of March 31, 2021, December 31, 2020 and March 31, 2020, the Group assessed the expected credit loss rate as 0%.
- b. Refer to Note 37 for the carrying amounts of financial assets pledged by the Group to secure obligations.

15. SUBSIDIARIES

- a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			March 31, 2021	December 31, 2020	March 31, 2020	
Chia Hsin Cement Corporation	Tong Yang Chia Hsin International Corporation	General international trade (all business items that are not prohibited or restricted by law, except those that are subject to special approval)	87.18	87.18	87.18	
"	Chia Hsin Property Management & Development Corporation	Wholesale and retail business of machinery; residence, factory buildings and office buildings leasing and selling; PPE leasing and selling	100.00	100.00	100.00	
"	Chia Pei International Corporation	Mining; wholesale of building materials; nonmetallic mining; retail sale of building materials; international trade; rental and leasing business; retail sale of other machinery and equipment	100.00	100.00	100.00	
"	Chia Hsin Pacific Limited	Holding company	74.16	74.16	74.16	Exchange rate risk

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			March 31, 2021	December 31, 2020	March 31, 2020	
"	BlueSky. Co., Ltd.	International trade; real estate trading; real estate leasing	100.00	100.00	100.00	
"	YJ International Corporation	Real estate rental and leasing; real estate management; realtor agent	100.00	100.00	100.00	
"	Jaho Life Plus+ Management Corp., Ltd. (Note 1)	Management consulting service	100.00	100.00	100.00	
YJ International Corporation	CHC Ryukyu Development GK	Real estate rental and leasing; management consulting service	100.00	100.00	100.00	Exchange rate risk
"	CHC Ryukyu COLLECTIVE KK	Hotel management	100.00	100.00	100.00	Exchange rate risk
Tong Yang Chia Hsin International Corporation	Tong Yang Chia Hsin Marine Corp.	Shipping service	100.00	100.00	100.00	Exchange rate risk
"	Chia Hsin Pacific Limited	Holding company	24.18	24.18	24.18	Exchange rate risk
Tong Yang Chia Hsin Marine Corp.	Jiangsu Jiaguo Construction Material Storage Co., Ltd.	Engaging in overland delivery of ordinary goods and the processing, manufacturing and selling of cement and other construction material	100.00	100.00	100.00	Exchange rate risk and political risk arising from Cross-Strait relations
Jiangsu Jiaguo Construction Material Storage Co., Ltd.	Jiangsu Jiaxin Property Limited Company	Developing and selling real estate and providing property management service	100.00	100.00	100.00	Exchange rate risk and political risk arising from Cross-Strait relations
Chia Hsin Property Management & Development Corporation	Chia Sheng Construction Corp.	Wholesale and retail business of machinery; residence, factory buildings and office buildings leasing and selling; PPE leasing and selling	100.00	100.00	100.00	
Chia Hsin Pacific Limited	Effervesce Investment Pte. Ltd.	Investment and holding company	100.00	100.00	100.00	Exchange rate risk
Effervesce Investment Pte. Ltd.	Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Consulting for developing information system for business and finance purpose.	100.00	100.00	100.00	Exchange rate risk and political risk arising from Cross-Strait relations
"	Shanghai Chia Hsin Ganghui Co., Ltd.	Warehousing and packing bulk cement and formulating and delivering high-strength cement.	100.00	100.00	100.00	Exchange rate risk and political risk arising from Cross-Strait relations
"	Shanghai Jia Huan Concrete Co., Ltd.	Processing, manufacturing and selling of cement, concrete and other related products.	68.00	68.00	68.00	Exchange rate risk and political risk arising from Cross-Strait relations
Chia Hsin Pacific Limited	Yonica Pte Ltd	Investment and holding company	100.00	100.00	100.00	Exchange rate risk
Yonica Pte Ltd	Jiangsu Union Cement Co., Ltd. (Note 2)	Processing, manufacturing and selling of cement.	-	-	100.00	Exchange rate risk and political risk arising from Cross-Strait relations
Chia Hsin Pacific Limited	Sparkview Pte. Ltd.	Investment and holding company	100.00	100.00	100.00	Exchange rate risk
Sparkview Pte. Ltd.	Shanghai Jia Huan Concrete Co., Ltd.	Processing, manufacturing and selling of cement, concrete and other related products.	32.00	32.00	32.00	Exchange rate risk and political risk arising from Cross-Strait relations
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. (Note 3)	Consulting for management of healthcare and hotel business.	100.00	100.00	70.00	Exchange rate risk and political risk arising from Cross-Strait relations
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Jiapeng Maternal and Child Care (Yangzhou) Co., Ltd. (Note 4)	Providing healthcare service to mothers in pregnancy, parturition and postpartum period.	100.00	100.00	100.00	Exchange rate risk and political risk arising from Cross-Strait relations
"	Jiapeng Maternal and Child Care (Suzhou) Co., Ltd. (Note 5)	Providing healthcare service to mothers in pregnancy, parturition and postpartum period.	100.00	100.00	-	Exchange rate risk and political risk arising from Cross-Strait relations

(Concluded)

Note 1: On January 16 and October 6, 2020, the Group increased its investment by \$100,000 thousand in total.

Note 2: On April 1, 2020, the cancellation of registration was completed. After deducting exchange differences from the translation to presentation currency, a gain on disposal of subsidiary of \$92,073 thousand was recognized under other gains and losses in 2020.

- Note 3: On September 3, 2020, the board of directors of Chia Hsin Business Consulting (Shanghai) Co., Ltd. passed a resolution to repurchase 30% interests of Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. from an unrelated party, China Chemical & Pharmaceutical Co., Ltd. The total transaction amount was \$22,231 thousand; therefore Chia Hsin Business Consulting (Shanghai) Co., Ltd. increased its continuing interest in Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. from 70% to 100%. On September 16, 2020 and January 26, 2021 after the abovementioned transaction, Chia Hsin Business Consulting (Shanghai) Co., Ltd. increased its investment in Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. by RMB21,000 thousand and RMB8,000 thousand, respectively.
- Note 4: On January 16, 2020, November 20, 2020, and January 27, 2021, Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. increased investment by RMB10,000 thousand, RMB8,000 thousand, and RMB14,000 thousand in Jiapeng Maternal and Child Care (Yangzhou) Co., Ltd., respectively.
- Note 5: On December 10, 2020, Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. invested RMB6,000 thousand to establish Jiapeng Maternal and Child Care (Suzhou) Co., Ltd., which is thereafter included in the consolidated financial statements.
- Note 6: Except for Chia Hsin Property Management & Development Corporation, Tong Yang Chia Hsin International Corporation, and Chia Pei International Corporation, the significant subsidiary, which are reviewed by the independent auditors, the other non-significant subsidiaries included in the consolidated financial report for the three months ended March 31, 200 and 2021 are presented using unreviewed financial statements from each entity. As of March 31, 2021 and 2020, combined total assets of these non-significant subsidiaries were \$12,112,507 thousand and \$12,538,947 thousand, respectively, representing 29.96% and 33.83%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were \$4,838,139 thousand and \$5,172,275 thousand, respectively, representing 33.46% and 34.19%, respectively, of the consolidated total liabilities; for the three-month periods ended March 31, 2021 and 2020, the amounts of combined comprehensive income of these subsidiaries were \$(123,855) thousand and \$(142,126) thousand, respectively, representing (13.25%) and 8.21%, respectively, of the consolidated total comprehensive income.

Any transaction, account balance, revenue and expense between the consolidated entities are eliminated and not shown on the consolidated financial statements.

b. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-Controlling Interests		
	December 31,		
	March 31, 2021	2020	March 31, 2020
Tong Yang Chia Hsin International Corporation	12.82%	12.82%	12.82%

Refer to Note 41, Tables 6 “Information on Investees” for the nature of activities, principal places of business and countries of incorporation of the subsidiaries and associates.

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests For the Three Months Ended		Accumulated Non-controlling Interests		
	March 31		March 31,	December 31,	March 31,
	2021	2020	2021	2020	2020
Tong Yang Chia Hsin International Corporation	\$ <u>6,712</u>	\$ <u>(2,970)</u>	\$ <u>987,831</u>	\$ <u>938,143</u>	\$ <u>890,789</u>

The summarized financial information below represents amounts before intragroup eliminations.

Tong Yang Chia Hsin International Corporation

	March 31, 2021	December 31, 2020	March 31, 2020
Current assets	\$ 2,416,063	\$ 2,248,612	\$ 2,331,093
Non-current assets	5,510,619	5,296,456	4,876,240
Current liabilities	(45,161)	(45,845)	(62,021)
Non-current liabilities	<u>(177,521)</u>	<u>(182,804)</u>	<u>(197,972)</u>
Equity	\$ <u>7,704,000</u>	\$ <u>7,316,419</u>	\$ <u>6,947,340</u>
Equity attributable to:			
Owners of the Group	\$ 6,716,169	\$ 6,378,276	\$ 6,056,551
Non-controlling interests of Tong Yang Chia Hsin International Corporation	<u>987,831</u>	<u>938,143</u>	<u>890,789</u>
Carrying amount	\$ <u>7,704,000</u>	\$ <u>7,316,419</u>	\$ <u>6,947,340</u>
		For the Three Months Ended March 31	
		2021	2020
Operating revenue		\$ <u>27,229</u>	\$ <u>27,248</u>
Net profit (loss) for the year		\$ 52,357	\$ (23,168)
Other comprehensive income (loss)		<u>564,491</u>	<u>(1,325,516)</u>
Total comprehensive income (loss) for the year		\$ <u>616,848</u>	\$ <u>(1,348,684)</u>
Profit (loss) attributable to:			
Owners of Group		\$ 45,645	\$ (20,198)
Non-controlling interests of Tong Yang Chia Hsin International Corporation		<u>6,712</u>	<u>(2,970)</u>
		\$ <u>52,357</u>	\$ <u>(23,168)</u>

(Continued)

	For the Three Months Ended March 31	
	2021	2020
Total comprehensive income (loss) attributable to:		
Owners of Group	\$ 537,768	\$ (1,175,782)
Non-controlling interests of Tong Yang Chia Hsin International Corporation	<u>79,080</u>	<u>(172,902)</u>
	<u>\$ 616,848</u>	<u>\$ (1,348,684)</u>
Net cash inflow (outflow) from:		
Operating activities	\$ 5,571	\$ (31,873)
Investing activities	167	177,317
Financing activities	<u>(5,721)</u>	<u>4,244</u>
Net cash inflow	<u>\$ 17</u>	<u>\$ 149,688</u> (Concluded)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2021	December 31, 2020	March 31, 2020
Investments in associates	\$ 3,616,945	\$ 3,628,571	\$ 2,327,243
Investments in joint ventures	<u>-</u>	<u>-</u>	<u>164,282</u>
	<u>\$ 3,616,945</u>	<u>\$ 3,628,571</u>	<u>\$ 2,491,525</u>

a. Investments in associates

	March 31, 2021	December 31, 2020	March 31, 2020
Material associates			
LDC ROME HOTELS S.R.L.	\$ 335,093	\$ 367,335	\$ 372,603
L'Hotel De Chine Corporation	1,117,801	1,164,251	-
Chia Hsin Construction & Development Corp.	1,850,846	1,792,694	1,698,557
Associates that are not individually material	<u>313,205</u>	<u>304,291</u>	<u>256,083</u>
	<u>\$ 3,616,945</u>	<u>\$ 3,628,571</u>	<u>\$ 2,327,243</u>

1) Material associates

	Proportion of Ownership and Voting Rights		
	March 31, 2021	December 31, 2020	March 31, 2020
LDC ROME HOTELS S.R.L.	40.00%	40.00%	40.00%
Chia Hsin Construction & Development Corp.	43.87%	43.87%	43.87%
L'Hotel De Chine Corporation	23.10%	23.10%	-

Refer to Note 41, Table 6 “Information on Investees” for the nature of activities, principal places of business and countries of incorporation of the associates.

All the associates were accounted for using the equity method.

Summarized financial information in respect of each of the Group’s material associates is set out below. The summarized financial information below represents amounts shown in the associates’ financial statements prepared in accordance with IFRSs adjusted by the Group for equity accounting purposes.

LDC ROME HOTELS S.R.L.

	March 31, 2021	December 31, 2020	March 31, 2020
Current assets	\$ 221,205	\$ 311,500	\$ 234,437
Non-current assets	1,735,786	1,824,143	1,793,868
Current liabilities	(944,908)	(102,503)	(249,177)
Non-current liabilities	<u>(174,351)</u>	<u>(1,114,803)</u>	<u>(847,620)</u>
Equity	<u>\$ 837,732</u>	<u>\$ 918,337</u>	<u>\$ 931,508</u>
Proportion of the Group’s ownership	40.00%	40.00%	40.00%
Equity attributable to the Group	<u>\$ 335,093</u>	<u>\$ 367,335</u>	<u>\$ 372,603</u>
Carrying amount	<u>\$ 335,093</u>	<u>\$ 367,335</u>	<u>\$ 372,603</u>

	For the Three Months Ended March 31	
	2021	2020
Operating revenue	<u>\$ 8,000</u>	<u>\$ 85,615</u>
Net loss for the year	\$ (41,085)	\$ (37,622)
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive loss for the year	<u>\$ (41,085)</u>	<u>\$ (37,622)</u>

On December 23, 2020, the Group increased its investments by EUR1,067 thousand (equivalent to NT\$37,120 thousand) in LDC HOTELS S.R.L.

Chia Hsin Construction & Development Corp.

	March 31, 2021	December 31, 2020	March 31, 2020
Current assets	\$ 2,075,701	\$ 2,041,258	\$ 1,811,023
Non-current assets	2,618,922	2,410,159	2,483,907
Current liabilities	(359,350)	(381,994)	(208,274)
Non-current liabilities	<u>(145,689)</u>	<u>(12,394)</u>	<u>(244,211)</u>
Equity	<u>\$ 4,189,584</u>	<u>\$ 4,057,029</u>	<u>\$ 3,842,445</u>

(Continued)

	March 31, 2021	December 31, 2020	March 31, 2020
Proportion of the Group's ownership	43.87%	43.87%	43.87%
Equity attributable to the Group	\$ 1,837,971	\$ 1,779,819	\$ 1,685,682
Premium representing the difference between fair value and book value of remaining equity investments	<u>12,875</u>	<u>12,875</u>	<u>12,875</u>
Carrying amount	<u>\$ 1,850,846</u>	<u>\$ 1,792,694</u>	<u>\$ 1,698,557</u> (Concluded)

	For the Three Months Ended March 31	
	2021	2020
Operating revenue	<u>\$ 24,799</u>	<u>\$ 253,695</u>
Net profit for the year	\$ 55,423	\$ 53,846
Other comprehensive (loss) income	<u>77,132</u>	<u>(246,593)</u>
Total comprehensive (loss) income for the year	<u>\$ 132,555</u>	<u>\$ (192,747)</u>

L'Hotel De Chine Corporation

	March 31, 2021	December 31, 2020
Current assets	\$ 1,094,154	\$ 2,179,633
Non-current assets	6,738,286	6,118,487
Current liabilities	(1,295,137)	(1,525,195)
Non-current liabilities	<u>(1,698,339)</u>	<u>(1,732,880)</u>
Equity	<u>\$ 4,838,964</u>	<u>\$ 5,040,045</u>
Proportion of the Group's ownership	23.10%	23.10%
Equity attributable to the Group	<u>\$ 1,117,801</u>	<u>\$ 1,164,251</u>
Carrying amount	<u>\$ 1,117,801</u>	<u>\$ 1,164,251</u>

	For the Three Months Ended March 31, 2021
Operating revenue	<u>\$ 332,286</u>
Net loss for the year	\$ (201,082)
Other comprehensive income	<u>-</u>
Total comprehensive loss for the year	<u>\$ (201,082)</u>

Acquisition of associates

On December 1, 2020, the Group acquired 67,998,915 shares of L'Hotel De Chine Corporation for \$1,107,340 thousand in cash and \$50,000 thousand of contingent consideration agreement, which represented a shareholding of 23.10%. As of March 31, 2021, the Group has not yet identified the difference between the cost of acquisition and the net fair value of the identifiable assets and liabilities of its associate. The amount is estimated based on the most probable taxable value by the management.

	L'Hotel De Chine Corporation
Cash	\$ 1,107,340
Contingent consideration agreement (Note)	<u>50,000</u>
	<u>\$ 1,157,340</u>

Note: According to the contingent consideration agreement, if the earnings per share of L'Hotel De Chine Corporation in 2020 did not meet the contractual agreement, the Group is not obligated to pay the contingent consideration. As of March 31, 2021, the earnings per share in 2020 has met the contractual agreement and, therefore, the Group expects to pay the contingent consideration on May 31, 2021.

2) Aggregate information of associates that are not individually material

	For the Three Months Ended March 31	
	2021	2020
The Group's share of:		
Loss from continuing operations	\$ (1,308)	\$ (7,146)
Other comprehensive income (loss)	<u>5,249</u>	<u>(26,858)</u>
Total comprehensive income (loss) for the year	<u>\$ 3,941</u>	<u>\$ (34,004)</u>

b. Investments in joint ventures

	March 31, 2021	December 31, 2020	March 31, 2020
Joint ventures that are not individually material			
Jiangsu Union Mining Industry Ltd. (Note)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 164,282</u>

Note: On January 17, 2019, the board of directors resolved to liquidate the company. On December 29, 2020, the cancellation of registration was completed.

Investments in abovementioned joint ventures are accounted for using the equity method.

c. The investment accounted for using the equity method and the Group's share of profit or loss from such investment is calculated by using each entity's non-reviewed financial report.

17. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2021	December 31, 2020	March 31, 2020
Assets used by the Group	\$ 5,746,333	\$ 6,126,784	\$ 6,429,205
Assets leased under operating leases	<u>67,640</u>	<u>68,649</u>	<u>98,063</u>
	<u>\$ 5,813,973</u>	<u>\$ 6,195,433</u>	<u>\$ 6,527,268</u>

a. Assets used by the Group

	Land	Building	Machinery and Equipment	Transportation Equipment	Leasehold Improvement	Other Equipment	Property under Construction	Total
<u>Cost</u>								
Balance at January 1, 2020	\$ 1,053,422	\$ 3,649,892	\$ 821,036	\$ 17,732	\$ 2,716,705	\$ 628,807	\$ 91,480	\$ 8,979,074
Additions	-	164	587	-	30,744	7,973	9,799	49,267
Disposals	(5,377)	-	-	-	-	-	-	(5,377)
Reclassified from property under construction	-	9,590	-	-	74,608	4,412	(88,610)	-
Effect of foreign currency exchange differences	<u>10,585</u>	<u>37,107</u>	<u>1,496</u>	<u>(21)</u>	<u>386</u>	<u>4,006</u>	<u>69</u>	<u>53,628</u>
Balance at March 31, 2020	<u>\$ 1,058,630</u>	<u>\$ 3,696,753</u>	<u>\$ 823,119</u>	<u>\$ 17,711</u>	<u>\$ 2,822,443</u>	<u>\$ 645,198</u>	<u>\$ 12,738</u>	<u>\$ 9,076,592</u>
<u>Revaluation</u>								
Balance at January 1, 2020	\$ -	\$ -	\$ 15,806	\$ -	\$ -	\$ 357	\$ -	\$ 16,163
Disposals	-	-	-	-	-	-	-	-
Effect of foreign currency exchange differences	-	-	-	-	-	-	-	-
Balance at March 31, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,806</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 357</u>	<u>\$ -</u>	<u>\$ 16,163</u>
<u>Accumulated Depreciation</u>								
Balance at January 1, 2020	\$ -	\$ 12,175	\$ 559,835	\$ 11,918	\$ 1,609,350	\$ 158,107	\$ -	\$ 2,351,385
Depreciation expense	-	34,972	11,160	368	32,374	24,556	-	103,430
Disposals	-	-	-	-	-	-	-	-
Effect of foreign currency exchange differences	-	370	(286)	(3)	86	177	-	344
Balance at March 31, 2020	<u>\$ -</u>	<u>\$ 47,517</u>	<u>\$ 570,709</u>	<u>\$ 12,283</u>	<u>\$ 1,641,810</u>	<u>\$ 182,840</u>	<u>\$ -</u>	<u>\$ 2,455,159</u>
<u>Accumulated Impairment</u>								
Balance at January 1, 2020	\$ -	\$ -	\$ 55,848	\$ -	\$ 152,610	\$ -	\$ -	\$ 208,458
Effect of foreign currency exchange differences	-	-	(67)	-	-	-	-	(67)
Balance at March 31, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,781</u>	<u>\$ -</u>	<u>\$ 152,610</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 208,391</u>
Carrying amount at January 1, 2020	<u>\$ 1,053,422</u>	<u>\$ 3,637,717</u>	<u>\$ 221,159</u>	<u>\$ 5,814</u>	<u>\$ 954,745</u>	<u>\$ 471,057</u>	<u>\$ 91,480</u>	<u>\$ 6,435,394</u>
Carrying amount at March 31, 2020	<u>\$ 1,058,630</u>	<u>\$ 3,649,236</u>	<u>\$ 212,435</u>	<u>\$ 5,428</u>	<u>\$ 1,028,023</u>	<u>\$ 462,715</u>	<u>\$ 12,738</u>	<u>\$ 6,429,205</u>
<u>Cost</u>								
Balance at January 1, 2021	\$ 1,049,179	\$ 3,664,218	\$ 810,215	\$ 18,722	\$ 2,871,645	\$ 649,990	\$ 29,612	\$ 9,093,581
Additions	-	4,258	-	1,330	-	3,423	44,232	53,243
Disposals	-	-	(368)	-	-	-	-	(368)
Effect of foreign currency exchange differences	<u>(70,315)</u>	<u>(247,049)</u>	<u>(12,441)</u>	<u>(23)</u>	<u>49</u>	<u>(27,551)</u>	<u>(958)</u>	<u>(358,288)</u>
Balance at March 31, 2021	<u>\$ 978,864</u>	<u>\$ 3,421,427</u>	<u>\$ 797,406</u>	<u>\$ 20,029</u>	<u>\$ 2,871,694</u>	<u>\$ 625,862</u>	<u>\$ 72,886</u>	<u>\$ 8,788,168</u>
<u>Revaluation</u>								
Balance at January 1, 2021	\$ -	\$ -	\$ 15,806	\$ -	\$ -	\$ 357	\$ -	\$ 16,163
Disposals	-	-	-	-	-	-	-	-
Effect of foreign currency exchange differences	-	-	-	-	-	-	-	-
Balance at March 31, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,806</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 357</u>	<u>\$ -</u>	<u>\$ 16,163</u>
<u>Accumulated Depreciation</u>								
Balance at January 1, 2021	\$ -	\$ 154,485	\$ 573,788	\$ 13,217	\$ 1,759,806	\$ 256,385	\$ -	\$ 2,757,681
Depreciation expense	-	34,823	6,951	458	29,310	24,548	-	96,090
Disposals	-	-	(368)	-	-	-	-	(368)
Effect of foreign currency exchange differences	-	(11,880)	(1,929)	(8)	(3)	(6,802)	-	(20,622)
Balance at March 31, 2021	<u>\$ -</u>	<u>\$ 177,428</u>	<u>\$ 578,442</u>	<u>\$ 13,667</u>	<u>\$ 1,789,113</u>	<u>\$ 274,131</u>	<u>\$ -</u>	<u>\$ 2,832,781</u>

(Continued)

	Land	Building	Machinery and Equipment	Transportation Equipment	Leasehold Improvement	Other Equipment	Property under Construction	Total
Accumulated Impairment								
Balance at January 1, 2021	\$ -	\$ -	\$ 55,987	\$ -	\$ 169,292	\$ -	\$ -	\$ 225,279
Effect of foreign currency exchange differences	-	-	(46)	-	(16)	-	-	(62)
Balance at March 31, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,941</u>	<u>\$ -</u>	<u>\$ 169,276</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 225,217</u>
Carrying amount at January 1, 2021	<u>\$ 1,049,179</u>	<u>\$ 3,509,733</u>	<u>\$ 196,246</u>	<u>\$ 5,505</u>	<u>\$ 942,547</u>	<u>\$ 393,962</u>	<u>\$ 29,612</u>	<u>\$ 6,126,784</u>
Carrying amount at March 31, 2021	<u>\$ 978,864</u>	<u>\$ 3,243,999</u>	<u>\$ 178,829</u>	<u>\$ 6,362</u>	<u>\$ 913,305</u>	<u>\$ 352,088</u>	<u>\$ 72,886</u>	<u>\$ 5,746,333</u>

(Concluded)

The above items of property, plant and equipment used by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings

Office building	20 years
Storage and plant	20 years
Others	6-47 years
Machinery and equipment	2-20 years
Transportation equipment	3-8 years
Leasehold improvement	
Office building	8-40 years
Storage and plant	7-24 years
Others	3-24 years
Other equipment	2-20 years

b. Assets leased under operating leases

	Machinery and Equipment	Leasehold Improvement	Other Equipment	Total
Cost				
Balance at January 1, 2020	\$ 224,863	\$ 126,553	\$ 2,736	\$ 354,152
Additions	-	-	-	-
Effect of foreign currency exchange differences	(1,646)	(597)	(20)	(2,263)
Balance at March 31, 2020	<u>\$ 223,217</u>	<u>\$ 125,956</u>	<u>\$ 2,716</u>	<u>\$ 351,889</u>
Accumulated depreciation and impairment				
Balance at January 1, 2020	\$ 201,825	\$ 49,792	\$ 2,355	\$ 253,972
Depreciation expense	128	1,487	15	1,630
Effect of foreign currency exchange differences	(1,479)	(280)	(17)	(1,776)
Balance at March 31, 2020	<u>\$ 200,474</u>	<u>\$ 50,999</u>	<u>\$ 2,353</u>	<u>\$ 253,826</u>
Carrying amount at January 1, 2020	<u>\$ 23,038</u>	<u>\$ 76,761</u>	<u>\$ 381</u>	<u>\$ 100,180</u>
Carrying amount at March 31, 2020	<u>\$ 22,743</u>	<u>\$ 74,957</u>	<u>\$ 363</u>	<u>\$ 98,063</u>

(Continued)

	Machinery and Equipment	Leasehold Improvement	Other Equipment	Total
<u>Cost</u>				
Balance at January 1, 2021	\$ 239,590	\$ 82,797	\$ 2,779	\$ 325,166
Additions	-	-	-	-
Effect of foreign currency exchange differences	<u>(1,233)</u>	<u>(426)</u>	<u>(15)</u>	<u>(1,674)</u>
Balance at March 31, 2021	<u>\$ 238,357</u>	<u>\$ 82,371</u>	<u>\$ 2,764</u>	<u>\$ 323,492</u>
<u>Accumulated depreciation</u>				
Balance at January 1, 2021	\$ 206,250	\$ 39,998	\$ 2,452	\$ 248,700
Depreciation expense	325	320	15	660
Effect of foreign currency exchange differences	<u>(1,064)</u>	<u>(208)</u>	<u>(13)</u>	<u>(1,285)</u>
Balance at March 31, 2021	<u>\$ 205,511</u>	<u>\$ 40,110</u>	<u>\$ 2,454</u>	<u>\$ 248,075</u>
<u>Accumulated impairment</u>				
Balance at January 1, 2021	\$ -	\$ 7,817	\$ -	\$ 7,817
Impairment losses	-	-	-	-
Effect of foreign currency exchange differences	<u>-</u>	<u>(40)</u>	<u>-</u>	<u>(40)</u>
Balance at March 31, 2021	<u>\$ -</u>	<u>\$ 7,777</u>	<u>\$ -</u>	<u>\$ 7,777</u>
Carrying amount at January 1, 2021	<u>\$ 33,340</u>	<u>\$ 34,982</u>	<u>\$ 327</u>	<u>\$ 68,649</u>
Carrying amount at March 31, 2021	<u>\$ 32,846</u>	<u>\$ 34,484</u>	<u>\$ 310</u>	<u>\$ 67,640</u>

Operating leases relate to leases of machinery and equipment and leasehold improvement in the Port of Longwu, Shanghai, with lease terms from 2019 to 2023. The operating lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating lease payments was as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Year 1	\$ 29,563	\$ 28,906	\$ 29,078
Year 2	29,650	28,991	29,160
Year 3	22,279	29,070	29,245
Year 4	<u>-</u>	<u>-</u>	<u>21,978</u>
	<u>\$ 81,492</u>	<u>\$ 86,967</u>	<u>\$ 109,461</u>

The above items of property, plant and equipment leased under operating leases are depreciated on a straight-line basis over their estimated useful lives as follows:

Machinery and equipment	10-15 years
Leasehold improvement	
Office building	40 years
Storage and plant	37-40 years
Others	40 years
Other equipment	2-5 years

c. Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 37.

18. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Carrying amount</u>			
Land use rights	\$ 595,804	\$ 602,828	\$ 620,556
Land improvement	774,196	783,003	812,675
Building	377,266	396,456	385,499
Machinery and equipment	112	139	192
Transportation equipment	<u>3,527</u>	<u>3,930</u>	<u>2,372</u>
	<u>\$ 1,750,905</u>	<u>\$ 1,786,356</u>	<u>\$ 1,821,294</u>
		For the Three Months Ended March 31	
		2021	2020
Additions to right-of-use assets		<u>\$ 1,589</u>	<u>\$ 12,664</u>
Depreciation charge for right-of-use assets			
Land use right		\$ 6,493	\$ 6,722
Land improvement		8,891	8,765
Building		18,567	15,485
Machinery and equipment		17	17
Transportation equipment		<u>334</u>	<u>212</u>
		<u>\$ 34,302</u>	<u>\$ 31,201</u>

b. Lease liabilities

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Carrying amount</u>			
Current	<u>\$ 124,942</u>	<u>\$ 124,926</u>	<u>\$ 112,969</u>
Non-current	<u>\$ 1,696,724</u>	<u>\$ 1,723,014</u>	<u>\$ 1,722,376</u>

Ranges of discount rate for lease liabilities were as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Land use right	1.38%-5.46%	1.38%-5.46%	1.38%-5.46%
Land improvement	1.38%-1.58%	1.38%-1.58%	1.38%-1.58%
Building	1.30%-5.59%	1.30%-5.59%	1.38%-4.99%
Machinery and equipment	5.20%	5.20%	5.20%
Transportation equipment	2.00%-6.12%	2.00%-6.12%	2.00%

c. Material leasing activities and terms as lessee

1) Warehousing and storage service at the wharves

In order to operate in cargo loading, unloading, storage and transit business, the Group entered into two lease contracts in December 2009 and December 2014, respectively, to lease the first bulk and general cargo center in Port of Taipei (“Port of Taipei”) from Port of Keelung Taiwan International Ports Corporation Ltd., and to lease the wharf and equipment attached in the Port of Taichung from Port of Taichung Taiwan International Ports Corporation Ltd. (“Port of Taichung”). The lease term for Port of Taipei lasts for 35 years and 5 months that commenced on December 10, 2009; the lease term for Port of Taichung lasts from December 1, 2014 to December 31, 2024. The rentals for lands in Port of Taipei are calculated on the basis of the regional average rent and the annual rental ratio of the market price of each square meter announced by the government. The leases are adjusted in line with the regional rent and ratio of the market price announced publicly. The rentals for buildings are adjusted in accordance with annual “Construction Cost Index” published by the Directorate General of Budget, Accounting and Statistics (DGBAS), the Executive Yuan of the ROC.

The rentals for the land in Port of Taichung are calculated based on land value of the area and the annual rate of rent approved by the government, and will adapt to any adjustments made by the government. The rent for the equipment of Port of Taichung is adjusted yearly based on the Annual Wholesale Price Indices of Taiwan, and the percentage of changes is limited to 2 percent.

According to the abovementioned contracts, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessors’ consent. At the end of the contract terms, the Group has the right to apply for extension, and a new contract can be signed at both parties’ consent.

Joint Operating Agreement

In order to operate a bulk cement business in China, the Group entered into a joint operating agreement with Shanghai Longwu Harbor Company (“Longwu Harbor”). According to the agreement, Longwu Harbor should lease the land use right of its pier to the Group. The lease term lasts for 40 years, commencing on the date the joint venture company, established by the two parties, obtains its business license. Beginning on the sixth year of the lease term, the rent should be adjusted annually based on the increasing rate of the average annual cement price listed on the Shanghai Construction Engineering Cost Information System. When the cement price decreased, no rental adjustment should be made. At the end of the contract term, the contract can be extended and registered with relevant government agencies according to the agreement between both parties.

2) Healthcare business

In order to develop its healthcare business, the Group entered into leasing contracts of buildings for operation purposes in both Taiwan and China. The lease terms range from 10 to 15 years. At the end of the lease term, the Group has the right to apply for extension and bargain renewal options. However, the Group has no bargain purchase options and is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessors' consent.

d. Other lease information

The Group's leases as lessor of property, plant and equipment and investment properties under operating leases are set out in Notes 17 and 19, respectively; finance leases of assets are set out in Note 11.

	For the Three Months Ended March 31	
	2021	2020
Expenses relating to short-term leases	<u>\$ 1,426</u>	<u>\$ 1,144</u>
Expenses relating to low-value asset leases	<u>\$ 323</u>	<u>\$ 225</u>
Total cash outflow for leases	<u>\$ (36,411)</u>	<u>\$ (31,007)</u>

The Group's leases of certain office equipment, transportation equipment and buildings qualify as short-term and low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

19. INVESTMENT PROPERTIES

	Land	Building	Investment Property under Construction	Total
<u>Cost</u>				
Balance at January 1, 2020	\$ 2,169,973	\$ 336,550	\$ 93,802	\$ 2,600,325
Additions	-	-	4,825	4,825
Disposals	-	(30,466)	-	(30,466)
Effect of foreign currency exchange differences	<u>4,163</u>	<u>(458)</u>	<u>994</u>	<u>4,699</u>
Balance at March 31, 2020	<u>\$ 2,174,136</u>	<u>\$ 305,626</u>	<u>\$ 99,621</u>	<u>\$ 2,579,383</u>
<u>Revaluation</u>				
Balance at January 1, 2020	\$ 3,854,646	\$ 156,455	\$ -	\$ 4,011,101
Disposals	-	(4,443)	-	(4,443)
Effect of foreign currency exchange differences	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at March 31, 2020	<u>\$ 3,854,646</u>	<u>\$ 152,012</u>	<u>\$ -</u>	<u>\$ 4,006,658</u>

(Continued)

	Land	Building	Investment Property under Construction	Total
<u>Accumulated Depreciation</u>				
Balance at January 1, 2020	\$ -	\$ 369,693	\$ -	\$ 369,693
Depreciation expense	-	2,228	-	2,228
Disposals	-	(34,909)	-	(34,909)
Effect of foreign currency exchange differences	-	(183)	-	(183)
Balance at March 31, 2020	<u>\$ -</u>	<u>\$ 336,829</u>	<u>\$ -</u>	<u>\$ 336,829</u>
<u>Accumulated impairment</u>				
Balance at January 1, 2020	\$ -	\$ 11,470	\$ -	\$ 11,470
Effect of foreign currency exchange differences	-	(85)	-	(85)
Balance at March 31, 2020	<u>\$ -</u>	<u>\$ 11,385</u>	<u>\$ -</u>	<u>\$ 11,385</u>
Carrying amount at January 1, 2020	<u>\$ 6,024,619</u>	<u>\$ 111,842</u>	<u>\$ 93,802</u>	<u>\$ 6,230,263</u>
Carrying amount at March 31, 2020	<u>\$ 6,028,782</u>	<u>\$ 109,424</u>	<u>\$ 99,621</u>	<u>\$ 6,237,827</u>
<u>Cost</u>				
Balance at January 1, 2021	\$ 2,168,581	\$ 305,852	\$ 127,139	\$ 2,601,572
Additions	-	-	1,590	1,590
Effect of foreign currency exchange differences	(27,657)	(327)	(8,619)	(36,603)
Balance at March 31, 2021	<u>\$ 2,140,924</u>	<u>\$ 305,525</u>	<u>\$ 120,110</u>	<u>\$ 2,566,559</u>
<u>Revaluation</u>				
Balance at January 1, 2021	\$ 3,739,647	\$ 151,645	\$ -	\$ 3,891,292
Effect of foreign currency exchange differences	-	-	-	-
Balance at March 31, 2021	<u>\$ 3,739,647</u>	<u>\$ 151,645</u>	<u>\$ -</u>	<u>\$ 3,891,292</u>
<u>Accumulated depreciation</u>				
Balance at January 1, 2021	\$ -	\$ 342,514	\$ -	\$ 342,514
Depreciation expense	-	2,233	-	2,233
Effect of foreign currency exchange differences	-	(139)	-	(139)
Balance at March 31, 2021	<u>\$ -</u>	<u>\$ 344,608</u>	<u>\$ -</u>	<u>\$ 344,608</u>

(Continued)

	Land	Building	Investment Property under Construction	Total
<u>Accumulated impairment</u>				
Balance at January 1, 2021	\$ -	\$ 11,649	\$ -	\$ 11,649
Effect of foreign currency exchange differences	<u>-</u>	<u>(59)</u>	<u>-</u>	<u>(59)</u>
Balance at March 31, 2021	<u>\$ -</u>	<u>\$ 11,590</u>	<u>\$ -</u>	<u>\$ 11,590</u>
Carrying amount at January 1, 2021	<u>\$ 5,908,228</u>	<u>\$ 103,334</u>	<u>\$ 127,139</u>	<u>\$ 6,138,701</u>
Carrying amount at March 31, 2021	<u>\$ 5,880,571</u>	<u>\$ 100,972</u>	<u>\$ 120,110</u>	<u>\$ 6,101,653</u> (Concluded)

The abovementioned investment properties are depreciated on a straight-line basis over their estimated useful lives from 5 to 60 years.

The investment properties are not evaluated by an independent valuer but valued by the Group's management using the valuation model that market participants would use in determining the fair value, and the fair value was measured using Level 3 inputs. The valuation was arrived at by reference to market evidence of transaction prices for similar properties and by discounted cash flow analysis. The significant unobservable inputs used include discount rates. The appraised fair value is as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
The fair values of investment properties	\$ 13,401,006	\$ 13,430,041	\$ 14,772,035
Discount rate	6.4605%	6.4605%	5.13%

The Group's investment properties under construction is located on the seaside, Toyosaki Japan. Because the location is still in the development stage, the comparable market transactions occur infrequently and no substitute estimated fair value can be obtained. As a result, the Group cannot reliably determine the fair value of investment property under construction.

All of the Group's investment properties are freehold properties. The investment properties pledged as collateral for bank borrowings are set out in Note 37.

20. OTHER INTANGIBLE ASSETS

	March 31, 2021	December 31, 2020	March 31, 2020
Computer software	<u>\$ 9,923</u>	<u>\$ 11,347</u>	<u>\$ 6,466</u>

Except for amortization recognized, the Group did not have significant addition, disposal, or impairment of other intangible assets during the three months ended March 31, 2021 and 2020. Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	5 years
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	For the Three Months Ended March 31	
	2021	2020
An analysis of amortization by function		
General and administrative expenses	<u>\$ 686</u>	<u>\$ 308</u>

21. OTHER ASSETS

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Current</u>			
Prepayments			
Prepayment for investment	\$ 22,828	\$ -	\$ -
Prepaid guarantee for freight	40,776	51,824	19,568
Overpaid sales tax	33,644	27,744	27,258
Office supplies	8,337	7,811	10,378
Prepayment for purchase	149	150	354
Prepaid rents	2,334	2,191	2,764
Others	<u>12,601</u>	<u>11,126</u>	<u>12,624</u>
	<u>\$ 120,669</u>	<u>\$ 100,846</u>	<u>\$ 72,946</u>
Other current assets			
Others	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,486</u>
<u>Non-current</u>			
Other non-current assets			
Prepayments for equipment	\$ 18,019	\$ 17,614	\$ 24,335
Others	4,734	5,809	6,122
Overdue receivables (Note 9)	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 22,753</u>	<u>\$ 23,423</u>	<u>\$ 30,457</u>

22. BORROWINGS

a. Short-term borrowings

	March 31, 2021	December 31, 2020	March 31, 2020
Secured borrowings	\$ 80,000	\$ 75,000	\$ -
Unsecured borrowings	<u>800,000</u>	<u>1,489,000</u>	<u>1,311,180</u>
	<u>\$ 880,000</u>	<u>\$ 1,564,000</u>	<u>\$ 1,311,180</u>

- 1) The range of interest rates on bank loans was 0.85%-0.95%, 0.85%-0.95%, and 0.85%-1.28% per annum as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively.
- 2) Refer to Note 37 for information on collaterals for the abovementioned borrowings.

b. Short-term bills payable

	March 31, 2021	December 31, 2020	March 31, 2020
Commercial paper	\$ -	\$ 137,000	\$ 470,000
Less: Unamortized discounts on bills payable	<u>-</u>	<u>(227)</u>	<u>(315)</u>
	<u>\$ -</u>	<u>\$ 136,773</u>	<u>\$ 469,685</u>

Outstanding short-term bills payable were as follows:

December 31, 2020

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate Range	Collateral
<u>Commercial paper</u>					
International Bills	\$ 60,000	\$ (88)	\$ 59,912	0.958%	None
Mega Bills	50,000	(75)	49,925	0.968%	None
China Development Bills	<u>27,000</u>	<u>(64)</u>	<u>26,936</u>	0.988%	None
	<u>\$ 137,000</u>	<u>\$ (227)</u>	<u>\$ 136,773</u>		

March 31, 2020

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate Range	Collateral
<u>Commercial paper</u>					
International Bills	\$ 170,000	\$ (46)	\$ 169,954	1.038%	None
China Development Bills	200,000	(151)	199,849	1.038%	None
Shanghai Commercial Savings Bank	<u>100,000</u>	<u>(118)</u>	<u>99,882</u>	1.038%	None
	<u>\$ 470,000</u>	<u>\$ (315)</u>	<u>\$ 469,685</u>		

c. Long-term borrowings

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Secured borrowings</u>			
Bank loans (1)	\$ 5,566,166	\$ 5,585,286	\$ 5,521,564
Loans from governments (2)	2,365,409	2,526,632	2,383,352
<u>Unsecured borrowings</u>			
Bank loans (3)	<u>1,108,110</u>	<u>1,188,090</u>	<u>573,960</u>
	9,039,685	9,300,008	8,478,876
Less: Current portion	<u>(523,462)</u>	<u>(528,223)</u>	<u>(923,708)</u>
Long-term borrowings	<u>\$ 8,516,223</u>	<u>\$ 8,771,785</u>	<u>\$ 7,555,168</u>

- 1) The Group signed medium-term secured loan contracts with First Commercial Bank, Cathay United Bank, Bank SinoPac, China Trust Commercial Bank and Taiwan Cooperative Bank, respectively. The bank loan is to be repaid at once or in instalments according to the agreement. The facility allows drawdown on a revolving basis. For the three months ended March 31, 2021 and 2020, the Group has not drawn any new bank loan, and the annual interest rate was 1.05%-1.29%, 1.05%-1.28% and 1.28%-1.49%, respectively. The loan is repayable in 5 to 7 years, and the final maturity date of the loan is May 28, 2027.
- 2) The Group entered into a secured government loan facility contract with Okinawa Development Finance Corporation. The loan is to be repaid in installments according to the repayment schedule in the contract. For the three months ended March 31, 2021 and 2020, the Group has not drawn any new loan, and the annual interest rate is 0.05%-0.2% and 0.05%, respectively. The loan is repayable in 14 to 21 years. The final maturity date of the loan is June 25, 2042.
- 3) The Group signed medium-term unsecured loan contracts with Bank SinoPac, Taishin Bank and China Trust Commercial Bank. The bank loan is to be repaid at once or in instalments according to the agreement. The facility allows drawdown on a revolving basis. For the three months ended March 31, 2021 and 2020, the Group has not drawn any new bank loan, and the annual interest rate is 1.28%-1.29%, 1.27%-1.28% and 1.27%-1.41%, respectively. The loan is repayable in 3 to 5 years, and the final maturity date of the loan is August 30, 2024.
- 4) Refer to Note 37 for information on collaterals for the abovementioned borrowings.

23. NOTES PAYABLE AND TRADE PAYABLES

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Notes payable</u>			
Operating	<u>\$ 2,099</u>	<u>\$ 3,011</u>	<u>\$ 2,177</u>
<u>Trade payables</u>			
Operating	<u>\$ 74,374</u>	<u>\$ 76,579</u>	<u>\$ 107,952</u>

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

24. OTHER LIABILITIES

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Current</u>			
Other payables			
Payables for salaries and bonuses	\$ 70,686	\$ 112,768	\$ 74,990
Payables for machinery and equipment and construction in progress	697	1,041	192,913
Payables for VAT	140,371	129,923	27,469
Payables for interests	2,135	2,668	1,454
Payables for professional fees	2,726	11,176	2,392
Payables for insurance	4,137	4,523	5,175
Payables for contingent consideration (Note 16)	50,000	50,000	-
Others	<u>30,027</u>	<u>33,616</u>	<u>24,509</u>
	<u>\$ 300,779</u>	<u>\$ 345,715</u>	<u>\$ 328,902</u>
Advanced receipts			
Advanced rental receipts	<u>\$ 10,177</u>	<u>\$ 11,829</u>	<u>\$ 12,757</u>
Other liabilities			
Receipts under custody	<u>\$ 9,310</u>	<u>\$ 8,093</u>	<u>\$ 2,922</u>
<u>Non-current</u>			
Deferred revenue			
Government grants (Note 32)	<u>\$ 404,232</u>	<u>\$ 437,169</u>	<u>\$ 442,218</u>

25. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

The Company and the Group's subsidiaries in Taiwan adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Group makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group's subsidiaries in mainland China are members of a state-managed retirement benefit plan operated by the government of the People's Republic of China, which is a defined contribution plan.

The employees of the Group's subsidiaries in Japan are members of a state-managed retirement benefit plan operated by the local government. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

For the three months ended on March 31, 2021 and 2020, the amounts included in the consolidated statements of comprehensive income in respect of the Group's defined contribution plan were \$2,994 thousand and \$2,726 thousand, respectively.

b. Defined benefit plan

For the three months ended March 31, 2021 and 2020, the pension expenses of defined benefit plans were \$584 thousand and \$592 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2020 and 2019, respectively.

26. EQUITY

a. Share capital

Ordinary shares

	March 31, 2021	December 31, 2020	March 31, 2020
Shares authorized (in thousands of shares)	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>
Amount of authorized shares	<u>\$ 15,000,000</u>	<u>\$ 15,000,000</u>	<u>\$ 15,000,000</u>
Shares issued and fully paid (in thousands of shares)	<u>774,781</u>	<u>774,781</u>	<u>774,781</u>
Amount of shares issued and fully paid	<u>\$ 7,747,805</u>	<u>\$ 7,747,805</u>	<u>\$ 7,747,805</u>

Fully paid ordinary shares, which have a par value of NT\$10, carry one vote per share and carry a right to dividends.

b. Capital surplus

	March 31, 2021	December 31, 2020	March 31, 2020
<u>May only be used to offset a deficit (1)</u>			
Treasury share transaction	\$ 367,772	\$ 367,772	\$ 367,772
Share-based payments	1,200	-	-
Unclaimed dividends extinguished by prescription	11,908	11,908	9,593
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (2)</u>			
Treasury share transaction			
Dividends paid to subsidiaries	555,790	555,790	444,542
Disposal of treasury shares	24,901	24,925	24,925
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal	<u>7</u>	<u>7</u>	<u>545</u>
	<u>\$ 961,578</u>	<u>\$ 960,402</u>	<u>\$ 847,377</u>

1) Such capital surplus may only be used to offset a deficit.

2) Such capital surplus may be used to offset a deficit; in addition, when the Group has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Group's paid-in capital each year).

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the amended Articles of Incorporation of the Company, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors, refer to Note 28(g).

Under the Company's residual dividend policy, an appropriate amount of earnings shall be retained for future business expansion and capital needs. Distribution will be made from remaining unappropriated earnings, if any.

Dividends shall be distributed at a total of more than 10% each year. Cash dividend shall be not less than 10% and the balance shall be in shares.

According to the Company Act No. 237, the Company shall recognize as legal reserve 10% of the remaining profit, until the accumulated legal reserve equals the total amount of paid-in capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The Company is required to make appropriation to or reversal from the special reserve for the items referred to in Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs". The FSC issued Rule No. 1090150022 on March 31, 2021. Rule No. 1090150022 repealed Rule No. 1010047490 on the same day and will repeal Rule No. 1010012865 effective on December 31, 2021.

The appropriations of earnings for 2020 proposed in the board of directors' meeting on March 29, 2021 and the appropriation of earnings for 2019 approved in the shareholders' regular meeting on June 22, 2020 were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2020	2019
Legal reserve	<u>\$ 183,510</u>	<u>\$ 176,052</u>
Special reserve (reversed)	<u>\$ (70,347)</u>	<u>\$ -</u>
Cash dividends	<u>\$ 1,079,560</u>	<u>\$ 771,781</u>
Cash dividends per share (NT\$)	\$ 1.4	\$ 1.0

The appropriation of earnings for 2020 is subject to the resolution of the shareholders in the shareholders' regular meeting to be held on June 17, 2021.

d. Special reserve

If a special reserve appropriated on the first-time adoption of IFRSs relates to investment properties other than land, the special reserve may be reversed continuously over the period of use or may be reversed upon the disposal or reclassification of the related assets. The special reserve related to land may be reversed on the disposal or reclassification of the land.

In addition to the special reserve that the Company can voluntarily appropriate according to the Articles, the Company may also appropriate or reverse special reserve under the Rule No. 1010012865 issued by the FSC and the directive titled “Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs”. If there is subsequent reversal of debits to other equity items, the Company may distribute the reversed debit amounts as dividends. The FSC issued Rule No. 1090150022 on March 31, 2021 to repeal Rule No. 1010012865 effective on December 31, 2021.

The special reserves recognized as of March 31, 2021, December 31, 2020 and March 31, 2020 were as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Appropriation in respect of the Articles of Incorporation of the Company	\$ 295,756	\$ 295,756	\$ 295,756
First application of Rule No. 1010012865 issued by the FSC			
Revaluation of investment properties (Note)	1,811,158	1,811,158	1,881,505
Exchange differences on translation of the financial statements of foreign operations	<u>168,790</u>	<u>168,790</u>	<u>168,790</u>
	<u>\$ 2,275,704</u>	<u>\$ 2,275,704</u>	<u>\$ 2,346,051</u>

Note: The Group reversed \$70,347 thousand of revaluation of investment properties originated from the first application of rule issued by the FSC due to the completion of subsequent disposal transactions.

e. Other equity items

1) Exchange differences on translation of the financial statements of foreign operations:

	For the Three Months Ended March 31	
	2021	2020
Balance at January 1	\$ (404,225)	\$ (343,071)
Recognized for the year		
Exchange differences on translation of the financial statements of foreign operations	(121,534)	2,618
Shares from associates accounted for using the equity method	(258)	(261)
Related income tax	<u>38,923</u>	<u>(2,665)</u>
Other comprehensive income recognized for the period	<u>(82,869)</u>	<u>(308)</u>
Balance at March 31	<u>\$ (487,094)</u>	<u>\$ (343,379)</u>

2) Unrealized gain (loss) on financial assets at FVTOCI

	For the Three Months Ended March 31	
	2021	2020
Balance at January 1	\$ 5,343,439	\$ 4,997,339
Recognized for the year		
Unrealized gain (loss) - financial instrument at FVTOCI	1,056,294	(1,331,392)
Share from associates accounted for using the equity method	<u>38,951</u>	<u>(133,112)</u>
Other comprehensive income recognized for the year	<u>1,095,245</u>	<u>(1,464,504)</u>
Balance at March 31	<u>\$ 6,438,684</u>	<u>\$ 3,532,835</u>

f. Non-controlling interests

	For the Three Months Ended March 31	
	2021	2020
Balance at January 1	\$ 835,202	\$ 862,783
Share in profit (loss) for the year	6,797	(4,105)
Other comprehensive income during the year		
Exchange differences on translation of the financial statements of foreign entities	(1,236)	(1,077)
Related income tax	147	146
Unrealized gain (loss) on financial assets at FVTOCI	43,357	(50,017)
Share in other comprehensive income of associates accounted for using the equity method	343	(1,759)
Balance at March 31	<u>\$ 884,610</u>	<u>\$ 805,971</u>

g. Treasury shares

Purpose of Buy-back	Shares Repurchased/ Cancelled (In Thousands of Shares)	Shares Held by Subsidiaries (In Thousands of Shares)	Total (In Thousands of Shares)
Number of shares at January 1, 2020	3,000	127,371	130,371
Increase during the period	491	-	491
Decrease during the period	<u>-</u>	<u>-</u>	<u>-</u>
Number of shares at March 31, 2020	<u>3,491</u>	<u>127,371</u>	<u>130,862</u>
Number of shares at January 1, 2021	4,435	127,371	131,806
Increase during the period	-	-	-
Decrease during the period	<u>(769)</u>	<u>-</u>	<u>(769)</u>
Number of shares at March 31, 2021	<u>3,666</u>	<u>127,371</u>	<u>131,037</u>

In order to encourage the employees to achieve better work quality and improve the competitiveness of the company, the Company repurchases its own shares for the purpose of transferring them to its employees under the circumstances described in Article 28-2, paragraph 1, subparagraph 1 of the Securities and Exchange Act.

In the board of directors' meeting No. 429, the Company planned to repurchase 7,000 thousand of its own shares from the centralized securities exchange market during the period from March 26, 2020 to May 24, 2020 at the price ranging from \$11 to \$16, with a maximum total amount of NT\$112,000 thousand.

The abovementioned repurchase plan is for the purpose of transferring treasury shares to the Company's employees. As of March 31, 2020, the Company had already repurchased 491 thousand shares, with a total amount of NT\$7,300 thousand.

In the first quarter of 2021, the Company transferred 769 thousand treasury shares to its employees at the price of \$13.7 per share; the treasury shares were repurchased in 2018 under the first repurchase plan. The Company recognized \$1,200 thousand of compensation costs on the grant date, and recognized \$1,176 thousand of capital surplus-treasury shares transaction on the shares settlement date. Refer to Note 31 for information on share-based payment arrangements.

Prior to the amendment of the Company Act at the end of 2001, subsidiaries purchased shares of the Company on the open market in line with government policy and in order to maintain the stability of the share price on the open market, and the relevant information on the holding of the Company's shares is as follows:

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
<u>March 31, 2021</u>			
<u>By direct investment</u>			
Tong Yang Chia Hsin International Corporation	127,371	<u>\$ 1,055,710</u>	<u>\$ 2,315,214</u>
<u>December 31, 2020</u>			
<u>By direct investment</u>			
Tong Yang Chia Hsin International Corporation	127,371	<u>\$ 1,055,710</u>	<u>\$ 2,115,340</u>
<u>March 31, 2020</u>			
<u>By direct investment</u>			
Tong Yang Chia Hsin International Corporation	127,371	<u>\$ 1,055,710</u>	<u>\$ 1,682,278</u>

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote. The subsidiaries holding treasury shares, however, are bestowed shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

27. REVENUE

	For the Three Months Ended March 31	
	2021	2020
Revenue from contracts with customers		
Revenue from the sale of goods	\$ 275,960	\$ 236,261
Revenue from rent	62,316	66,258
Revenue from rendering of services	163,004	153,825
Revenue from catering and hospitality	<u>43,246</u>	<u>38,990</u>
	<u>\$ 544,526</u>	<u>\$ 495,334</u>

a. Contract information

Revenue from the sale of goods

The main operating revenue of the Group is from the sales of cement and other merchandise. All goods are sold at their respective fixed price as agreed in the contracts.

Revenue from rent

The rental income comes from the lease of property, plant and equipment. The Group recognizes the revenue according to the contract on accrual basis.

Revenue from rendering of services

The Group operates the cement silo and other storage and transport facilities in the wharves to provide warehousing and storage services. The fee is calculated based on the actual number of goods delivered and the agreed price in the signed contracts.

Revenue from catering and hospitality services

The Group recognizes the revenue from catering services once the merchandise is sold to the client. The consideration is collected from the client upon occurrence of the purchase transaction.

The Group recognizes the revenue from hospitality services once the service is rendered to the client. The contractual consideration is collected according to the agreed time schedule.

b. Contract balances

	March 31, 2021	December 31, 2020	March 31, 2020	January 1, 2020
Notes receivable and trade receivables (Note 9)	<u>\$ 229,493</u>	<u>\$ 256,134</u>	<u>\$ 220,230</u>	<u>\$ 226,422</u>
Trade receivables from related parties (Note 36)	<u>\$ 3,528</u>	<u>\$ 4,041</u>	<u>\$ 5,236</u>	<u>\$ 2,680</u>
Contract liabilities - current	<u>\$ 15,750</u>	<u>\$ 13,154</u>	<u>\$ 9,289</u>	<u>\$ 9,479</u>

c. Disaggregation of revenue

For information on disaggregation of revenue, please refer to Note 42.

28. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations was attributable to:

a. Interest income

	For the Three Months Ended March 31	
	2021	2020
Bank deposits	\$ 14,977	\$ 29,304
Financing provided to others	67	194
Less: Discontinued operations (Note 13)	<u>-</u>	<u>(3,743)</u>
	<u>\$ 15,044</u>	<u>\$ 25,755</u>

b. Other income

	For the Three Months Ended March 31	
	2021	2020
Rental income	\$ 7,998	\$ 7,292
Government grants (Note 32)	4,832	3,779
Others	<u>1,817</u>	<u>1,786</u>
	<u>\$ 14,647</u>	<u>\$ 12,857</u>

c. Other gains and losses

	For the Three Months Ended March 31	
	2021	2020
Gain on disposal of property, plant and equipment	\$ -	\$ 63,122
Net foreign exchange (loss) gain (h)	(7,229)	11,940
Gain (loss) on fair value changes of financial assets at FVTPL	85,652	(131,112)
Others	<u>(1,552)</u>	<u>(199)</u>
	<u>\$ 76,871</u>	<u>\$ (56,249)</u>

d. Finance costs

	For the Three Months Ended March 31	
	2021	2020
Interest on bank loans	\$ 33,649	\$ 24,098
Interest on lease liabilities	9,640	8,946
Less: Amounts included in the cost of qualifying assets	<u>(1,045)</u>	<u>(1,225)</u>
	<u>\$ 42,244</u>	<u>\$ 31,819</u>

Information about capitalized interest is as follows:

	For the Three Months Ended March 31	
	2021	2020
Capitalized interest amount	\$ 1,045	\$ 1,225
Capitalization rate	1.29%	1.43%
e. Depreciation and amortization		
	For the Three Months Ended March 31	
	2021	2020
Property, plant and equipment	\$ 96,750	\$ 105,060
Investment properties	2,233	2,228
Right-of-use assets	34,302	31,201
Other intangible assets	<u>686</u>	<u>308</u>
	<u>\$ 133,971</u>	<u>\$ 138,797</u>
An analysis of depreciation by function		
Operating costs	\$ 104,564	\$ 115,446
Operating expenses	<u>28,721</u>	<u>23,043</u>
	<u>\$ 133,285</u>	<u>\$ 138,489</u>
An analysis of amortization by function		
Operating expenses	<u>\$ 686</u>	<u>\$ 308</u>
f. Employee benefits expense		
	For the Three Months Ended March 31	
	2021	2020
Short-term benefits	\$ 101,329	\$ 102,924
Post-employment benefits (Note 25)		
Defined contribution plans	2,994	2,726
Defined benefit plans	584	592
Share-based payments		
Equity-settled	1,200	-
Other employee benefits	<u>3,793</u>	<u>3,414</u>
	<u>\$ 109,900</u>	<u>\$ 109,656</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 48,489	\$ 51,411
Operating expenses	<u>61,411</u>	<u>58,245</u>
	<u>\$ 109,900</u>	<u>\$ 109,656</u>

g. Compensation of employees and remuneration of directors

According to the Company's Articles of Incorporation, the Company accrues compensation of employees at rates of no less than 0.01% and no higher than 3%, and remuneration of directors at rates of no higher than 3% of net profit before income tax, compensation of employees and remuneration of directors.

The Company had loss before income tax for the three months ended March 31, 2021 and 2020. Therefore, no compensation of employees and remuneration of directors was accrued for the relevant period.

The appropriations of compensation of employees and remuneration of directors for 2020 and 2019 that were resolved by the board of directors on March 29, 2021 and March 25, 2020, respectively, are as shown below:

Amount

	For the Year Ended December 31			
	2020		2019	
	Cash	Shares	Cash	Shares
Compensation of employees	\$ 7,200	\$ -	\$ 15,625	\$ -
Remuneration of directors	18,000	-	4,261	-

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recognized as a change in the accounting estimate and recorded in the following year.

There is no difference between the amounts of compensation of employees and remuneration of directors resolved by the board of directors on March 29, 2021 and the amounts recognized in the consolidated financial statements for the years ended December 31, 2020.

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the financial statements for the year ended December 31, 2019.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors in 2020 and 2019 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gains and losses on foreign currency exchange

	For the Three Months Ended March 31	
	2021	2020
Foreign exchange gains	\$ 16,259	\$ 27,768
Foreign exchange losses	<u>(23,488)</u>	<u>(15,828)</u>
Net foreign exchange (losses) gains	<u>\$ (7,229)</u>	<u>\$ 11,940</u>

29. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended March 31	
	2021	2020
Current tax		
In respect of the current year	\$ 2,380	\$ 2,225
Deferred tax		
In respect of the current year	<u>7,095</u>	<u>9,011</u>
Income tax expense recognized in profit or loss	<u>\$ 9,475</u>	<u>\$ 11,236</u>

b. Income tax recognized in other comprehensive income

	For the Three Months Ended March 31	
	2021	2020
<u>Deferred tax</u>		
In respect of the current year		
Translation of foreign operations	<u>\$ 39,070</u>	<u>\$ (2,519)</u>
Total income tax recognized in other comprehensive income	<u>\$ 39,070</u>	<u>\$ (2,519)</u>

c. Income tax assessments

- 1) The income tax returns through 2017 of the Company and the subsidiary, Chia Hsin Property Management & Development Corporation, have been assessed by the tax authorities. The income tax returns through 2019 of YJ International Corporation, Tong Yang Chia Hsin International Corporation, Chia Pei International Corporation, Chia Sheng Construction Corp., Jaho Life Plus+ Management Corp., Ltd., and BlueSky. Co. have been assessed by the tax authorities. Except for the foregoing, the Company and the abovementioned subsidiaries do not involve in material pending action in regard of taxation.
- 2) Other overseas entities in the Group do not involve in any material pending action in regard of taxation.

30. LOSS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended March 31	
	2021	2020
Basic loss per share		
From continuing operations	\$ (0.20)	\$ (0.33)
From discontinued operations	<u>-</u>	<u>-</u>
Total basic loss per share	<u>\$ (0.20)</u>	<u>\$ (0.33)</u>
Diluted loss per share		
From continuing operations	\$ (0.20)	\$ (0.33)
From discontinued operations	<u>-</u>	<u>-</u>
Total diluted loss per share	<u>\$ (0.20)</u>	<u>\$ (0.33)</u>

The loss and weighted average number of ordinary shares outstanding used in the computation of loss per share were as follows:

Net Profit for the Year

	For the Three Months Ended March 31	
	2021	2020
Loss for the year attributable to owners of the Company	\$ (127,102)	\$ (210,089)
Less: Profit for the year from discontinued operations used in the computation of basic earnings per share from discontinued operations	<u>-</u>	<u>2,777</u>
Loss used in the computation of basic loss per share from continuing operations	(127,102)	(212,866)
Effect of potentially dilutive ordinary shares		
Compensation of employees	<u>-</u>	<u>-</u>
Loss used in the computation of diluted loss per share from continuing operations	<u>\$ (127,102)</u>	<u>\$ (212,866)</u>

Weighted Average Number of Ordinary Shares Outstanding (In Thousands of Shares)

	For the Three Months Ended March 31	
	2021	2020
Weighted average number of ordinary shares used in the computation of basic earnings per share	643,139	644,389
Effect of potentially dilutive ordinary shares:		
Compensation of employees (Note)	<u>-</u>	<u>-</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>643,139</u>	<u>644,389</u>

Note: The balance for the three months ended March 31, 2021 and 2020 was anti-dilutive and excluded from the computation of diluted earnings per share.

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

31. SHARE-BASED PAYMENT ARRANGEMENTS

Transaction of treasury shares granted to employees

In order to encourage the employees to achieve better work quality and improve the competitiveness of the Company, in the first quarter of 2021 the Group registered to transfer to its employees who met specific criteria a total of 769,000 shares; the shares were repurchased in 2018 under the first repurchase plan. The related information was as follows:

	For the Three Months Ended March 31, 2021	
	Number of Shares (In Thousands of Shares)	Weighted- average Exercise Price (\$)
Treasury Shares Granted to Employees		
Balance at January 1	-	\$ 13.7
Shares granted	769	
Shares forfeited	-	
Shares exercised	(769)	
Shares expired	<u>-</u>	
Balance at March 31	<u>-</u>	
Shares exercisable, end of the period	<u>-</u>	
Weighted-average fair value of shares granted (\$)		<u>\$ 1.56</u>

The Group used the Black-Scholes pricing model to value the treasury shares granted to its employees in January 2021. Inputs used in the model were as follows:

	January 2021
Exercise price (\$)	\$ 13.7
Fair value (\$)	\$ 1.56
Expected rate of volatility	22.12%
Duration	39 Days
Risk-free rate of interest	0.17%

For the three months ended March 31, 2021, the Group recognized \$1,200 thousand of compensation costs.

32. GOVERNMENT GRANTS

- a. In order to finance the construction of Hotel COLLECTIVE in Okinawa and to respond the impact on operation due to Covid-19, the Group applied for a loan from Okinawa Development Finance Corporation. The loan facility was JPY10,500,000 thousand. The term of the loan lasts for 25 years, and the loan is to be repaid semi-annually in 42 installments, with the first installment commencing in the fourth year after the first drawdown date. The Group had drawn JPY10,500,000 thousand in total. The fair value of the borrowing was JPY8,873,333 thousand discounted at the market interest rate at the borrowing date. The difference of JPY1,626,667 thousand between the proceeds and the fair value of the loan is the benefit derived from the low-interest loan and has been recognized as deferred revenue. As of March 31, 2021, December 31, 2020, and March 31, 2020, the amount of deferred revenue was JPY1,568,615 thousand, JPY1,582,228 thousand, and JPY1,586,137 thousand (equivalent to \$404,232 thousand, \$437,169 thousand and \$442,218 thousand), respectively. The deferred revenue will be reclassified to other revenue gradually along with the depreciation recognized over the estimated useful lives of buildings acquired. For the three months ended March 31, 2021 and 2020, the Group has recognized JPY13,612 thousand and \$13,673 thousand (equivalent to \$3,645 thousand and \$3,779 thousand) under other income, respectively.
- b. The Group received short-time compensation from Ministry of Health, Labor and Welfare in Japan. For the three months ended March 31, 2021, the Group has recognized JPY4,434 thousand (equivalent to \$1,187 thousand) in total under other income.

33. CASH FLOW INFORMATION

- a. Non-cash transactions

For the three months ended March 31, 2021 and 2020, the Group entered into the following non-cash investing and financing activities which were not reflected in the statements of cash flows:

- 1) As of March 31, 2021, December 31, 2020 and March 31, 2020, the payables for equipment - property, plant and equipment were \$697 thousand, \$1,041 thousand and \$192,913 thousand, respectively.
- 2) As of March 31, 2021, December 31, 2020 and March 31, 2020, the related consideration of acquisition of associates was \$50,000 thousand, \$50,000 thousand and \$0 thousand recognized under other payables, respectively.

- b. Changes in liabilities arising from financing activities

For the three months ended March 31, 2021

	Opening Balance	Cash Flows	Non-cash Changes				Closing Balance
			New Leases	Amortization of Interest Expense	Change in Exchange Rate	Others	
Short-term borrowings	\$ 1,564,000	\$ (684,000)	\$ -	\$ -	\$ -	\$ -	\$ 880,000
Short-term bills payable	136,773	(137,000)	-	227	-	-	-
Long-term borrowings	9,300,008	-	-	9,212	(269,535)	-	9,039,685
Guarantee deposits received	113,843	(1,142)	-	-	(28)	-	112,673
Lease liabilities	1,847,940	(25,022)	1,589	9,640	(2,841)	(9,640)	1,821,666
	<u>\$ 12,962,564</u>	<u>\$ (847,164)</u>	<u>\$ 1,589</u>	<u>\$ 19,079</u>	<u>\$ (272,404)</u>	<u>\$ (9,640)</u>	<u>\$ 11,854,024</u>

For the three months ended March 31, 2020

	Opening Balance	Cash Flows	Non-cash Changes				Closing Balance
			New Leases	Amortization of Interest Expense	Change in Exchange Rate	Others	
Short-term borrowings	\$ 800,600	\$ 504,700	\$ -	\$ -	\$ 5,880	\$ -	\$ 1,311,180
Short-term bills payable	269,758	200,000	-	(73)	-	-	469,685
Long-term borrowings	8,537,272	(89,971)	-	-	31,575	-	8,478,876
Guarantee deposits received	121,906	2,676	-	-	84	-	124,666
Lease liabilities	<u>1,844,460</u>	<u>(20,692)</u>	<u>12,664</u>	<u>8,946</u>	<u>(1,087)</u>	<u>(8,946)</u>	<u>1,835,345</u>
	<u>\$ 11,573,996</u>	<u>\$ 596,713</u>	<u>\$ 12,664</u>	<u>\$ 8,873</u>	<u>\$ 36,452</u>	<u>\$ (8,946)</u>	<u>\$ 12,219,752</u>

34. CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remained unchanged in recent years.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings and other equity).

The management of the Group periodically reviews its capital structure. As part of the review, the management considers the cost of capital, financial ratios required by loans and related risks in determining the proper structure for its capital. At the management's suggestion, the Group balances its overall capital structure by obtaining financing facilities from financial institutions and adjusting the amount of dividends paid to the shareholders.

35. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

The Group's management believes that the carrying amount of financial assets and financial liabilities recognized in the financial statements which are not measured at fair value approximates their fair value or that the fair value of such assets and liabilities cannot be reliably measured.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

March 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares in domestic market	\$ 998,804	\$ -	\$ -	\$ 998,804
Listed shares in foreign market	67,533	-	-	67,533
Mutual funds	<u>61,033</u>	<u>195,933</u>	<u>-</u>	<u>256,966</u>
	<u>\$ 1,127,370</u>	<u>\$ 195,933</u>	<u>\$ -</u>	<u>\$ 1,323,303</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Listed shares in domestic market	\$ 14,381,985	\$ -	\$ -	\$ 14,381,985
Unlisted shares in domestic market	<u>-</u>	<u>-</u>	<u>320,773</u>	<u>320,773</u>
	<u>\$ 14,381,985</u>	<u>\$ -</u>	<u>\$ 320,773</u>	<u>\$ 14,702,758</u> (Concluded)

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares in domestic market	\$ 922,018	\$ -	\$ -	\$ 922,018
Listed shares in foreign market	64,909	-	-	64,909
Mutual funds	<u>-</u>	<u>104,150</u>	<u>-</u>	<u>104,150</u>
	<u>\$ 986,927</u>	<u>\$ 104,150</u>	<u>\$ -</u>	<u>\$ 1,091,077</u>

Financial assets at FVTOCI				
Listed shares in domestic market	\$ 13,295,500	\$ -	\$ -	\$ 13,295,500
Unlisted shares in domestic market	<u>-</u>	<u>-</u>	<u>312,923</u>	<u>312,923</u>
	<u>\$ 13,295,500</u>	<u>\$ -</u>	<u>\$ 312,923</u>	<u>\$ 13,608,423</u>

March 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares in domestic market	\$ 950,047	\$ -	\$ -	\$ 950,047
Listed shares in foreign market	76,426	-	-	76,426
Mutual funds	<u>55,761</u>	<u>286,528</u>	<u>-</u>	<u>342,289</u>
	<u>\$ 1,082,234</u>	<u>\$ 286,528</u>	<u>\$ -</u>	<u>\$ 1,368,762</u>

Financial assets at FVTOCI				
Listed shares in domestic market	\$ 11,571,656	\$ -	\$ -	\$ 11,571,656
Unlisted shares in domestic market	<u>-</u>	<u>-</u>	<u>258,203</u>	<u>258,203</u>
	<u>\$ 11,571,656</u>	<u>\$ -</u>	<u>\$ 258,203</u>	<u>\$ 11,829,859</u>

There were no transfers between Levels 1 and 2 in the three months ended March 31, 2021 and 2020.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the three months ended March 31, 2021

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2021	\$ 312,923
Purchase	-
Recognized in other comprehensive income	<u>7,850</u>
Balance at March 31, 2021	<u>\$ 320,773</u>

For the three months ended March 31, 2020

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2020	\$ 353,301
Purchase	10,000
Recognized in other comprehensive income	<u>(105,098)</u>
Balance at March 31, 2020	<u>\$ 258,203</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The Group holds unlisted shares. The significant unobservable input in the measurement of such investments is liquidity discount. The fair value of unlisted shares is determined using market approach where the fair value of the shares of similar or peer companies is used as reference. As of March 31, 2021, December 31, 2020 and March 31, 2020, the ranges of liquidity discount used were 18.46%-30.00%, 20.00%-30.00% and 20.00%-39.28%, respectively

4) Valuation techniques and inputs applied for Level 2 fair value measurement

The fair value of mutual funds is determined using the method and hypothesis described below:

The fair value is determined by the use of valuation techniques or the price quotations from various counterparties. The fair value measurement using valuation techniques uses as reference the published current fair value of instruments with similar terms and characteristics, or uses discounted cash flow method or other valuation methods, including the use of a valuation model using market information available at the balance sheet date.

c. Categories of financial instrument

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	\$ 1,323,303	\$ 1,091,077	\$ 1,368,762
Financial assets measured at amortized cost			
(1)	6,714,012	7,810,650	6,110,120
Financial assets at FVTOCI			
Equity instruments	14,702,758	13,608,423	11,829,859
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (2)	10,238,514	11,315,936	10,772,061
Contingent consideration of acquisition of associates (3)	50,000	50,000	-

- 1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalent, notes receivable, trade receivables, trade receivables from related parties, other receivables (less tax refund receivables), other receivables from related parties, financial assets at amortized cost, and refundable deposits.
- 2) The balances include financial liabilities measured at amortized cost, which comprise short-term loans, short-term bills payable, notes payable, trade payables, trade payables to related parties, other payables (excluding payable for salaries and bonus, tax payable, payable for insurance, and payable for contingent consideration), other payables to related parties, current portion of long-term borrowings payable, long-term borrowings, and guarantee deposits.
- 3) Refer to Note 16 for information on the contingent consideration of acquisition of associates.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity securities, trade receivables, financial assets at amortized cost, trade payables, lease liabilities and borrowings. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk and other price risk), credit risk and liquidity risk.

The corporate treasury function reports regularly to the Group's management, which monitors risks and policies implemented to mitigate risk exposures.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other price (see (c) below).

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The Group has foreign currency transactions, which exposes the Group to foreign currency risk. Exchange rate exposures are managed by the delegated team, which regularly monitors and properly adjusts the assets and liabilities affected by the exchange rate to manage foreign currency risk.

Since the Group's net investments in foreign operations are strategic investments, the Group does not seek to hedge against the currency risk.

The carrying amounts of the Group's foreign-currency-denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 39.

Sensitivity analysis

The Group was mainly exposed to the RMB, EUR, USD and JPY.

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollar (i.e. the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 5%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the year for a 5% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit and other equity associated with the New Taiwan dollar strengthening 5% against the relevant currency. For a 5% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity, and the balances below would be negative.

	USD Impact		RMB Impact	
	For the Three Months Ended		For the Three Months Ended	
	March 31		March 31	
	2021	2020	2021	2020
Profit or loss	\$ 87,525	\$ 66,551 (i)	\$ 16,625	\$ - (ii)

	EUR Impact		JPY Impact	
	For the Three Months Ended		For the Three Months Ended	
	March 31		March 31	
	2021	2020	2021	2020
Profit or loss	\$ 9,199	\$ 10,883 (iii)	\$ 17,596	\$ 1,858 (iv)

- i. The result was mainly attributable to the exposure on outstanding cash and cash equivalents and other receivables in USD that were not hedged at the end of the year.
- ii. The result was mainly attributable to the exposure on outstanding cash and cash equivalents in RMB that were not hedged at the end of the year.
- iii. The result was mainly attributable to the exposure on outstanding cash and cash equivalents and other receivables in EUR that were not hedged at the end of the year.
- iv. The result was mainly attributable to the exposure on outstanding cash and cash equivalents in JPY that were not hedged at the end of the year.

The above results of the Group's tests of sensitivity to changes in foreign exchange rates during the current period were mainly due to the increase in financial assets in USD, RMB and JPY. The results of Group's tests of sensitivity to changes in EUR are not materially different than those in the prior year.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Fair value interest rate risk			
Financial assets	\$ 4,840,333	\$ 6,026,450	\$ 4,372,354
Financial liabilities	4,567,075	5,575,345	5,915,922
Cash flow interest rate risk			
Financial assets	1,483,281	1,380,280	1,356,331
Financial liabilities	7,174,276	7,273,376	6,179,164

Sensitivity analysis

The sensitivity analysis below is based on the Group's exposure to interest rates of derivative and non-derivative instruments at the end of the year. For floating rate liabilities, the analysis was prepared assuming the amount of the liabilities outstanding at the end of the year was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2021 and 2020 would have decreased/increased by \$3,557 thousand and \$3,014 thousand, respectively.

For the three months ended March 31, 2021, the Group's sensitivity to interest rate did not change materially compared with the previous accounting period.

c) Other price risk

The Group is exposed to equity price risk through its investments in equity securities and mutual funds. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risk at the end of year.

If equity prices (except for equity securities of Taiwan Cement Corporation) had been 1% higher/lower, the pre-tax profit or loss for the three months ended March 31, 2021 and 2020 would have increased/decreased by \$3,250 thousand and \$5,663 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the three months ended March 31, 2021 and 2020 would have

increased/decreased by \$5,308 thousand and \$4,383 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

If equity prices of Taiwan Cement Corporation had been 1% higher/lower, the pre-tax profit or loss for the three months ended March 31, 2021 and 2020 would have increased/decreased by \$9,983 thousand and \$8,025 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the three months ended March 31, 2021 and 2020 would have increased/decreased by \$141,719 thousand and \$113,916 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

Except for equity securities of Taiwan Cement Corporation, the Group's sensitivity to equity price as a result of the changes in fair value of financial assets at FVTPL decreased due to the decrease in the amount of such equity securities; the Group's sensitivity to equity price as a result of the changes in fair value of financial assets at FVTOCI increased due to the increase in the price of such equity securities.

The Group's sensitivity to equity price of Taiwan Cement Corporation increased due to the increase in the price of such financial assets at FVTPL.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. At the end of the accounting period, the Group's maximum exposure to credit risk which would cause a financial loss to the Group due to failure of counterparties to discharge their obligations and due to the financial guarantees provided by the Group, could be equal to the carrying amount of the respective recognized financial assets as stated in the balance sheets and the amount that could arise as liabilities on financial guarantees provided by the Group.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group also delegates a special team to monitor the credit risk exposures and the credit amount of the counterparties and, therefore, does not expect any material credit risk.

The credit risk was mainly concentrated on the top 10 customers of the Group. As of March 31, 2021, December 31, 2020 and March 31, 2020, trade receivables from the top 10 customers were 84%, 71% and 66%, respectively, of total trade receivables.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, as of the end of the accounting period, the Group reviews the recoverability of the receivables and provides proper allowance for assessed irrecoverable receivables. In view of the methods mentioned above, the management considered the Group's credit risk has materially declined.

Transactions with banks of high credit ratings given by international rating agencies are mostly free from credit risks.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2021, December 31, 2020 and March 31, 2020, the Group had available unutilized bank loan facilities as set out in (b) below.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

March 31, 2021

	On Demand or Less than 1 Month	1 Month to 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	\$ 95,816	\$ 109,168	\$ 24,398	\$ 35,586	\$ 53,861
Fixed interest rate liabilities	380,807	778	66,737	545,050	2,149,717
Lease liabilities	27,247	12,980	121,333	568,620	1,452,244
Variable interest rate liabilities	<u>507,875</u>	<u>241,907</u>	<u>285,312</u>	<u>5,803,575</u>	<u>587,216</u>
	<u>\$ 1,011,745</u>	<u>\$ 364,833</u>	<u>\$ 497,780</u>	<u>\$ 6,952,831</u>	<u>\$ 4,243,038</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 161,560</u>	<u>\$ 568,620</u>	<u>\$ 455,453</u>	<u>\$ 388,506</u>	<u>\$ 335,457</u>	<u>\$ 272,828</u>

December 31, 2020

	On Demand or Less than 1 Month	1 Month to 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	\$ 151,216	\$ 52,135	\$ 17,730	\$ 43,008	\$ 51,066
Fixed interest rate liabilities	1,064,899	137,000	72,389	584,389	2,304,881
Lease liabilities	27,313	8,678	126,522	583,467	1,474,383
Variable interest rate liabilities	<u>508,594</u>	<u>13,793</u>	<u>516,920</u>	<u>5,918,465</u>	<u>584,879</u>
	<u>\$ 1,752,022</u>	<u>\$ 211,606</u>	<u>\$ 733,561</u>	<u>\$ 7,129,329</u>	<u>\$ 4,415,209</u>

Additional information about the maturity analysis of lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 162,513</u>	<u>\$ 583,467</u>	<u>\$ 461,070</u>	<u>\$ 388,849</u>	<u>\$ 335,526</u>	<u>\$ 288,938</u>

March 31, 2020

	On Demand or Less than 1 Month	1 Month to 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	\$ 151,810	\$ 224,231	\$ 35,721	\$ 48,416	\$ 52,142
Fixed interest rate liabilities	1,429,537	270,233	1,047	477,980	1,960,524
Lease liabilities	26,214	10,985	110,520	549,603	1,527,125
Variable interest rate liabilities	<u>93,937</u>	<u>249,105</u>	<u>746,720</u>	<u>5,357,755</u>	<u>-</u>
	<u>\$ 1,701,498</u>	<u>\$ 754,554</u>	<u>\$ 894,008</u>	<u>\$ 6,433,754</u>	<u>\$ 3,539,791</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 147,719</u>	<u>\$ 549,603</u>	<u>\$ 469,154</u>	<u>\$ 394,324</u>	<u>\$ 340,021</u>	<u>\$ 323,626</u>

b) Financing facilities

	March 31, 2021	December 31, 2020	March 31, 2020
Unsecured bank overdraft facilities, reviewed annually and payable on demand:			
Amount used	\$ 1,938,110	\$ 2,814,090	\$ 2,355,140
Amount unused	<u>4,581,540</u>	<u>3,739,260</u>	<u>4,791,300</u>
	<u>\$ 6,519,650</u>	<u>\$ 6,553,350</u>	<u>\$ 7,146,440</u>
Secured bank overdraft facilities:			
Amount used	\$ 8,322,016	\$ 8,561,436	\$ 8,309,606
Amount unused	<u>690,000</u>	<u>665,000</u>	<u>740,000</u>
	<u>\$ 9,012,016</u>	<u>\$ 9,226,436</u>	<u>\$ 9,049,606</u>

36. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed as follows.

a. Related party name and category

Related Party Name	Related Party Category
Taiwan Cement Corporation	The Company acts as a member of the board of directors (B.O.D.)
International Chia Hsin Corporation	Associates
Chia Hsin Construction & Development Corp.	Associates
Chia Hsin Winn Corp.	Substantive related parties
Sung Ju Investment Corp.	Substantive related parties
La Trinite Naturelle Corp.	Substantive related parties
LDC ROME HOTELS S.R.L.	Associates
Shanghai Chang Hsin Shipping Co., Ltd.	Associates
Taiwan Transport & Storage Corp.	The Company acts as a member of the B.O.D. of its ultimate parent company
FDC International Hotels Corporation (Note)	Associate
Chia Hsin Foundation	Substantive related parties

Note: In December 2020, the Group acquired the shares of L'Hotel De Chine Corporation, the parent company of FDC International Hotels Corporation, and had significant influence over the group acquired. The group was therefore considered as associates.

b. Revenue

Line Item	Related Party Category/Name	For the Three Months Ended March 31	
		2021	2020
Rental revenue	Associates	\$ 3,996	\$ 735
	Substantive related parties	1,911	126
	The Company acts as a member of the B.O.D. of its ultimate parent company	611	606
	The Company acts as a member of the B.O.D.	<u>-</u>	<u>1,118</u>
		<u>\$ 6,518</u>	<u>\$ 2,585</u>
Service revenue	The Company acts as a member of the B.O.D.	<u>\$ 6,767</u>	<u>\$ 7,226</u>

The Group leases out the office and factory buildings to related parties at market price. The lease agreements were made by both sides. The rentals are collected monthly or quarterly.

The Group renders cement warehousing and storage service to a related party. The agreement for the service was negotiated by both sides. The fee is collected monthly.

c. Purchases of goods

Line Item	Related Party Category/Name	For the Three Months Ended March 31	
		2021	2020
Cost of goods sold	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	<u>\$ 119,400</u>	<u>\$ 93,769</u>
	Substantive related parties	<u>\$ 176</u>	<u>\$ -</u>

The purchase prices and payment terms to related parties were not significantly different from those of purchase from third parties. The payment term is 60 days after the purchase of goods.

d. Receivables from related parties (excluding loans to related parties)

Line Item	Related Party Category	March 31, 2021	December 31, 2020	March 31, 2020
Trade receivables	Associates			
	FDC International Hotels Corporation	\$ 1,003	\$ 1,336	\$ -
	Others	13	15	14
	The Company acts as a member of the B.O.D.			
	Taiwan Cement Corporation	2,507	2,686	5,217
	Substantive related parties	<u>5</u>	<u>4</u>	<u>5</u>
		<u>\$ 3,528</u>	<u>\$ 4,041</u>	<u>\$ 5,236</u>
Other receivables	Associates	<u>\$ 594</u>	<u>\$ 594</u>	<u>\$ 8,595</u>

The outstanding trade and other receivables from related parties are unsecured. For the three months ended March 31, 2021 and 2020, no impairment loss was recognized for trade and other receivables from related parties.

e. Payables to related parties (excluding loans from related parties)

Line Item	Related Party Category	March 31, 2021	December 31, 2020	March 31, 2020
Trade payables	The Company acts as a member of the B.O.D.			
	Taiwan Cement Corporation	<u>\$ 94,027</u>	<u>\$ 73,132</u>	<u>\$ 56,257</u>
	Substantive related parties	<u>\$ 69</u>	<u>\$ -</u>	<u>\$ -</u>
Other payables	The Company acts as a member of the B.O.D.			
	Taiwan Cement Corporation	<u>\$ -</u>	<u>\$ 89</u>	<u>\$ -</u>
	Substantive related parties	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ -</u>

The outstanding trade payables to related parties are unsecured.

f. Lease arrangements

The Group is lessor under operating leases

The Group leases out office buildings and factory buildings to its related parties under operating leases. The lease agreements were negotiated by both sides. The rentals were paid monthly or quarterly.

Future lease payment receivables are as follows:

Related Party Category/Name	March 31, 2021	December 31, 2020	March 31, 2020
Associates	\$ 2,723	\$ 1,000	\$ 2,724
Substantive related parties	396	528	396
The Company acts as a member of the B.O.D. of its ultimate parent company	8,754	9,102	11,219
The Company acts as a member of the B.O.D.	<u>-</u>	<u>-</u>	<u>5,469</u>
	<u>\$ 11,873</u>	<u>\$ 10,630</u>	<u>\$ 19,808</u>

g. Loans to related parties

Line Item	Related Party Category	March 31, 2021	December 31, 2020	March 31, 2020
Other receivables	Associates LDC ROME HOTELS S.R.L.	<u>\$ 17,856</u>	<u>\$ 18,677</u>	<u>\$ 26,592</u>
Other receivables - interest receivables	Associates LDC ROME HOTELS S.R.L.	<u>\$ 223</u>	<u>\$ 164</u>	<u>\$ 2</u>

The Group provided its associates with unsecured short-term loans at rates comparable to market interest rates.

As of March 31, 2021, December 31, 2020 and March 31, 2020, the abovementioned loans to related parties were not secured.

For the three months ended March 31, 2021 and 2020, the interest revenue from the loans was \$67 thousand and \$194 thousand, respectively.

h. Others

Line Item	Related Party Category	March 31, 2021	December 31, 2020	March 31, 2020
Refundable deposits	Substantive related parties	\$ 168	\$ 168	\$ 168
	Associates	971	971	971
	The Company acts as a member of the B.O.D. of its ultimate parent company	423	423	423
	The Company acts as a member of the B.O.D.	<u>-</u>	<u>880</u>	<u>880</u>
		<u>\$ 1,562</u>	<u>\$ 2,442</u>	<u>\$ 2,442</u>

Line Item	Related Party Category/Name	For the Three Months Ended March 31	
		2021	2020
General and administrative expenses	Substantive related parties	\$ <u>1,877</u>	\$ <u>-</u>

i. Endorsements and guarantees

Endorsements and guarantees provided by the Group

	March 31, 2021		December 31, 2020		March 31, 2020	
	Amount Utilized	Amount Endorsed	Amount Utilized	Amount Endorsed	Amount Utilized	Amount Endorsed
Associates						
LDC ROME						
HOTELS S.R.L.	\$ <u>321,408</u>	\$ <u>447,600</u>	\$ <u>357,204</u>	\$ <u>447,600</u>	\$ <u>358,992</u>	\$ <u>447,600</u>

j. Compensation of key management personnel

The compensation of key management personnel are as follows:

	For the Three Months Ended March 31	
	2021	2020
Short-term employee benefits	\$ 6,068	\$ 5,863
Post-employment benefits	-	-
Share-based payments	<u>236</u>	<u>-</u>
	\$ <u>6,304</u>	\$ <u>5,863</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and with reference to market trends.

37. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The amounts of restricted assets of the Group that were provided as guarantees are as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Financial assets at amortized cost - non-current	\$ 25,794	\$ 25,794	\$ 21,747
Carrying amount of property, plant and equipment			
Land	974,196	1,044,511	1,041,754
Buildings	<u>2,307,444</u>	<u>2,490,668</u>	<u>2,561,812</u>
	<u>3,281,640</u>	<u>3,535,179</u>	<u>3,603,566</u>
Carrying amount of investment properties			
Land - after revaluation	3,182,674	3,210,331	3,214,049
Buildings - after revaluation	<u>43,676</u>	<u>44,941</u>	<u>48,737</u>
	<u>3,226,350</u>	<u>3,255,272</u>	<u>3,262,786</u>
	\$ <u>6,533,784</u>	\$ <u>6,816,245</u>	\$ <u>6,888,099</u>

38. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group were as follows:

- a. As of March 31, 2021, December 31, 2020 and March 31, 2020, the Group had bank guarantees for \$153,034 thousand issued under its name for the operations in the ports.
- b. Unrecognized commitments were as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Property under construction	\$ <u>201,741</u>	\$ <u>279,838</u>	\$ <u>233,998</u>

As of March 31, 2021, December 31, 2020 and March 31, 2020, the abovementioned unrecognized commitments also include contractual commitments signed by CHC Ryukyu Development GK for Tomigusuku development project in the amounts of \$193,561 thousand, \$211,257 thousand and \$229,813 thousand, respectively.

- c. The East Wharf No. 15 in the Port of Taipei collapsed on January 21, 2019, then Port of Keelung, Taiwan International Ports Corporation Ltd. ("Ports Corporation") repaired the wharf which was completed on November 12, 2020. Ports Corporation claimed against Chia Hsin Cement Corporation compensation for the related repair expenses in the amount of \$116,791 thousand. According to the legal advice to the Company, the management expects an unfavorable outcome of the litigation to be less likely to occur.

39. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than the functional currencies of the entities in the Group and the related exchange rates between foreign currencies and respective functional currencies were as follows:

March 31, 2021

<u>Financial assets</u>	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
Monetary items			
USD	\$ 44,208	28.535 (USD:NTD)	\$ 1,261,478
USD	17,046	1.345 (USD:SGD)	486,416
USD	88	110.7295 (USD:JPY)	2,506
USD	3	6.5713 (USD:RMB)	92
HKD	785	3.6702 (HKD:NTD)	2,881
HKD	134	0.1286 (HKD:USD)	493
EUR	5,495	33.48 (EUR:NTD)	183,984
JPY	1,365,606	0.2577 (JPY:NTD)	351,917
RMB	4	4.3424 (RMB:NTD)	19
RMB	76,567	0.2047 (RMB:SGD)	332,481
SGD	71	0.7435 (SGD:USD)	1,501

(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
Non-monetary items			
Investments accounted for using the equity method			
EUR	\$ 10,009	33.48 (EUR:NTD)	\$ 335,093
RMB	15,483	0.2047 (RMB:SGD)	67,234
Financial assets at FVTPL			
USD	8,996	28.535 (USD:NTD)	256,966
HKD	18,400	3.6702 (HKD:NTD)	67,533
			(Concluded)

December 31, 2020

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
<u>Financial assets</u>			
Monetary items			
USD	\$ 50,142	28.48 (USD:NTD)	\$ 1,428,041
USD	17,046	1.3205 (USD:SGD)	485,468
USD	157,277	103.0763 (USD:JPY)	4,479
HKD	785	3.6730 (HKD:NTD)	2,883
HKD	134	0.1290 (HKD:USD)	494
EUR	5,493	35.02 (EUR:NTD)	192,378
JPY	165,606	0.2763 (JPY:NTD)	45,757
RMB	76,228	0.2024 (RMB:SGD)	332,724
Non-monetary items			
Investments accounted for using the equity method			
EUR	10,489	35.02 (EUR:NTD)	367,335
RMB	15,611	0.2024 (RMB:SGD)	68,137
Financial assets at FVTPL			
USD	3,657	28.48 (USD:NTD)	104,150
HKD	17,672	3.6730 (HKD:NTD)	64,909

March 31, 2020

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
<u>Financial assets</u>			
Monetary items			
USD	\$ 42,192	30.225 (USD:NTD)	\$ 1,275,259
USD	1,471	1.4218 (USD:SGD)	44,465
USD	373	108.411 (USD:JPY)	11,286
EUR	6,548	33.24 (EUR:NTD)	217,665
JPY	133,256	0.2788 (JPY:NTD)	37,152
			(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
Non-monetary items			
Investments accounted for using the equity method			
EUR	\$ 11,209	33.24 (EUR:NTD)	\$ 372,603
RMB	46,878	0.2007 (RMB:SGD)	199,982
Financial assets at FVTPL			
USD	11,325	30.225 (USD:NTD)	342,289
HKD	19,601	3.899 (HKD:NTD)	76,426
			(Concluded)

For the three months ended March 31, 2021 and 2020, realized and unrealized net foreign exchange (losses) gains were \$(7,229) thousand and \$11,940 thousand, respectively. It is impractical to disclose net foreign exchange gains or losses by each significant foreign currency due to the variety of functional currencies of the entities in the Group.

40. OTHERS

Important Contracts

- a. The Group as lessee leased the East Wharf Nos. 13, 14 and 15 in the Port of Taipei from Taiwan International Ports Co., Ltd. and committed to construct East Wharf No. 16 and its related office, silos and transportation equipment. The leased land is 65,000 square meters and used in operation of the subsidiary, Chia Pei International Corporation, to load and unload coal, sand stone, bulk and others. The lease term is 35 years and 5 months from December 10, 2009, the date of the transfer of the titles of related constructed equipment to Taiwan International Ports Co., Ltd. The annual minimum guaranteed volume for transportation is 1,200 thousand tons of coal and 5,950 thousand tons of sand stone. When the policy on the transporting of eastern sand to the north changes or the quantity of eastern sand transported to the north significantly decreases, the Group may renegotiate its minimum guaranteed volume for transporting eastern sand and gravel, or convert to equivalent minimum guaranteed volume for coal or other bulk and general cargo with approval from Taipei Harbor Bureau.

The Group has disputed with Taiwan International Ports Co., Ltd. on the reconsideration of converting the guaranteed transportation volume for eastern sand stone to that for coal or other bulk and general cargo and, in February 2013, filed a petition with the court in regards to the management fees for eastern sand stone. Taiwan Keelung District Court ruled in favor of the Group on December 22, 2014 and Taiwan International Ports Co., Ltd. filed an appeal against the court decision. After mediation of the dispute in Taiwan High Court Civil Appeal, both parties reached a settlement on December 27, 2016 and agreed that the Group's annual guaranteed transportation volume of sand and gravel can be replaced by the actual transportation of coal or other bulk cargoes during the year (the annual replaceable limit shall be 4,050 thousand tons of guaranteed volume for transporting eastern sand and gravel to the north).

- b. In order to satisfy the demand for cement in the northern part of Taiwan, the Group leased from Taiwan International Ports Co., Ltd. the land measuring 5,900.35 square meters at the West Wharf No. 33 of the Port of Keelung. The Group committed to build silos, loading and unloading equipment at the Wharf No. 33 under the name of Keelung Harbor Bureau, Transportation Department of Taiwan government and the title of the property belongs to the Keelung Harbor Bureau, while the Group has the right to use the property free of charge within the lease term for operating the business of loading and unloading, transporting and storing cement. The lease term is 23 years and 9 months from October 7, 2000, the date of the transfer of the titles of related constructed equipment to Keelung Harbor Bureau. The minimum guaranteed transporting volume is 900,000 tons of cement per year and the management fees

will be charged based on the minimum guaranteed volume of 900,000 tons regardless if the Group reached the volume or not. The rental is charged based on average rental rate in the port and 5% of the rental rate published by the Taiwanese government. The Group has priority to lease the property when the lease contract has expired. In addition, during the lease period, the Group should pay the land use and administrative fees monthly, which will be adjusted according to the adjustment of loading fee in the port.

- c. In order to satisfy the demand for cement in Taichung and its surrounding area, the Group leased, from Taichung Harbor Bureau, Taiwan International Ports Corporation Ltd, the land, cement warehouses and facilities at Wharf No. 27, Port of Taichung through its subsidiary, Tong Yang Chia Hsin International Corporation to operate the business of loading and unloading, transporting and storing cement. The lease period started from December 1, 2014 to December 30, 2024 and the Group has priority to lease the property when the lease contract has expired. In addition, during the lease period, the Group should pay the land use and administrative fees (based on actual loading amount at \$30.09 dollars per ton) monthly, which will be adjusted according to the adjustment of loading fee in the Port.
- d. In order to further establish the core development and transformation to the resort industry, the Group developed nearly 37 thousand square meters beach-side resorts at Toyosaki, Okinawa. On August 17, 2019, the Group and the Japan subsidiary of InterContinental Hotels Group (IHG), a large international hotel chain, signed a long-term management service contract for the management of InterContinental Okinawa Chura SUN Resort with the service period of 20 years. It is expected to introduce the entrusted management of the resort from IHG.

41. SEPARATELY DISCLOSED ITEMS

- a. Information about significant transactions and b. investees:
 - 1) Financing provided to others (Table 1)
 - 2) Endorsements/guarantees provided (Table 2)
 - 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)
 - 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (None)
 - 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (None)
 - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
 - 9) Trading in derivative instruments (None)
 - 10) Other: Business relationships and inter-company transactions between the parent company and the subsidiaries (Table 7)
 - 11) Information on investees (Table 6)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income and limit on the amount of investment in the mainland China area (Table 8)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (None)
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
 - c) The amount of property transactions and the amount of the resultant gains or losses
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 9)

42. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments were as follows:

Cement segment - cement production, manufacture and sale.

Real estate segment - real estate trading and leasing.

Warehousing and storage segment - in charge of loading and unloading, warehousing and storage business in the port.

Hospitality and catering services segment - in charge of catering and room service in the hotel and the maternal and child care center

Each of the abovementioned segment includes a number of direct operations, which were considered a separate operating segment by the chief operating decision maker (CODM). For the purposes of financial statement presentation, the individual operating segments of cement have been aggregated into a single operating segment, taking into account the following factors:

- a. These operating segments have similar long-term gross profit margins.
- b. The nature of the products and production processes are similar.
- c. The methods used to distribute the products to the customers are the same.

One operation (Jiangsu Union Cement Co., Ltd.) was discontinued in the previous year. The segment information reported on the following pages does not include any amounts for this discontinued operation, which is described in more detail in Note 13.

a. Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments:

	Segment Revenue		Segment Profit or Loss	
	For the Three Months Ended March 31		For the Three Months Ended March 31	
	2021	2020	2021	2020
Cement segment	\$ 275,679	\$ 236,123	\$ (10,461)	\$ (14,082)
Real estate segment	60,515	61,787	27,829	30,660
Warehousing and storage segment	149,313	150,950	16,738	16,379
Hospitality and catering services segment	59,019	46,474	(132,295)	(151,954)
Other segment	-	-	(5,291)	(8,278)
Revenue from continuing operation	<u>\$ 544,526</u>	<u>\$ 495,334</u>		
Interest income			15,044	25,755
Other income			14,647	12,857
Other gains and losses			76,871	(56,249)
Finance costs			(42,244)	(31,819)
Share of profit or loss of associates and joint ventures accounted for using the equity method			(39,878)	2,632
General and administrative expenses and remuneration of director			(31,790)	(31,636)
Loss before income tax from continuing operation			<u>\$ (110,830)</u>	<u>\$ (205,735)</u>

The abovementioned revenue was the transactions between the Group's entities and the third parties. All inter-segment transactions for the three months ended March 31, 2021 and 2020 were eliminated through the consolidation.

Segment profit represents the profit before tax earned by each segment without allocation of general and administrative expenses and remuneration of directors, other income, other gains and losses, finance costs, share of profit or loss of associates and joint ventures accounted for using the equity method and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Total segment assets and liabilities

The measure of assets and liabilities of the Group is not reported to the operating decision maker. Therefore, the information of segment assets and liabilities does not need to be disclosed.

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2021
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
0	Chia Hsin Cement Corporation (Note 1)	LDC ROME HOTELS S.R.L.	Other receivables from related parties	Yes	\$ 49,028	\$ 46,872	\$ 17,856	1.5 (Note 3)	Short-term financing	\$ -	The need for financing operating capital	\$ -	-	\$ -	\$ 3,761,869	\$ 10,031,650

Note 1: The total amount of loans provided by the Company shall not exceed 40% of the net worth of the Company (lending company). The amount of loans provided by the Company to each company or registered firm shall not exceed 15% of the net worth of the Company (lending company).

Note 2: The highest balance for the period and ending balance presented above are listed in New Taiwan dollars (NTD). The highest balance denominated in foreign currency is translated using the prevailing exchange rate; and the ending balance is translated into NTD using the exchange rate as of March 31, 2021.

Note 3: Total interest in the period is \$67 thousand.

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2021
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 5)										
0	Chia Hsin Cement Corporation (Notes 2 and 6)	Chia Hsin Property Management & Development Corporation	b.	\$ 7,747,805 (Paid-in capital)	\$ 1,480,000	\$ 680,000	\$ 30,000	\$ -	2.71%	\$ 25,079,125	Yes	No	No
	Chia Hsin Cement Corporation (Note 2)	LDC ROME HOTELS S.R.L.	f.	7,747,805 (Paid-in capital)	447,600	447,600	321,408	-	1.78%	25,079,125	No	No	No
	Chia Hsin Cement Corporation (Notes 2 and 6)	CHC Ryukyu Development GK	b.	7,747,805 (Paid-in capital)	607,860	566,940	128,850	-	2.26%	25,079,125	Yes	No	No
	Chia Hsin Cement Corporation (Notes 2 and 6)	CHC Ryukyu COLLECTIVE KK	b.	7,747,805 (Paid-in capital)	1,657,800	1,546,200	979,260	-	6.17%	25,079,125	Yes	No	No
1	Chia Hsin Property Management & Development Corporation (Notes 3 and 6)	Chia Hsin Cement Corporation	c.	25,079,125	6,640,000	6,640,000	5,351,250	6,640,000	26.48%	25,079,125	No	Yes	No
2	Jaho Life Plus+ Management Corp., Ltd. (Note 4)	Gemcare Maternity Center	a.	200,000	1,000	1,000	1,000	1,000	-	400,000	No	No	No
		Gemcare Dunhua Maternity Center	a.	200,000	1,000	1,000	1,000	1,000	-	400,000	No	No	No

Note 1: a. The Company is coded "0."
b. The investees are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: The amounts of guarantee to any individual entity shall not exceed the paid-in capital of the Company. The total amount of guarantees shall not exceed the net worth of the Company.

Note 3: The amount of guarantees from Chia Hsin Property Management & Development Corporation shall not exceed the net worth of the Company.

Note 4: The amount of guarantees from Jaho Life Plus+ Management Corp., Ltd. shall not exceed the paid-in capital of the company. The amounts of guarantee to any individual entity shall not exceed the half of paid-in capital of the company.

Note 5: The seven types of relationships between the endorser/guarantor and endorsee/guarantee indicated as numbers in the table above are as follows:

- Having a business relationship
- The endorser/guarantor owns directly or indirectly more than 50% of the ordinary shares of the endorsee/guarantee.
- The endorsee/guarantee owns directly or indirectly more than 50% of the ordinary shares of the endorser/guarantor.
- The endorser/guarantor owns directly or indirectly more than 90% of the ordinary shares of the endorsee/guarantee.
- Mutually endorsed/guaranteed companies for the construction project based on the construction contract.
- Due to joint venture, each shareholder provides endorsements/guarantees to the endorsee/guarantee in proportion to its ownership.
- Companies in the same industry that are liable for joint endorsements/guarantees of the preconstruction house contract under the consumer protection law.

Note 6: The listed amounts were eliminated upon consolidation.

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

MARCH 31, 2021

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2021				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Chia Hsin Cement Corporation	<u>Stock</u> Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTPL - current	7,740,307	\$ 362,246	0.13	\$ 362,246	
	Asia Cement Corporation		Financial assets at FVTPL - current	71	3	-	3	
	China Chemical & Pharmaceutical Co., Ltd.		Financial assets at FVTPL - current	20,000	462	0.01	462	
	<u>Foreign stock</u> Anhui Conch Cement Co., Ltd.		Financial assets at FVTPL - current	364,000	67,533	0.01	67,533	
	<u>Foreign fund</u> HAITONG FREEDOM MULTI-TRANCHE BOND FUND - P1A (SERIES 27)		Financial assets at FVTPL - current	9,594	32,542	-	32,542	
	GREENWOODS GOLDEN CHINA FUND - UNRESTRICTED CLASS A (0518)		Financial assets at FVTPL - current	3,340	44,991	-	44,991	
	JPMorgan Funds - Russia		Financial assets at FVTPL - current	81,593	36,181	-	36,181	
	JPMorgan ASEAN Fund		Financial assets at FVTPL - current	2,697	11,247	-	11,247	
	JPMorgan Pacific Technology Fund		Financial assets at FVTPL - current	3,769	13,605	-	13,605	
	THE PARTNERS FUND - CLASS N-N (SERIES 27)		Financial assets at FVTPL - current	2,453	85,858	-	85,858	
	<u>Stock</u> Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - current	25,400,783	1,188,757	0.42	1,188,757	
	CHC Resources Corporation		Financial assets at FVTOCI - current	4,285,694	199,499	1.72	199,499	
	Chien Kuo Construction Co., Ltd.		Financial assets at FVTOCI - current	771,256	10,566	0.30	10,566	
	<u>Stock</u> Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	184,718,366	8,644,820	3.03	8,644,820	
	B Current Impact Investment Fund 3		Financial assets at FVTOCI - non-current	1,000,000	10,000	10.00	10,000	
	Pan Asian (Engineers & Constructors) Corporation		Financial assets at FVTOCI - non-current	2,718,217	22,181	0.24	22,181	
	Chia Hsin Ready-Mixed Concrete Corporation		Financial assets at FVTOCI - non-current	12,718,440	262,890	13.71	262,890	
	Overseas Investment & Development Corp.		Financial assets at FVTOCI - non-current	2,000,000	18,520	2.22	18,520	
	Asia Pacific Gongshanglian Corporation Limited		Financial assets at FVTOCI - non-current	21,090	-	0.03	-	
	Chia Hsin Livestock Corp.		Financial assets at FVTOCI - non-current	6,600,000	-	1.17	-	
Huatung Heping River Mining Industry Development Co., Ltd.	Financial assets at FVTOCI - non-current	9,350	-	1.87	-			

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2021				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Tong Yang Chia Hsin International Corporation	<u>Stock</u> Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTPL - current	13,591,719	\$ 636,093	0.22	\$ 636,093	Has been eliminated upon consolidation
	<u>Foreign fund</u> HAITONG FREEDOM MULTI-TRANCHE BOND FUND - P1A (SERIES 27)		Financial assets at FVTPL - current	9,594	32,542	-	32,542	
	<u>Stock</u> Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - current	32,457,173	1,518,996	0.53	1,518,996	
	Chia Hsin Cement Corporation		Parent company	Financial assets at FVTOCI - non-current	127,370,320	2,655,671	16.44	
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	60,242,447	2,819,347	0.99	2,819,347	
	IBT Second Venture Capital Co., Ltd. Kaohsiung Tug and Port Service Corp.		Financial assets at FVTOCI - non-current	725,493	4,428	2.30	4,428	
		Financial assets at FVTOCI - non-current	350,000	2,754	0.88	2,754		

Note: For the information about subsidiaries, associates and joint ventures, refer to Table 6 and Table 8.

(Concluded)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20 OF THE PAID-IN CAPITAL FOR THE THREE MONTHS ENDED MARCH 31, 2021

(In Thousands of New Taiwan Dollars)

Buyer/Seller	Related Party	Relationship	Transaction Details			Abnormal Transaction		Notes Receivable (Payable)/Trade Receivables (Payables)		Note	
			Purchases/Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance		% of Total
Chia Hsin Cement Corporation	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Purchases	\$ 119,400	51	60 days from the purchase day	N/A (equal to the price for other clients)	N/A (same as the term for other clients)	\$ (94,027)	(61)	

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

MARCH 31, 2021

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
Chia Hsin Cement Corporation	Chia Pei International Corporation	Investment accounted for the using equity method	\$ 1,300,448 (Notes 1 and 3)	-	\$ -	-	\$ 16,110	\$ -

Note 1: The other receivables consist of finance lease receivables from the sublease of the wharf in the Port of Taipei.

Note 2: The amount received in subsequent period as of May 7, 2021.

Note 3: The transaction has been eliminated upon consolidation.

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31, 2021
(In Thousands of New Taiwan Dollars, or Otherwise Stated)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2021			Net Income/(Loss) of the Investee	Share of Profit/(Loss) of Investee	Remark
				March 31, 2021	December 31, 2020	Number of Shares (Thousands of Shares)	%	Carrying Amount			
Chia Hsin Cement Corporation	Chia Hsin Construction & Development Corp. Tong Yang Chia Hsin International Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Office buildings construction and lease and sale of public housings	\$ 656,292	\$ 656,292	31,458,920	43.87	\$ 1,850,846	\$ 55,423	\$ 24,314	(Note 4)
			General international trade	1,600,159	1,600,159	257,073,050	87.18	5,660,463	52,357	45,645	Subsidiary (Notes 3 and 5)
	Chia Hsin Property Management & Development Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Wholesale and retail business of machinery; warehousing; residence, factory buildings and office buildings leasing and selling; PPE leasing and selling	1,000,000	1,000,000	100,000,000	100.00	3,850,278	25,348	25,348	Subsidiary (Note 3)
			Mining; wholesale of building materials; nonmetallic mining; retail sale of building materials; international trade; rental and leasing business; retail sale of other machinery and equipment	120,000	120,000	19,560,000	100.00	208,572	11,271	11,271	Subsidiary (Note 3)
	BlueSky, Co., Ltd. Chia Hsin Pacific Limited	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City Cayman Islands	International trade; real estate trading; real estate leasing	81,561	81,561	8,300,000	100.00	84,183	254	254	Subsidiary (Note 3)
			Holding company	969,104	969,104	19,186,070	74.16	2,330,886	5,119	3,796	Subsidiary (Note 3)
	YJ International Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Real estate rental and leasing; real estate management; realtor agent	2,280,000	2,280,000	228,000,000	100.00	1,184,097	(123,376)	(123,376)	Subsidiary (Note 3)
			Management consulting service	400,000	400,000	40,000,000	100.00	211,721	(12,532)	(12,532)	Subsidiary (Note 3)
	Jaho Life Plus+ Management Corp., Ltd. LDC ROME HOTELS S.R.L.	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City Rome, Italy	Hospitality industry	NTS 571,526 (EUR 17,070,667)	NTS 571,526 (EUR 17,070,667)	-	40.00	335,093	(41,085)	(16,434)	(Note 4)
			Hotel and tourism	1,157,340	1,157,340	67,998,915	23.10	1,117,801	(201,082)	(46,450)	(Note 4)
International Chia Hsin Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	International trade; general investment	69,341	69,341	5,800,000	19.33	114,356	(1,896)	(367)	(Note 4)	
			250,000	250,000	25,000,000	100.00	249,912	3,274	3,274	Second-tier subsidiary (Note 3)	
Chia Hsin Property Management & Development Corporation	Chia Sheng Construction Corp.	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Wholesale and retail business of machinery; residence, factory buildings and office buildings leasing and selling; PPE leasing and selling	250,000	250,000	25,000,000	100.00	249,912	3,274	3,274	Second-tier subsidiary (Note 3)
YJ International Corporation	CHC Ryukyu Development GK	26 Tokashiki, Aza, Tomigusuku-shi, Okinawa, Japan	Real estate rental and leasing; management consulting service	NTS 252,437 (JPY 979,575,335)	NTS 252,437 (JPY 979,575,335)	-	100.00	149,276	(447)	(447)	Second-tier subsidiary (Note 3)
	CHC Ryukyu COLLECTIVE KK	2 Chome-1-12 Matsuyama, Naha, Okinawa, Japan	Hospitality industry	NTS 1,809,163 (JPY 7,020,424,665)	NTS 1,809,163 (JPY 7,020,424,665)	-	100.00	972,616	(122,024)	(122,024)	Second-tier subsidiary (Note 3)
Chia Hsin Pacific Limited	Yonica Pte Ltd	Singapore	Investment and holding company	NTS 1,899,040 (US\$ 66,551,243)	NTS 1,899,040 (US\$ 66,551,243)	104,908,690	100.00	NTS 790,778 (US\$ 27,712,561)	NTS 14,417 (US\$ 508,266)	NTS 14,417 (US\$ 508,266)	Second-tier subsidiary (Note 3)
	Effervesce Investment Pte. Ltd.	Singapore	Investment and holding company	NTS 886,829 (US\$ 31,078,656)	NTS 886,829 (US\$ 31,078,656)	53,274,892	100.00	NTS 1,405,969 (US\$ 49,271,728)	NTS (8,690) (US\$ -306,341)	NTS (8,690) (US\$ -306,341)	Second-tier subsidiary (Note 3)
	Sparkview Pte. Ltd.	Singapore	Investment and holding company	NTS 81,962 (US\$ 2,872,328)	NTS 81,962 (US\$ 2,872,328)	3,763,350	100.00	NTS 172,956 (US\$ 6,061,178)	NTS 883 (US\$ 31,133)	NTS 883 (US\$ 31,133)	Second-tier subsidiary (Note 3)
Tong Yang Chia Hsin International Corporation	International Chia Hsin Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	International trade; general investment	36,642	36,642	6,052,636	20.18	131,615	(1,896)	(383)	
	Tong Yang Chia Hsin Marine Corp.	Panama	Shipping service	NTS 77,045 (US\$ 2,700,000)	NTS 77,045 (US\$ 2,700,000)	2,700	100.00	444,869	1,200	1,200	Second-tier subsidiary (Note 3)
	Chia Hsin Pacific Limited	Cayman Islands	Holding company	626,119	626,119	6,257,179	24.18	760,175	5,119	1,238	Subsidiary (Note 3)

Note 1: For information on investments in mainland China, refer to Table 8.

Note 2: The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of March 31, 2021: US\$1=NT\$28.535, JPY1=NT\$0.2577, EUR1=NT\$33.48; net income items denominated in foreign currencies are translated using the average exchange rate for the three months ended March 31, 2021: US\$1=NT\$28.366, JPY1=NT\$0.2678, EUR1=NT\$34.20.

Note 3: The investment has been eliminated upon consolidation.

Note 4: Material associates.

Note 5: The carrying amount is deducted the treasury shares of parent company held by subsidiaries.

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

PARENT-SUBSIDIARY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2021

(Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Transaction Details			% of Total Sales or Assets (Note 3)
				Financial Statement Accounts	Amount (Note 5)	Payment Terms	
0	For the three months ended March 31, 2021 Chia Hsin Cement Corporation	Chia Pei International Corporation	a.	Warehousing and storage service revenue	\$ 21,110	The fee is billed monthly and paid quarterly with receipts issued in the same month when the fee is billed.	3.88
		Chia Pei International Corporation	a.	Lease payment receivables	1,300,448		3.22
		CHC Ryukyu Development GK	a.	Endorsement or guarantee	566,940		1.40
		CHC Ryukyu COLLECTIVE KK	a.	Endorsement or guarantee	1,546,200		3.82
		Chia Hsin Property Management & Development Corporation	a.	Endorsement or guarantee	680,000		1.68
		Chia Hsin Property Management & Development Corporation	a.	Investment accounted for using the equity method	1,455,000	Cash dividends	3.60
		Chia Hsin Property Management & Development Corporation	a.	Other receivables	42,638	Every May (Linked tax payments)	0.11
		Tong Yang Chia Hsin International Corporation	a.	Investment accounted for using the equity method	1,055,710	Treasury shares	2.61
1	Tong Yang Chia Hsin International Corporation	Chia Hsin Cement Corporation	b.	Service revenue	16,546	The fee is billed monthly and collected in the next month.	3.04
2	Chia Hsin Property Management & Development Corporation	Chia Hsin Cement Corporation	b.	Endorsement or guarantee	6,640,000		16.43
3	Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	c.	Investment accounted for using the equity method	34,739	Cash injection	0.09
4	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Jiapeng Maternal and Child Care (Yangzhou) Co., Ltd.	c.	Investment accounted for using the equity method	60,793	Cash injection	0.15

Transactions with amount above \$10,000 thousand are listed in this table.

Note 1: The Company and the subsidiaries listed on the table are coded according to the following rules:

- The Company is coded "0".
- The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

(Continued)

Note 2: The three types of relationships are as follows:

- a. The parent company to the subsidiary.
- b. The subsidiary to the parent company.
- c. The subsidiary to the subsidiary.

Note 3: For the calculation of percentage, percentage for balance sheet items is calculated by dividing the period-end balance with consolidated assets. Percentage for income items is calculated by dividing the accumulated sum with total operating income for the year.

Note 4: The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of March 31, 2021: US\$1=NT\$28.535, JPY1=NT\$0.2577, RMB1=NT\$4.342367; net income items denominated in foreign currencies are translated using the average exchange rate for the three months ended March 31, 2021: US\$1=NT\$28.366, JPY1=NT\$0.2678, RMB1= NT\$4.376591.

Note 5: The transaction has been eliminated upon consolidation.

(Concluded)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

FOR THE THREE MONTHS ENDED MARCH 31, 2021

(In Thousands of New Taiwan Dollars, or in Thousands of Foreign Currencies)

a. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period and repatriations of investment income:

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1 (a.))	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021 (Note 1 (a.))	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2021 (Note 1 (a.))	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1 (a.))	Carrying Amount as of March 31, 2021 (Note 1 (a.))	Accumulated Repatriation of Investment Income as of March 31, 2021	Note
					Outward (Note 1 (a.))	Inward (Note 1 (a.))							
Shanghai Jia Huan Concrete Co., Ltd.	Processing, manufacturing and selling of cement, concrete and other related products.	\$ 241,406 (US\$ 8,460)	b. and d.	\$ 363,022 (US\$ 12,722)	\$ - (US\$ -)	\$ - (US\$ -)	\$ 363,022 (US\$ 12,722)	\$ 2,565 (US\$ 90)	95.23	\$ 2,565 (US\$ 90)	\$ 515,427 (US\$ 18,063)	\$ - (US\$ -)	Note 1 (b.) (3) and Note 6
Shanghai Chia Hsin Ganghui Co., Ltd.	Warehousing and packing bulk cement and formulating and delivering high-strength cement.	299,618 (US\$ 10,500)	b.	458,443 (US\$ 16,066)	- (US\$ -)	- (US\$ -)	458,443 (US\$ 16,066)	2,115 (US\$ 75)	95.23	2,115 (US\$ 75)	424,251 (US\$ 14,868)	- (US\$ -)	Note 1 (b.) (3) and Note 6
Shanghai Chang Hsin Shipping Co., Ltd.	Delivering cement.	142,675 (US\$ 5,000)	b.	87,460 (US\$ 3,065)	- (US\$ -)	- (US\$ -)	87,460 (US\$ 3,065)	(1,395) (US\$ -49)	38.09	(20) (US\$ -558)	67,234 (US\$ 2,356)	- (US\$ -)	Note 1 (b.) (3) and Note 7
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Consulting for developing information system for business and finance purpose.	493,941 (US\$ 17,310)	b.	756,092 (US\$ 26,497)	- (US\$ -)	- (US\$ -)	756,092 (US\$ 26,497)	(12,609) (US\$ -445)	95.23	(12,445) (US\$ -439)	536,660 (US\$ 18,807)	- (US\$ -)	Note 1 (b.) (3) and Note 6
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Consulting for management of healthcare and hospitality business.	234,488 (RMB 54,000)	f. Investor: Chia Hsin Business Consulting (Shanghai) Co., Ltd.	- (US\$ -)	- (US\$ -)	- (US\$ -)	- (US\$ -)	(12,974) (US\$ -457)	95.23	(12,974) (US\$ -457)	164,808 (US\$ 5,776)	- (US\$ -)	Note 1 (b.) (3) and Note 6
Jiapeng Maternal and Child Care (Yangzhou) Co., Ltd.	Providing healthcare service to mothers in pregnancy, parturition and postpartum period.	182,379 (RMB 42,000)	f. Investor: Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	- (US\$ -)	- (US\$ -)	- (US\$ -)	- (US\$ -)	(4,711) (US\$ -166)	95.23	(4,711) (US\$ -166)	145,239 (US\$ 5,090)	- (US\$ -)	Note 1 (b.) (3) and Note 6
Jiapeng Maternal and Child Care (Suzhou) Co., Ltd.	Providing healthcare service to mothers in pregnancy, parturition and postpartum period	26,054 (RMB 6,000)	f. Investor: Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	- (US\$ -)	- (US\$ -)	- (US\$ -)	- (US\$ -)	(7,301) (US\$ -257)	95.23	(7,301) (US\$ -257)	10,879 (US\$ 381)	- (US\$ -)	Note 1 (b.) (2) and Note 6
Jiangsu Union Mining Industry Ltd. (Note 5)	Processing, manufacturing and delivering of limestone and other related products.	- (RMB -)	c.	141,819 (US\$ 4,970)	- (US\$ -)	- (US\$ -)	141,819 (US\$ 4,970)	- (US\$ -)	-	- (US\$ -)	- (US\$ -)	- (US\$ -)	

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1 (a.))	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021 (Note 1 (a.))	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2021 (Note 1 (a.))	Net Income/(Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1 (a.))	Carrying Amount as of March 31, 2021 (Note 1 (a.))	Accumulated Repatriation of Investment Income as of March 31, 2021	Note
					Outward (Note 1 (a.))	Inward (Note 1 (a.))							
Jiangsu Jiagu Construction Material Storage Co., Ltd.	Engaging in overland delivery of ordinary goods and the processing, manufacturing and selling of cement and other construction material	\$ 376,662 (US\$ 13,200)	e.	\$ 395,124 (US\$ 13,847)	\$ - (US\$ -)	\$ - (US\$ -)	\$ 395,124 (US\$ 13,847)	\$ 1,194 (US\$ 42)	87.18	\$ 1,194 (US\$ 42)	\$ 438,254 (US\$ 15,358)	\$ - (US\$ -)	Note 1 (b.) (3) and Note 6
Jiangsu Jiaxin Property Limited Company	Developing and selling real estate and providing property management service	86,847 (RMB 20,000)	f. Investor: Jiangsu Jiagu Construction Material Storage Co., Ltd.	- (US\$ -)	- (US\$ -)	- (US\$ -)	- (US\$ -)	130 (US\$ 5)	87.18	130 (US\$ 5)	93,860 (US\$ 3,289)	- (US\$ -)	Note 1 (b.) (3) and Note 6

b. Limit on the amount of investments in the mainland China area:

Accumulated Outward Remittance for Investments in Mainland China as of March 31, 2021	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (Notes 3 and 4)
\$ 6,553,576 (US\$ 229,668)	\$ 6,623,658 (US\$ 232,124)	\$ 15,047,475

c. Significant transactions with investee companies in the Mainland Area, either directly or indirectly through a third area: None.

Note 1: a. The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of March 31, 2021: US\$1=NT\$28.535, RMB1=NT\$4.342367; net income items denominated in foreign currencies are translated using the average exchange rate for the three months ended March 31, 2021: US\$1=NT\$28.366, RMB1=NT\$4.376591.

b. The basis for investment income (loss) recognition includes the following:

- 1) The investment income (loss) is recognized based on the financial statements reviewed and attested by an international accounting firm which has cooperative relationship with an accounting firm in the ROC.
- 2) The investment income (loss) is recognized based on the financial statements reviewed and attested by the parent company's CPA in the ROC.
- 3) Other.

Note 2: The method of investment includes the following:

- a. Direct investment in mainland China.
- b. Indirect investment in mainland China through companies registered in a third region. The Company and Tong Yang Chia Hsin International Corporation invest in Chia Hsin Pacific Limited, which then invest in Effervesce Investment Pte. Ltd., the company that invests in mainland China.
- c. Indirect investment in mainland China through companies registered in a third region. The Company and Tong Yang Chia Hsin International Corporation invest in Chia Hsin Pacific Limited, which then invest in Yonica Pte. Ltd., the company that invests in mainland China.
- d. Indirect investment in mainland China through companies registered in a third region. The Company and Tong Yang Chia Hsin International Corporation invest in Chia Hsin Pacific Limited, which then invest in Sparksview Pte. Ltd., the company that invests in mainland China.
- e. Indirect investment in mainland China through companies registered in a third region. The Company and Tong Yang Chia Hsin International Corporation invest in Tong Yang Chia Hsin Marine Corp., which then invests in mainland China.
- f. Other method.

Note 3: Calculated by the 60 of consolidated net worth of Chia Hsin Cement Corporation according to the letter No. 09704604680 issued by Ministry of Economic Affairs.

Note 4: The Company conducted a stock-for-stock transaction with Taiwan Cement Corporation to get rid of the investment via TCC International Holdings Ltd in mainland China. The result of the stock-for-stock transaction will be a decrease in investment in mainland China. On May 17, 2018, the aforementioned write-off of the amount and the ratio of investment was approved by the Investment Commission, Ministry of Economic Affairs.

(Continued)

Note 5: On December 29, 2020, the dissolution of Jiangsu Union Mining Co., Ltd. has been completed. On January 25, 2021, the write-off of the investment in China was approved by the Investment Commission, Ministry of Economic Affairs.

Note 6: The transaction has been eliminated upon consolidation.

Note 7: The investment in associate accounted for using the equity method.

(Concluded)

TABLE 9**CHIA HSIN CEMENT CORPORATION****INFORMATION OF MAJOR SHAREHOLDERS****MARCH 31, 2021**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Tong Yang Chia Hsin International Corporation	127,370,320	16.44
Sung Ju Investment Corp.	68,780,239	8.88
Yung-Ping Chang	41,748,178	5.39

Note: The information of major shareholders comes from the summary of shareholders holding more than 5% of total ordinary and special shares registered as dematerialized security (including treasury shares) in the centralized securities depository enterprise as of the last business day of the reporting period. Based on different calculation method, the number of share recorded in the consolidated financial statements could be different from that registered as dematerialized security.