

**Chia Hsin Cement Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Six Months Ended June 30, 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 June 30, 2021 and 2020, the consolidated statements of comprehensive income for the three months ended June 30, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the six 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 June 30, 2021 and 2020, combined total assets of these non-significant subsidiaries were NT\$11,587,511 thousand and NT\$11,827,267 thousand, respectively, representing 27.89% and 31.28%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT\$4,763,589 thousand and NT\$4,914,720 thousand, respectively, representing 32.78% and 31.39%, respectively, of the consolidated total liabilities; for the three-month periods ended June 30, 2021 and 2020 and for the six-month periods ended June 30, 2021 and 2020, the amounts of combined comprehensive income (loss) of these subsidiaries were NT\$(127,497) thousand, NT\$89,227 thousand, NT\$(251,352) thousand and NT\$(52,899) thousand, respectively, representing (11.54%), 8.16%, (12.33%) and 8.29%, respectively, of the consolidated total comprehensive income. In addition, as disclosed in Note 16 to the consolidated financial statements, as of June 30, 2021 and 2020, the amounts of investments accounted for using the equity method were NT\$3,501,564 thousand and NT\$2,483,790 thousand,

respectively, and for the three-month periods ended June 30, 2021 and 2020 and for the six-month periods ended June 30, 2021 and 2020, the amounts of share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method were NT\$(34,048) thousand, NT\$61,485 thousand, NT\$(34,890) thousand and NT\$(71,015) thousand, respectively. The above-mentioned amounts were recognized according to the unreviewed financial statements for the same accounting periods of the aforementioned investee companies. The related information disclosed in Note 41 to the consolidated financial statements and the information of 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 June 30, 2021 and 2020, its consolidated financial performance for the three months ended June 30, 2021 and 2020 and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 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 Chiang Hsun Chen and Keng Hsi Chang.



Deloitte & Touche
Taipei, Taiwan
Republic of China

August 12, 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	June 30, 2021 (Reviewed)		December 31, 2020 (Audited)		June 30, 2020 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 3,084,908	8	\$ 3,375,981	8	\$ 2,910,925	8
Financial assets at fair value through profit or loss - current (Note 7)	1,450,166	4	1,091,077	3	1,442,992	4
Financial assets at fair value through other comprehensive income - current (Note 8)	3,165,702	8	2,713,193	7	2,556,799	7
Financial assets at amortized cost- current (Note 14)	3,298,516	8	4,065,846	10	2,936,410	8
Notes receivable from unrelated parties (Notes 9 and 27)	128,988	-	147,422	1	123,070	-
Trade receivables from unrelated parties (Notes 9 and 27)	90,425	-	108,712	-	78,245	-
Trade receivables from related parties (Notes 27 and 36)	2,890	-	4,041	-	2,712	-
Finance lease receivables (Note 11)	2,763	-	2,618	-	2,532	-
Other receivables from unrelated parties (Note 10)	34,818	-	33,016	-	29,597	-
Other receivables from related parties (Note 36)	16,323	-	19,435	-	134,687	-
Current tax assets	269	-	1,197	-	1,624	-
Inventories (Note 12)	12,685	-	61,497	-	33,077	-
Prepayments (Note 21)	146,244	-	100,846	-	104,381	-
Refundable deposit- current	1,632	-	1,639	-	-	-
Other current assets (Note 21)	19	-	-	-	285	-
Total current assets	<u>11,436,348</u>	<u>28</u>	<u>11,726,520</u>	<u>29</u>	<u>10,357,336</u>	<u>27</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 8)	12,817,231	31	10,895,230	27	10,272,060	27
Financial assets at amortized cost - non-current (Notes 14 and 37)	25,831	-	25,794	-	23,769	-
Investments accounted for using the equity method (Note 16)	3,501,564	8	3,628,571	9	2,483,790	7
Property, plant and equipment (Notes 17 and 37)	5,640,791	14	6,195,433	15	6,321,125	17
Right-of-use assets (Note 18)	1,714,793	4	1,786,356	4	1,787,228	5
Investment properties (Notes 19 and 37)	6,107,276	15	6,138,701	15	6,265,390	17
Intangible assets (Note 20)	9,061	-	11,347	-	13,582	-
Deferred tax assets (Note 4)	237,880	-	174,983	1	199,230	-
Refundable deposits - non-current	32,663	-	32,990	-	31,041	-
Finance lease receivables - non-current (Note 11)	5,461	-	6,879	-	8,223	-
Other non-current assets (Notes 9 and 21)	17,936	-	23,423	-	42,744	-
Total non-current assets	<u>30,110,487</u>	<u>72</u>	<u>28,919,707</u>	<u>71</u>	<u>27,448,182</u>	<u>73</u>
TOTAL	<u>\$ 41,546,835</u>	<u>100</u>	<u>\$ 40,646,227</u>	<u>100</u>	<u>\$ 37,805,518</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 22 and 37)	\$ 1,315,563	3	\$ 1,564,000	4	\$ 1,351,485	4
Short-term bills payable (Note 22)	-	-	136,773	-	349,691	1
Contract liabilities - current (Note 27)	25,332	-	13,154	-	15,291	-
Notes payable to unrelated parties (Note 23)	3,057	-	3,011	-	2,944	-
Trade payables to unrelated parties (Note 23)	61,134	-	76,579	-	100,206	-
Trade payables to related parties (Note 36)	137,917	1	73,132	-	73,133	-
Other payables to unrelated parties (Notes 24 and 33)	250,313	1	345,715	1	1,073,096	3
Other payables to related parties (Note 36)	68,531	-	89	-	76,719	-
Current tax liabilities	89,236	-	137,173	1	125,514	-
Lease liabilities - current (Note 18)	123,947	-	124,926	-	119,269	-
Advance receipts (Note 24)	8,196	-	11,829	-	11,470	-
Current portion of long-term borrowings (Notes 22 and 37)	522,029	1	528,223	1	517,500	2
Guarantee deposits - current (Note 36)	23,956	-	19,768	-	21,371	-
Other current liabilities (Note 24)	8,019	-	8,093	-	5,344	-
Total current liabilities	<u>2,637,230</u>	<u>6</u>	<u>3,042,465</u>	<u>7</u>	<u>3,843,033</u>	<u>10</u>
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 22 and 37)	8,216,340	20	8,771,785	22	8,011,502	21
Deferred tax liabilities (Note 4)	1,530,144	4	1,559,363	4	1,579,756	4
Lease liabilities - non-current (Note 18)	1,665,467	4	1,723,014	4	1,688,240	5
Deferred revenue - non-current (Notes 24 and 32)	392,016	1	437,169	1	433,528	1
Net defined benefit liabilities - non-current (Note 4)	994	-	1,007	-	3,231	-
Guarantee deposits - non-current (Note 36)	90,256	-	94,075	-	96,418	-
Total non-current liabilities	<u>11,895,217</u>	<u>29</u>	<u>12,586,413</u>	<u>31</u>	<u>11,812,675</u>	<u>31</u>
Total liabilities	<u>14,532,447</u>	<u>35</u>	<u>15,628,878</u>	<u>38</u>	<u>15,655,708</u>	<u>41</u>
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	980,972	3	960,402	3	847,377	2
Retained earnings						
Legal reserve	2,319,663	6	2,319,663	6	2,319,663	6
Special reserve	2,257,996	5	2,275,704	6	2,346,051	6
Unappropriated earnings	6,786,497	16	7,058,382	17	5,153,067	14
Total retained earnings	11,364,156	27	11,653,749	29	9,818,781	26
Other equity	7,162,456	17	4,939,214	12	4,089,403	11
Treasury shares	(1,098,762)	(3)	(1,119,023)	(3)	(1,119,023)	(3)
Total equity attributable to owners of the Company	26,156,627	63	24,182,147	60	21,384,343	57
NON-CONTROLLING INTERESTS (Note 26)	<u>857,761</u>	<u>2</u>	<u>835,202</u>	<u>2</u>	<u>765,467</u>	<u>2</u>
Total equity	<u>27,014,388</u>	<u>65</u>	<u>25,017,349</u>	<u>62</u>	<u>22,149,810</u>	<u>59</u>
TOTAL	<u>\$ 41,546,835</u>	<u>100</u>	<u>\$ 40,646,227</u>	<u>100</u>	<u>\$ 37,805,518</u>	<u>100</u>

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

(With Deloitte & Touche review report dated August 12, 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 June 30				For the Six Months Ended June 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 27 and 36)	\$ 550,388	100	\$ 496,985	100	\$ 1,094,914	100	\$ 992,319	100
OPERATING COSTS (Notes 12, 28 and 36)	(550,202)	(100)	(500,085)	(101)	(1,104,949)	(101)	(1,014,902)	(102)
GROSS PROFIT (LOSS)	186	-	(3,100)	(1)	(10,035)	(1)	(22,583)	(2)
OPERATING EXPENSES (Notes 28 and 36)								
Selling and marketing expenses	(9,186)	(2)	(7,868)	(1)	(17,256)	(1)	(16,409)	(2)
General and administrative expenses	(152,191)	(27)	(147,673)	(30)	(269,240)	(25)	(278,868)	(28)
Expected credit loss reversal (Note 9)	60	-	81	-	130	-	389	-
Total operating expenses	(161,317)	(29)	(155,460)	(31)	(286,366)	(26)	(294,888)	(30)
LOSS FROM OPERATIONS	(161,131)	(29)	(158,560)	(32)	(296,401)	(27)	(317,471)	(32)
NON-OPERATING INCOME AND EXPENSES								
Interest income (Notes 28 and 36)	13,039	2	20,971	4	28,083	3	46,726	5
Other income (Notes 28 and 36)	37,786	7	62,439	13	52,433	5	75,296	7
Other gains and losses (Note 28)	46,988	8	466,683	94	123,859	11	410,434	41
Finance costs (Note 28)	(39,493)	(7)	(50,299)	(10)	(81,737)	(8)	(82,118)	(8)
Share of (loss) profit of associates and joint ventures (Note 16)	(68,341)	(12)	6,538	1	(108,219)	(10)	9,170	1
Total non-operating income and expenses	(10,021)	(2)	506,332	102	14,419	1	459,508	46
(LOSS) PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	(171,152)	(31)	347,772	70	(281,982)	(26)	142,037	14
INCOME TAX BENEFIT (EXPENSE) (Notes 4 and 29)	16,885	3	(184,047)	(37)	7,410	1	(195,283)	(19)
NET (LOSS) PROFIT FROM CONTINUING OPERATIONS	(154,267)	(28)	163,725	33	(274,572)	(25)	(53,246)	(5)
NET (LOSS) PROFIT FROM DISCONTINUED OPERATIONS (Note 13)	-	-	(1,278)	-	-	-	1,499	-
NET (LOSS) INCOME	(154,267)	(28)	162,447	33	(274,572)	(25)	(51,747)	(5)

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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 June 30				For the Six Months Ended June 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain or loss on investments in equity instruments at fair value through other comprehensive income (Note 26)	\$ 1,284,756	234	\$ 1,006,386	203	\$ 2,384,407	217	\$ (375,023)	(38)
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method (Note 26)	<u>34,882</u>	<u>6</u>	<u>56,099</u>	<u>11</u>	<u>74,176</u>	<u>7</u>	<u>(78,772)</u>	<u>(8)</u>
	<u>1,319,638</u>	<u>240</u>	<u>1,062,485</u>	<u>214</u>	<u>2,458,583</u>	<u>224</u>	<u>(453,795)</u>	<u>(46)</u>
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations (Note 26)	(82,447)	(15)	(164,825)	(33)	(205,217)	(19)	(163,284)	(16)
Share of the other comprehensive loss of associates and joint ventures accounted for using the equity method	(589)	-	(1,152)	(1)	(847)	-	(1,413)	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4, 26 and 29)	<u>22,323</u>	<u>4</u>	<u>34,833</u>	<u>7</u>	<u>61,393</u>	<u>6</u>	<u>32,314</u>	<u>3</u>
	<u>(60,713)</u>	<u>(11)</u>	<u>(131,144)</u>	<u>(27)</u>	<u>(144,671)</u>	<u>(13)</u>	<u>(132,383)</u>	<u>(13)</u>
Other comprehensive (loss) income for the period, net of income tax	<u>1,258,925</u>	<u>229</u>	<u>931,341</u>	<u>187</u>	<u>2,313,912</u>	<u>211</u>	<u>(586,178)</u>	<u>(59)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ 1,104,658</u>	<u>201</u>	<u>\$ 1,093,788</u>	<u>220</u>	<u>\$ 2,039,340</u>	<u>186</u>	<u>\$ (637,925)</u>	<u>(64)</u>
NET (LOSS) INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ (162,491)	(30)	\$ 139,876	28	\$ (289,593)	(26)	\$ (70,213)	(7)
Non-controlling interests	<u>8,224</u>	<u>2</u>	<u>22,571</u>	<u>5</u>	<u>15,021</u>	<u>1</u>	<u>18,466</u>	<u>2</u>
	<u>\$ (154,267)</u>	<u>(28)</u>	<u>\$ 162,447</u>	<u>33</u>	<u>\$ (274,572)</u>	<u>(25)</u>	<u>\$ (51,747)</u>	<u>(5)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 1,048,375	191	\$ 1,039,823	209	\$ 1,933,649	176	\$ (635,078)	(64)
Non-controlling interests	<u>56,283</u>	<u>10</u>	<u>53,965</u>	<u>11</u>	<u>105,691</u>	<u>10</u>	<u>(2,847)</u>	<u>-</u>
	<u>\$ 1,104,658</u>	<u>201</u>	<u>\$ 1,093,788</u>	<u>220</u>	<u>\$ 2,039,340</u>	<u>186</u>	<u>\$ (637,925)</u>	<u>(64)</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 June 30				For the Six Months Ended June 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
(LOSS) EARNINGS PER SHARE (Note 30)								
From continuing and discontinued operations								
Basic	<u>\$ (0.25)</u>		<u>\$ 0.22</u>		<u>\$ (0.45)</u>		<u>\$ (0.11)</u>	
Diluted	<u>\$ (0.25)</u>		<u>\$ 0.22</u>		<u>\$ (0.45)</u>		<u>\$ (0.11)</u>	
From continuing operations								
Basic	<u>\$ (0.25)</u>		<u>\$ 0.22</u>		<u>\$ (0.45)</u>		<u>\$ (0.11)</u>	
Diluted	<u>\$ (0.25)</u>		<u>\$ 0.22</u>		<u>\$ (0.45)</u>		<u>\$ (0.11)</u>	

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

(With Deloitte & Touche review report dated August 12, 2021)

(Concluded)

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 Translating 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
Appropriation of 2019 earnings (Note 26)											
Legal reserve	-	-	176,052	-	(176,052)	-	-	-	-	-	-
Cash Dividends	-	-	-	-	(771,781)	-	-	-	(771,781)	-	(771,781)
Net (loss) profit for the six months ended June 30, 2020	-	-	-	-	(70,213)	-	-	-	(70,213)	18,466	(51,747)
Other comprehensive loss for the six months ended June 30, 2020	-	-	-	-	-	(124,302)	(440,563)	-	(564,865)	(21,313)	(586,178)
Total comprehensive loss for the six months ended June 30, 2020	-	-	-	-	(70,213)	(124,302)	(440,563)	-	(635,078)	(2,847)	(637,925)
Decrease in non-controlling interests (Note 26)	-	-	-	-	-	-	-	-	-	(94,469)	(94,469)
Buy-back of ordinary shares (Note 26)	-	-	-	-	-	-	-	(22,240)	(22,240)	-	(22,240)
BALANCE, JUNE 30, 2020	<u>\$ 7,747,805</u>	<u>\$ 847,377</u>	<u>\$ 2,319,663</u>	<u>\$ 2,346,051</u>	<u>\$ 5,153,067</u>	<u>\$ (467,373)</u>	<u>\$ 4,556,776</u>	<u>\$ (1,119,023)</u>	<u>\$ 21,384,343</u>	<u>\$ 765,467</u>	<u>\$ 22,149,810</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
Appropriation of 2020 earnings (Note 26)											
Reverse of special reserve	-	-	-	(17,708)	17,708	-	-	-	-	-	-
Net (loss) profit for the six months ended June 30, 2021	-	-	-	-	(289,593)	-	-	-	(289,593)	15,021	(274,572)
Other comprehensive income (loss) for the six months ended June 30, 2021	-	-	-	-	-	(141,040)	2,364,282	-	2,223,242	90,670	2,313,912
Total comprehensive income (loss) for the six months ended June 30, 2021	-	-	-	-	(289,593)	(141,040)	2,364,282	-	1,933,649	105,691	2,039,340
Share-based payment (Notes 26 and 31)	-	20,587	-	-	-	-	-	-	20,587	-	20,587
Decrease in non-controlling interests (Note 26)	-	-	-	-	-	-	-	-	-	(83,132)	(83,132)
Reissuance of treasury shares (Note 26)	-	(17)	-	-	-	-	-	20,261	20,244	-	20,244
BALANCE, JUNE 30, 2021	<u>\$ 7,747,805</u>	<u>\$ 980,972</u>	<u>\$ 2,319,663</u>	<u>\$ 2,257,996</u>	<u>\$ 6,786,497</u>	<u>\$ (545,265)</u>	<u>\$ 7,707,721</u>	<u>\$ (1,098,762)</u>	<u>\$ 26,156,627</u>	<u>\$ 857,761</u>	<u>\$ 27,014,388</u>

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

(With Deloitte & Touche review report dated August 12, 2021)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended	
	June 30	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) Income before income tax from continuing operations	\$ (281,982)	\$ 142,037
(Loss) Income before income tax from discontinued operations	-	1,499
Income before income tax	(281,982)	143,536
Adjustments for:		
Depreciation expenses	265,026	281,390
Amortization expenses	1,342	1,119
Net (gain) loss on fair value changes of financial assets at fair value through profit or loss	(164,517)	56,882
Reversed expected credit loss on trade receivables	(130)	(389)
Finance costs	81,737	82,118
Interest income	(28,083)	(50,693)
Dividend income	(4,627)	(2,730)
Compensation costs arising from share-based payment	20,587	-
Share of (loss) profit of associates and joint ventures	108,219	(9,170)
Loss (Gain) on disposal of property, plant and equipment	12	(63,125)
Property, plant and equipment transferred to expenses	-	551
Gain on lease modification	-	(75)
Gain on disposal of disposal groups held for sale	-	(335,919)
Realized gain on deferred revenue	(7,127)	(6,633)
Gain on disposal of associates and joint ventures accounted for using the equity method	(3,245)	-
Gain on liquidation of subsidiary	-	(92,073)
Investment property transferred to expenses	1,492	-
Net loss (gain) on foreign currency exchange	47,444	(165)
Changes in operating assets and liabilities:		
Financial assets mandatorily measured as at fair value through profit or loss	(194,572)	163,442
Notes receivable	18,599	42,560
Trade receivables	17,114	(17,187)
Trade receivables from related parties	1,151	(32)
Other receivables	7,297	331,637
Inventories	48,554	11,831
Prepayments	(47,455)	(33,043)
Other current assets	(19)	(302)
Contract liabilities	12,320	5,823
Notes payable	46	38
Trade payables	(15,241)	(10,319)
Trade payables to related parties	64,785	(10,447)
Other payables	(46,675)	(51,355)
Advance receipts	(3,539)	(2,202)

(Continued)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2021	2020
Other current liabilities	\$ 604	\$ 3,023
Net defined benefit liability	(13)	23
Cash (used in) generated from operations	(100,896)	438,114
Interest paid	(66,487)	(67,936)
Income tax paid	(69,231)	(51,366)
Net cash (used in) generated from operating activities	<u>(236,614)</u>	<u>318,812</u>
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	(447,094)	-
Proceeds from sale of financial assets at amortized cost	1,172,530	449,970
Cash return of capital due to liquidation of associates and joint ventures accounted for using the equity method	66,327	-
Payments for property, plant and equipment	(75,112)	(549,877)
Proceeds from disposal of property, plant and equipment	-	41,163
Increase in refundable deposits paid	(13)	(1,037)
Decrease in other receivables from related parties	18,012	62,206
Payments for intangible assets	-	(9,262)
Payments for investment properties	(20,617)	(8,567)
Decrease in finance lease receivables	1,273	1,245
Decrease (increase) in other non-current assets	1,313	(7,023)
Decrease (increase) in prepayments for equipment	4,312	(7,190)
Interest received	18,055	49,447
Dividends received	4,627	2,730
Payments for contingent consideration	(50,000)	-
Net cash generated from investing activities	<u>693,613</u>	<u>13,805</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayments of) proceeds from short-term borrowings	(248,146)	555,100
(Repayments of) proceeds of short-term bills payable	(137,000)	80,000
Repayments of long-term loans	(228,750)	(14,945)
Proceeds (refunds) of guarantee deposits received	417	(4,060)
Repayments of the principal portion of lease liabilities	(55,147)	(46,798)
Payments for buy-back of ordinary shares	-	(22,240)
Proceeds from reissuance of treasury shares	20,244	-
Net cash (used in) generated from financing activities	<u>(648,382)</u>	<u>547,057</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>(99,690)</u>	<u>(35,646)</u>

(Continued)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended	
	June 30	
	2021	2020
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (291,073)	\$ 844,028
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>\$ 3,084,908</u>	<u>\$ 2,910,925</u>

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

(With Deloitte & Touche review report dated August 12, 2021)

(Concluded)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 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 June 30, 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 August 12, 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. The IFRSs endorsed by the FSC for application starting from 2022

New IFRSs	Effective Date Announced by IASB
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 1)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 2)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 3)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 are 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” are 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” are applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: 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 3: 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 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on 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.

- c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
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 2)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 3)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 4)

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 will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: 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 4: Except for deferred taxes that 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

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group considers the recent development of the COVID-19 globally and its economic environment implications when making its critical accounting estimates in cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

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

	June 30, 2021	December 31, 2020	June 30, 2020
Cash on hand	\$ 4,285	\$ 4,790	\$ 4,338
Checking accounts and demand deposits	1,354,878	921,356	741,988
Cash equivalents			
Commercial paper	130,873	452,656	97,913
Time deposits with original maturities of 3 months or less	1,532,892	1,904,118	1,792,615
Repurchase agreements collateralized by bonds	<u>61,980</u>	<u>93,061</u>	<u>274,071</u>
	<u>\$ 3,084,908</u>	<u>\$ 3,375,981</u>	<u>\$ 2,910,925</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:

	June 30, 2021	December 31, 2020	June 30, 2020
Commercial paper	0.19%-0.20%	0.19%-0.23%	0.30%-0.31%
Demand deposits and time deposits	0.001%-2.03%	0.001%-2.12%	0.001%-2.21%
Repurchase agreements collateralized by bonds	0.25%	0.50%-0.60%	1.40%-1.70%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Financial assets mandatorily measured at fair value through profit or loss (FVTPL) - current</u>			
Non-derivative financial assets			
Domestic listed shares	\$ 1,088,425	\$ 922,018	\$ 1,041,096
Overseas listed shares	53,810	64,909	72,640
Overseas mutual funds - beneficiary certificates	<u>307,931</u>	<u>104,150</u>	<u>329,256</u>
	<u>\$ 1,450,166</u>	<u>\$ 1,091,077</u>	<u>\$ 1,442,992</u>

The Group has investments in shares of Taiwan Cement Corporation. As of June 30, 2021, the Group held 21,332,026 shares (book value \$1,087,933 thousand) accounted for as financial assets at fair value through profit or loss and 302,818,769 shares (book value \$15,443,757 thousand) accounted for as financial assets at fair value through other comprehensive income. The shareholders of Taiwan Cement Corporation resolved in their shareholders' meeting on July 5, 2021 to issue cash dividends of \$3.5 per share and on July 27, 2021 revised the cash dividends to \$3.368 per share. On July 15, 2021, Taiwan Cement Corporation announced that the ex-dividend date would be August 18, 2021, and the cash dividends would be distributed on September 10, 2021. Information for other price risk and sensitivity analysis are provided in Note 35.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Investments in equity instruments - current</u>			
Domestic investments			
Listed shares and emerging market shares	\$ <u>3,165,702</u>	\$ <u>2,713,193</u>	\$ <u>2,556,799</u>
<u>Investments in equity instruments - non-current</u>			
Domestic investments			
Listed shares and emerging market shares	\$ 12,493,001	\$ 10,582,307	\$ 9,973,249
Unlisted shares	<u>324,230</u>	<u>312,923</u>	<u>298,811</u>
	<u>\$ 12,817,231</u>	<u>\$ 10,895,230</u>	<u>\$ 10,272,060</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

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Notes receivable</u>			
Gross carrying amount at amortized cost	\$ 130,258	\$ 148,892	\$ 124,279
Less: Allowance for impairment loss	<u>(1,270)</u>	<u>(1,470)</u>	<u>(1,209)</u>
	<u>\$ 128,988</u>	<u>\$ 147,422</u>	<u>\$ 123,070</u>
<u>Trade receivables</u>			
Gross carrying amount at amortized cost	\$ 90,936	\$ 109,296	\$ 78,610
Less: Allowance for impairment loss	<u>(511)</u>	<u>(584)</u>	<u>(365)</u>
	<u>\$ 90,425</u>	<u>\$ 108,712</u>	<u>\$ 78,245</u>
<u>Overdue receivables (Note)</u>			
Gross carrying amount at amortized cost	\$ 13,000	\$ 13,022	\$ 12,486
Less: Allowance for impairment loss	<u>(13,000)</u>	<u>(13,022)</u>	<u>(12,486)</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 one 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:

June 30, 2021

	Not Overdue	Overdue within 90 Days	Overdue 91-360 Days	Overdue 1 Year or More	Total
Expected credit loss rate	0.79%	0.99%	-	100%	
Gross carrying amount	\$ 223,882	\$ 202	\$ -	\$ 13,000	\$ 237,084
Loss allowance (Lifetime ECLs)	<u>(1,779)</u>	<u>(2)</u>	<u>-</u>	<u>(13,000)</u>	<u>(14,781)</u>
Amortized cost	<u>\$ 222,103</u>	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 222,303</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>

June 30, 2020

	Not Overdue	Overdue within 90 Days	Overdue 91-360 Days	Overdue 1 Year or More	Total
Expected credit loss rate	0.76%	-	1.08%	100%	
Gross carrying amount	\$ 205,134	\$ 5	\$ 462	\$ 12,486	\$ 218,087
Loss allowance (Lifetime ECLs)	<u>(1,569)</u>	<u>-</u>	<u>(5)</u>	<u>(12,486)</u>	<u>(14,060)</u>
Amortized cost	<u>\$ 203,565</u>	<u>\$ 5</u>	<u>\$ 457</u>	<u>\$ -</u>	<u>\$ 204,027</u>

The movements of the loss allowance of trade receivables and trade receivables from related parties were as follows:

	For the Six Months Ended June 30	
	2021	2020
Balance at January 1	\$ 15,076	\$ 14,784
Less: Net remeasurement of loss allowance reversed	(130)	(389)
Foreign exchange gains and losses	<u>(165)</u>	<u>(335)</u>
Balance at June 30	<u>\$ 14,781</u>	<u>\$ 14,060</u>

10. OTHER RECEIVABLES

	June 30, 2021	December 31, 2020	June 30, 2020
Interest receivable	\$ 24,771	\$ 15,015	\$ 19,051
VAT refunds receivable	-	4,226	-
Government grants receivable	-	3,585	-
Others	11,916	12,081	12,359
Less: Allowance of impairment loss	<u>(1,869)</u>	<u>(1,891)</u>	<u>(1,813)</u>
	<u>\$ 34,818</u>	<u>\$ 33,016</u>	<u>\$ 29,597</u>

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

	For the Six Months Ended June 30	
	2021	2020
Balance at January 1	\$ 1,891	\$ 1,862
Foreign exchange gains and losses	<u>(22)</u>	<u>(49)</u>
Balance at June 30	<u>\$ 1,869</u>	<u>\$ 1,813</u>

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

June 30, 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	\$ 34,818	\$ -	\$ -	\$ 1,869	\$ 36,687
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,869)</u>	<u>(1,869)</u>
Amortized cost	<u>\$ 34,818</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,818</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>

June 30, 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	\$ 29,597	\$ -	\$ -	\$ 1,813	\$ 31,410
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,813)</u>	<u>(1,813)</u>
Amortized cost	<u>\$ 29,597</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,597</u>

Other receivables were mainly interest, VAT refunds and government grants 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

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Undiscounted lease payments</u>			
Year 1	\$ 2,914	\$ 2,800	\$ 2,743
Year 2	2,972	2,972	2,914
Year 3	2,600	2,972	2,971
Year 4	<u>-</u>	<u>1,114</u>	<u>2,600</u>
	8,486	9,858	11,228
Less: Unearned finance income	<u>(262)</u>	<u>(361)</u>	<u>(473)</u>
Lease payments receivable	<u>8,224</u>	<u>9,497</u>	<u>10,755</u>
Net investment in leases presented as finance lease receivables	<u>\$ 8,224</u>	<u>\$ 9,497</u>	<u>\$ 10,755</u>
<u>Lease payments receivable</u>			
	June 30, 2021	December 31, 2020	June 30, 2020
Not more than 1 year	\$ 2,763	\$ 2,618	\$ 2,532
More than 1 year and not more than 5 years	<u>5,461</u>	<u>6,879</u>	<u>8,223</u>
	<u>\$ 8,224</u>	<u>\$ 9,497</u>	<u>\$ 10,755</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 sublease, 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 June 30, 2021, December 31, 2020 and June 30, 2020, the interest rate inherent in the finance leases was 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 June 30, 2021, December 31, 2020 and June 30, 2020, no finance lease receivable was 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

	June 30, 2021	December 31, 2020	June 30, 2020
Finished goods	\$ 6,815	\$ 55,699	\$ 28,611
Raw materials	396	271	215
Supplies	<u>2,308</u>	<u>2,361</u>	<u>1,085</u>
	<u>9,519</u>	<u>58,331</u>	<u>29,911</u>
Land held for construction	<u>3,166</u>	<u>3,166</u>	<u>3,166</u>
	<u>\$ 12,685</u>	<u>\$ 61,497</u>	<u>\$ 33,077</u>

The cost of inventories recognized as cost of goods sold for the three months ended June 30, 2021 and 2020 and the six months ended June 30, 2021 and 2020 was \$266,483 thousand, \$265,758 thousand, \$543,070 thousand and \$505,414 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 June 30, 2020	For the Six Months Ended June 30, 2020
Operating revenue	\$ -	\$ -
Operating costs	<u>-</u>	<u>-</u>
Gross profit	-	-
Selling and marketing expenses	-	-
General and administrative expenses	<u>(1,502)</u>	<u>(2,468)</u>
Loss from operations	(1,502)	(2,468)
Interest income	224	3,967
Other income	-	-
Other gains or losses	-	-
Finance costs	<u>-</u>	<u>-</u>
(Loss) profit before tax	(1,278)	1,499
Income tax expense	<u>-</u>	<u>-</u>
Net (loss) profit for the year	<u>\$ (1,278)</u>	<u>\$ 1,499</u>

(Continued)

	For the Three Months Ended June 30, 2020	For the Six Months Ended June 30, 2020
(Loss) profit from discontinued operations attributable to:		
Owners of the Company	\$ (1,278)	\$ 1,499
Non-controlling interests	<u>-</u>	<u>-</u>
	<u>\$ (1,278)</u>	<u>\$ 1,499</u>
Cash flows		
Operating activities		\$ (9,383)
Investing activities		3,967
Financing activities		<u>(601,796)</u>
Net cash outflows		<u>\$ (607,212)</u> (Concluded)

b. Disposal groups held for sale

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 the 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 \$441,528 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, disposal of the assets of \$335,919 thousand was recognized under other gains and losses.

14. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Current</u>			
Principal protected investments (Note)	\$ 383,825	\$ 501,955	\$ 723,642
Time deposits with original maturities of more than 3 months	<u>2,914,691</u>	<u>3,563,891</u>	<u>2,212,768</u>
	<u>\$ 3,298,516</u>	<u>\$ 4,065,846</u>	<u>\$ 2,936,410</u>
<u>Non-current</u>			
Restricted deposits	<u>\$ 25,831</u>	<u>\$ 25,794</u>	<u>\$ 23,769</u>

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Interest rate range</u>			
Principal protected investments	2.05%-2.70%	2.20%-2.70%	2.65%-3.40%
Time deposits with original maturities of more than 3 months	0.80%-2.33%	0.57%-2.25%	0.02%-2.60%
Restricted deposits	0.09%-0.815%	0.41%-1.045%	0.09%-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 the 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 12-month expected credit losses or lifetime expected credit losses of financial assets at amortized cost. As of June 30, 2021, December 31, 2020 and June 30, 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
			June 30, 2021	December 31, 2020	June 30, 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 Cement Corporation	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 Hsin Cement Corporation	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 Cement Corporation	Chia Hsin Pacific Limited	Holding company	74.16	74.16	74.16	Exchange rate risk
Chia Hsin Cement Corporation	BlueSky. Co., Ltd.	International trade; real estate trading; real estate leasing	100.00	100.00	100.00	-
Chia Hsin Cement Corporation	YJ International Corporation	Real estate rental and leasing; real estate management; realtor agent	100.00	100.00	100.00	-
Chia Hsin Cement Corporation	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
YJ International Corporation	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
Tong Yang Chia Hsin International Corporation	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

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			June 30, 2021	December 31, 2020	June 30, 2020	
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
Effervesce Investment Pte. Ltd.	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
Effervesce Investment Pte. Ltd.	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.	Yonica Pte Ltd Jiangsu Union Cement Co., Ltd (Note 5)	Investment and holding company Processing, manufacturing and selling of cement.	100.00 -	100.00 -	100.00 -	Exchange rate risk Exchange rate risk and political risk arising from Cross-Strait relations
Chia Hsin Pacific Limited Sparksvie Pte. Ltd.	Sparksvie Pte. Ltd. Shanghai Jia Huan Concrete Co., Ltd.	Investment and holding company Processing, manufacturing and selling of cement, concrete and other related products.	100.00 32.00	100.00 32.00	100.00 32.00	Exchange rate risk 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 2)	Consulting for management of healthcare and hospitality 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 3)	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
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Jiapeng Maternal and Child Care (Suzhou) Co., Ltd. (Note 4)	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 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, and May 28, 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, RMB8,000 thousand and RMB4,000 thousand, respectively.

Note 3: 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 4: 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. On May 28, 2021, Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. increased by RMB4,000 thousand the investment in Jiapeng Maternal and Child care (Suzhou) Co., Ltd.
- Note 5: 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 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 six months ended June 30, 2020 and 2021 are presented using unreviewed financial statements from each entity. As of June 30, 2021 and 2020, combined total assets of these non-significant subsidiaries were \$11,587,511 thousand and \$11,827,267 thousand, respectively, representing 27.89% and 31.28%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were \$4,763,589 thousand and \$4,914,720 thousand, respectively, representing 32.78% and 31.39%, respectively, of the consolidated total liabilities; for the three months ended June 30, 2021 and 2020 and for the six months ended June 30, 2021 and 2020, the amounts of combined comprehensive income of these subsidiaries were \$(127,497) thousand, \$89,227 thousand, \$(251,352) thousand and \$(52,899) thousand, respectively, representing (11.54%), 8.16%, (12.33%) and 8.29%, respectively, of the consolidated total comprehensive income.

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

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

	Proportion of Ownership and Voting Rights Held by Non-Controlling Interests		
	June 30, 2021	December 31, 2020	June 30, 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		Accumulated Non-controlling Interests		
	For the Six Months Ended		June 30, 2021	December 31, 2020	June 30, 2020
	June 30 2021	2020			
Tong Yang Chia Hsin International Corporation	<u>\$ 14,903</u>	<u>\$ 15,225</u>	<u>\$ 961,834</u>	<u>\$ 938,143</u>	<u>\$ 848,688</u>

The summarized financial information below represents amounts before intragroup eliminations.

Tong Yang Chia Hsin International Corporation

	June 30, 2021	December 31, 2020	June 30, 2020	
Current assets	\$ 2,606,019	\$ 2,248,612	\$ 2,471,509	
Non-current assets	5,749,328	5,296,456	5,122,956	
Current liabilities	(682,332)	(45,845)	(772,090)	
Non-current liabilities	<u>(172,005)</u>	<u>(182,804)</u>	<u>(203,700)</u>	
Equity	<u>\$ 7,501,010</u>	<u>\$ 7,316,419</u>	<u>\$ 6,618,675</u>	
Equity attributable to:				
Owners of the Group	\$ 6,539,176	\$ 6,378,276	\$ 5,769,987	
Non-controlling interests of Tong Yang Chia Hsin International Corporation	<u>961,834</u>	<u>938,143</u>	<u>848,688</u>	
Carrying amount	<u>\$ 7,501,010</u>	<u>\$ 7,316,419</u>	<u>\$ 6,618,675</u>	
	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Operating revenue	<u>\$ 27,465</u>	<u>\$ 25,627</u>	<u>\$ 54,694</u>	<u>\$ 52,875</u>
Net profit for the year	\$ 63,888	\$ 141,932	\$ 116,245	\$ 118,764
Other comprehensive income (loss)	<u>579,238</u>	<u>584,980</u>	<u>1,143,729</u>	<u>(740,536)</u>
Total comprehensive income (loss) for the year	<u>\$ 643,126</u>	<u>\$ 726,912</u>	<u>\$ 1,259,974</u>	<u>\$ (621,772)</u>
Profit attributable to:				
Owners of Group	\$ 55,697	\$ 123,737	\$ 101,342	\$ 103,539
Non-controlling interests of Tong Yang Chia Hsin International Corporation	<u>8,191</u>	<u>18,195</u>	<u>14,903</u>	<u>15,225</u>
	<u>\$ 63,888</u>	<u>\$ 141,932</u>	<u>\$ 116,245</u>	<u>\$ 118,764</u>
Total comprehensive income (loss) attributable to:				
Owners of Group	\$ 560,678	\$ 633,721	\$ 1,098,446	\$ (542,061)
Non-controlling interests of Tong Yang Chia Hsin International Corporation	<u>82,448</u>	<u>93,191</u>	<u>161,528</u>	<u>(79,711)</u>
	<u>\$ 643,126</u>	<u>\$ 726,912</u>	<u>\$ 1,259,974</u>	<u>\$ (621,772)</u>

	For the Six Months Ended June 30	
	2021	2020
Net cash (outflow) inflow from:		
Operating activities	\$ 9,503	\$ (45,457)
Investing activities	335	356,379
Financing activities	<u>(11,463)</u>	<u>(11,532)</u>
Net cash (outflow) inflow	<u>\$ (1,625)</u>	<u>\$ 299,390</u>

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2021	December 31, 2020	June 30, 2020
Investments in associates	\$ 3,501,564	\$ 3,628,571	\$ 2,322,596
Investments in joint ventures	<u>-</u>	<u>-</u>	<u>161,194</u>
	<u>\$ 3,501,564</u>	<u>\$ 3,628,571</u>	<u>\$ 2,483,790</u>

a. Investments in associates

	June 30, 2021	December 31, 2020	June 30, 2020
Material associates			
LDC ROME HOTELS S.R.L.	\$ 317,292	\$ 367,335	\$ 350,828
L'Hotel De Chine Corporation	1,074,328	1,164,251	-
Chia Hsin Construction & Development Corp.	1,861,334	1,792,694	1,719,659
Associates that are not individually material	<u>248,610</u>	<u>304,291</u>	<u>252,109</u>
	<u>\$ 3,501,564</u>	<u>\$ 3,628,571</u>	<u>\$ 2,322,596</u>

1) Material associates

	Proportion of Ownership and Voting Rights		
	June 30, 2021	December 31, 2020	June 30, 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, and Table 8 “Information on Investments in mainland China.”

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.

	June 30, 2021	December 31, 2020	June 30, 2020
Current assets	\$ 181,287	\$ 311,500	\$ 293,943
Non-current assets	1,700,846	1,824,143	1,799,525
Current liabilities	(916,932)	(102,503)	(357,970)
Non-current liabilities	<u>(171,971)</u>	<u>(1,114,803)</u>	<u>(858,429)</u>
Equity	<u>\$ 793,230</u>	<u>\$ 918,337</u>	<u>\$ 877,069</u>
Proportion of the Group's ownership	40.00%	40.00%	40.00%
Equity attributable to the Group	<u>\$ 317,292</u>	<u>\$ 367,335</u>	<u>\$ 350,828</u>
Carrying amount	<u>\$ 317,292</u>	<u>\$ 367,335</u>	<u>\$ 350,828</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Operating revenue	<u>\$ 27,097</u>	<u>\$ 843</u>	<u>\$ 35,097</u>	<u>\$ 86,458</u>
Net loss for the year	\$ (36,843)	\$ (54,749)	\$ (77,928)	\$ (92,371)
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive loss for the year	<u>\$ (36,843)</u>	<u>\$ (54,749)</u>	<u>\$ (77,928)</u>	<u>\$ (92,371)</u>

Chia Hsin Construction & Development Corp.

	June 30, 2021	December 31, 2020	June 30, 2020
Current assets	\$ 2,111,618	\$ 2,041,258	\$ 1,988,278
Non-current assets	2,598,576	2,410,159	2,479,592
Current liabilities	(375,171)	(381,994)	(357,297)
Non-current liabilities	<u>(121,535)</u>	<u>(12,394)</u>	<u>(220,026)</u>
Equity	<u>\$ 4,213,488</u>	<u>\$ 4,057,029</u>	<u>\$ 3,890,547</u>
Proportion of the Group's ownership	43.87%	43.87%	43.87%
Equity attributable to the Group	\$ 1,848,459	\$ 1,779,819	\$ 1,706,784
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>\$ 1,861,334</u>	<u>\$ 1,792,694</u>	<u>\$ 1,719,659</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Operating revenue	\$ <u>24,812</u>	\$ <u>24,836</u>	\$ <u>49,611</u>	\$ <u>278,531</u>
Net (loss) profit for the year	\$ (13,043)	\$ 61,610	\$ 42,380	\$ 115,456
Other comprehensive income (loss)	<u>72,803</u>	<u>94,057</u>	<u>149,935</u>	<u>(152,536)</u>
Total comprehensive income (loss) for the year	\$ <u>59,760</u>	\$ <u>155,667</u>	\$ <u>192,315</u>	\$ <u>(37,080)</u>

L'Hotel De Chine Corporation

	June 30, 2021	December 31, 2020
Current assets	\$ 1,173,699	\$ 2,179,633
Non-current assets	6,413,237	6,118,487
Current liabilities	(1,268,096)	(1,525,195)
Non-current liabilities	<u>(1,668,069)</u>	<u>(1,732,880)</u>
Equity	\$ <u>4,650,771</u>	\$ <u>5,040,045</u>
Proportion of the Group's ownership	23.10%	23.10%
Equity attributable to the Group	\$ <u>1,074,328</u>	\$ <u>1,164,251</u>
Carrying amount	\$ <u>1,074,328</u>	\$ <u>1,164,251</u>
	For the Three Months Ended June 30, 2021	For the Six Months Ended June 30, 2021
Operating revenue	\$ <u>158,508</u>	\$ <u>490,794</u>
Net loss for the year	\$ (188,192)	\$ (389,274)
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive loss for the year	\$ <u>(188,192)</u>	\$ <u>(389,274)</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 June 30, 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 has paid the contingent consideration on May 31, 2021.

2) Aggregate information of associates that are not individually material

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
The Group's share of:				
(Loss) profit from continuing operations	\$ (4,410)	\$ 1,403	\$ (5,718)	\$ (5,743)
Other comprehensive income (loss)	<u>2,473</u>	<u>13,590</u>	<u>7,722</u>	<u>(13,268)</u>
Total comprehensive (loss) income for the year	<u>\$ (1,937)</u>	<u>\$ 14,993</u>	<u>\$ 2,004</u>	<u>\$ (19,011)</u>

On May 10, 2019, the board of directors of Shanghai Chang Hsin Shipping Co., Ltd., an associate that is not individually material held by the Group, resolved to liquidate the company. On May 17, 2021, the liquidation process and the cancellation of registration of Shanghai Chang Hsin Shipping Co., Ltd. were completed. The Group received \$66,327 thousand of cash return on capital due to liquidation and recognized \$3,245 thousand of loss on disposal of associates accounted for using the equity method under other gains and losses.

b. Investments in joint ventures

	June 30, 2021	December 31, 2020	June 30, 2020
Joint ventures that are not individually material			
Jiangsu Union Mining Industry Ltd. (Note)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 161,194</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 were 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

	June 30, 2021	December 31, 2020	June 30, 2020
Assets used by the Group	\$ 5,574,505	\$ 6,126,784	\$ 6,256,659
Assets leased under operating leases	<u>66,286</u>	<u>68,649</u>	<u>64,466</u>
	<u>\$ 5,640,791</u>	<u>\$ 6,195,433</u>	<u>\$ 6,321,125</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	-	739	588	1,308	31,754	16,502	4,963	55,854
Disposals	(5,377)	-	(20,543)	(324)	-	(549)	-	(26,793)
Reclassified from property under construction (Note)	-	9,618	-	-	74,608	3,799	(91,342)	(3,317)
Reclassified from prepayment	-	-	1,130	-	-	-	-	1,130
Effect of foreign currency exchange differences	<u>(3,402)</u>	<u>(11,988)</u>	<u>(2,136)</u>	<u>(144)</u>	<u>(210)</u>	<u>(1,626)</u>	<u>(107)</u>	<u>(19,613)</u>
Balance at June 30, 2020	<u>\$ 1,044,643</u>	<u>\$ 3,648,261</u>	<u>\$ 800,075</u>	<u>\$ 18,572</u>	<u>\$ 2,822,857</u>	<u>\$ 646,933</u>	<u>\$ 4,994</u>	<u>\$ 8,986,335</u>
<u>Revaluation</u>								
Balance at January 1, 2020	\$ -	\$ -	\$ 15,806	\$ -	\$ -	\$ 357	\$ -	\$ 16,163
Effect of foreign currency exchange differences	-	-	-	-	-	-	-	-
Balance at June 30, 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 expenses	-	71,008	22,296	786	66,750	49,578	-	210,418
Disposals	-	-	(20,543)	(292)	-	(521)	-	(21,356)
Effect of foreign currency exchange differences	-	(714)	(1,322)	(65)	(183)	(549)	-	(2,833)
Balance at June 30, 2020	<u>\$ -</u>	<u>\$ 82,469</u>	<u>\$ 560,266</u>	<u>\$ 12,347</u>	<u>\$ 1,675,917</u>	<u>\$ 206,615</u>	<u>\$ -</u>	<u>\$ 2,537,614</u>
<u>Accumulated impairment</u>								
Balance at January 1, 2020	\$ -	\$ -	\$ 55,848	\$ -	\$ 152,610	\$ -	\$ -	\$ 208,458
Effect of foreign currency exchange differences	-	-	(233)	-	-	-	-	(233)
Balance at June 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,615</u>	<u>\$ -</u>	<u>\$ 152,610</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 208,225</u>
Carrying amounts 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 amounts at June 30, 2020	<u>\$ 1,044,643</u>	<u>\$ 3,565,792</u>	<u>\$ 200,000</u>	<u>\$ 6,225</u>	<u>\$ 994,330</u>	<u>\$ 440,675</u>	<u>\$ 4,994</u>	<u>\$ 6,256,659</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	-	4,163	3,333	1,330	1,601	20,977	45,779	77,183
Disposals	-	-	(3,717)	-	-	(577)	-	(4,294)
Reclassified from property under construction (Note)	-	-	712	-	19	5,531	(7,011)	(749)
Effect of foreign currency exchange differences	<u>(91,484)</u>	<u>(321,375)</u>	<u>(16,733)</u>	<u>(91)</u>	<u>123</u>	<u>(36,184)</u>	<u>(1,098)</u>	<u>(466,842)</u>
Balance at June 30, 2021	<u>\$ 957,695</u>	<u>\$ 3,347,006</u>	<u>\$ 793,810</u>	<u>\$ 19,961</u>	<u>\$ 2,873,388</u>	<u>\$ 639,737</u>	<u>\$ 67,282</u>	<u>\$ 8,698,879</u>
<u>Revaluation</u>								
Balance at January 1, 2021	\$ -	\$ -	\$ 15,806	\$ -	\$ -	\$ 357	\$ -	\$ 16,163
Disposals	-	-	-	-	-	(127)	-	(127)
Effect of foreign currency exchange differences	-	-	-	-	-	-	-	-
Balance at June 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,806</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 230</u>	<u>\$ -</u>	<u>\$ 16,036</u>

(Continued)

	Land	Building	Machinery and Equipment	Transportation Equipment	Leasehold Improvement	Other Equipment	Property under Construction	Total
<u>Accumulated depreciation</u>								
Balance at January 1, 2021	\$ -	\$ 154,485	\$ 573,788	\$ 13,217	\$ 1,759,806	\$ 256,385	\$ -	\$ 2,757,681
Depreciation expenses	-	75,284	13,840	904	58,324	42,296	-	190,648
Disposals	-	-	(3,717)	-	-	(692)	-	(4,409)
Effect of foreign currency exchange differences	-	(16,585)	(2,881)	(56)	11	(9,132)	-	(28,643)
Balance at June 30, 2021	<u>\$ -</u>	<u>\$ 213,184</u>	<u>\$ 581,030</u>	<u>\$ 14,065</u>	<u>\$ 1,818,141</u>	<u>\$ 288,857</u>	<u>\$ -</u>	<u>\$ 2,915,277</u>
<u>Accumulated impairment</u>								
Balance at January 1, 2021	\$ -	\$ -	\$ 55,987	\$ -	\$ 169,292	\$ -	\$ -	\$ 225,279
Effect of foreign currency exchange differences	-	-	(108)	-	(38)	-	-	(146)
Balance at June 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,879</u>	<u>\$ -</u>	<u>\$ 169,254</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 225,133</u>
Carrying amounts 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 amounts at June 30, 2021	<u>\$ 957,695</u>	<u>\$ 3,133,822</u>	<u>\$ 172,707</u>	<u>\$ 5,896</u>	<u>\$ 885,993</u>	<u>\$ 351,110</u>	<u>\$ 67,282</u>	<u>\$ 5,574,505</u>

(Concluded)

Note: In 2020, the amounts of \$2,766 thousand and \$551 thousand were transferred from property under construction to intangible assets and general and administrative expenses, respectively. In 2021, the amount of \$749 thousand was transferred from property under construction to other current asset.

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	5-40 years
Storage and plant	7-40 years
Others	3-24 years
Other equipment	2-20 years

b. Assets leased under operating leases

	Machinery and Equipment	Leasehold Improvement	Other Equipment	Total
<u>Cost</u>				
Balance at January 1, 2020	\$ 224,863	\$ 126,553	\$ 2,736	\$ 354,152
Additions	-	246	-	246
Transferred to investment properties	-	(45,279)	-	(45,279)
Effect of foreign currency exchange differences	<u>(5,868)</u>	<u>(2,128)</u>	<u>(72)</u>	<u>(8,068)</u>
Balance at June 30, 2020	<u>\$ 218,995</u>	<u>\$ 79,392</u>	<u>\$ 2,664</u>	<u>\$ 301,051</u>

(Continued)

	Machinery and Equipment	Leasehold Improvement	Other Equipment	Total
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2020	\$ 201,825	\$ 49,792	\$ 2,355	\$ 253,972
Depreciation expenses	253	2,967	29	3,249
Transferred to investment properties	-	(14,304)	-	(14,304)
Effect of foreign currency exchange differences	<u>(5,272)</u>	<u>(998)</u>	<u>(62)</u>	<u>(6,332)</u>
Balance at June 30, 2020	<u>\$ 196,806</u>	<u>\$ 37,457</u>	<u>\$ 2,322</u>	<u>\$ 236,585</u>
Carrying amounts at January 1, 2020	<u>\$ 23,038</u>	<u>\$ 76,761</u>	<u>\$ 381</u>	<u>\$ 100,180</u>
Carrying amounts at June 30, 2020	<u>\$ 22,189</u>	<u>\$ 41,935</u>	<u>\$ 342</u>	<u>\$ 64,466</u>
<u>Cost</u>				
Balance at January 1, 2021	\$ 239,590	\$ 82,797	\$ 2,779	\$ 325,166
Additions	-	-	-	-
Effect of foreign currency exchange differences	<u>(2,865)</u>	<u>(990)</u>	<u>(34)</u>	<u>(3,889)</u>
Balance at June 30, 2021	<u>\$ 236,725</u>	<u>\$ 81,807</u>	<u>\$ 2,745</u>	<u>\$ 321,277</u>
<u>Accumulated depreciation</u>				
Balance at January 1, 2021	\$ 206,250	\$ 39,998	\$ 2,452	\$ 248,700
Depreciation expenses	603	934	18	1,555
Effect of foreign currency exchange differences	<u>(2,471)</u>	<u>(487)</u>	<u>(30)</u>	<u>(2,988)</u>
Balance at June 30, 2021	<u>\$ 204,382</u>	<u>\$ 40,445</u>	<u>\$ 2,440</u>	<u>\$ 247,267</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>(93)</u>	<u>-</u>	<u>(93)</u>
Balance at June 30, 2021	<u>\$ -</u>	<u>\$ 7,724</u>	<u>\$ -</u>	<u>\$ 7,724</u>
Carrying amounts at January 1, 2021	<u>\$ 33,340</u>	<u>\$ 34,982</u>	<u>\$ 327</u>	<u>\$ 68,649</u>
Carrying amounts at June 30, 2021	<u>\$ 32,343</u>	<u>\$ 33,638</u>	<u>\$ 305</u>	<u>\$ 66,286</u>

(Concluded)

Operating leases relate to lease 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:

	June 30, 2021	December 31, 2020	June 30, 2020
Year 1	\$ 29,434	\$ 28,906	\$ 29,499
Year 2	29,523	28,991	28,851
Year 3	14,774	29,070	28,937
Year 4	<u>-</u>	<u>-</u>	<u>14,481</u>
	<u>\$ 73,731</u>	<u>\$ 86,967</u>	<u>\$ 101,768</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

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Carrying amounts</u>			
Land use right	\$ 572,320	\$ 586,329	\$ 611,846
Land improvement	781,719	799,502	803,911
Building	357,481	396,456	367,547
Machinery and equipment	95	139	172
Transportation equipment	<u>3,178</u>	<u>3,930</u>	<u>3,752</u>
	<u>\$ 1,714,793</u>	<u>\$ 1,786,356</u>	<u>\$ 1,787,228</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Additions to right-of-use assets	\$ -	\$ 2,289	\$ 1,589	\$ 14,953
Depreciation charge for right-of-use assets				
Land use right	\$ 6,479	\$ 6,689	\$ 12,972	\$ 13,411
Land improvement	8,891	8,764	17,782	17,529
Building	18,349	16,321	36,916	31,806
Machinery and equipment	16	18	33	35
Transportation equipment	330	283	664	495
	<u>\$ 34,065</u>	<u>\$ 32,075</u>	<u>\$ 68,367</u>	<u>\$ 63,276</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the six months ended June 30, 2021 and 2020.

b. Lease liabilities

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Carrying amounts</u>			
Current	\$ 123,947	\$ 124,926	\$ 119,269
Non-current	\$ 1,665,467	\$ 1,723,014	\$ 1,688,240

Ranges of discount rates for lease liabilities were as follows:

	June 30, 2021	December 31, 2020	June 30, 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%	1.38%-5.59%	1.38%-4.99%
Machinery and equipment	5.20%	5.20%	5.2%
Transportation equipment	2.00%-6.12%	2.00%-6.12%	2.00%-6.12%

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 June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Expenses relating to short-term leases	\$ 1,197	\$ 1,315	\$ 2,623	\$ 2,459
Expenses relating to low-value asset leases	\$ 273	\$ 92	\$ 596	\$ 317
Total cash outflow for leases	\$ (41,052)	\$ (35,183)	\$ (77,463)	\$ (67,361)

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	-	-	11,009	11,009
Disposals	-	(30,466)	-	(30,466)
Transferred from operation leasing assets	-	45,279	-	45,279
Effect of foreign currency exchange differences	<u>(1,338)</u>	<u>(1,634)</u>	<u>(389)</u>	<u>(3,361)</u>
Balance at June 30, 2020	<u>\$ 2,168,635</u>	<u>\$ 349,729</u>	<u>\$ 104,422</u>	<u>\$ 2,622,786</u>
<u>Revaluation</u>				
Balance at January 1, 2020	\$ 3,854,646	\$ 156,455	\$ -	\$ 4,011,101
Disposals	<u>-</u>	<u>(4,443)</u>	<u>-</u>	<u>(4,443)</u>
Balance at June 30, 2020	<u>\$ 3,854,646</u>	<u>\$ 152,012</u>	<u>\$ -</u>	<u>\$ 4,006,658</u>
<u>Accumulated depreciation</u>				
Balance at January 1, 2020	\$ -	\$ 369,693	\$ -	\$ 369,693
Depreciation expenses	-	4,447	-	4,447
Disposals	-	(34,909)	-	(34,909)
Transferred from operation leasing assets	-	14,304	-	14,304
Effect of foreign currency exchange differences	<u>-</u>	<u>(652)</u>	<u>-</u>	<u>(652)</u>
Balance at June 30, 2020	<u>\$ -</u>	<u>\$ 352,883</u>	<u>\$ -</u>	<u>\$ 352,883</u>
<u>Accumulated impairment</u>				
Balance at January 1, 2020	\$ -	\$ 11,470	\$ -	\$ 11,470
Effect of foreign currency exchange differences	<u>-</u>	<u>(299)</u>	<u>-</u>	<u>(299)</u>
Balance at June 30, 2020	<u>\$ -</u>	<u>\$ 11,171</u>	<u>\$ -</u>	<u>\$ 11,171</u>
Carrying amounts at January 1, 2020	<u>\$ 6,024,619</u>	<u>\$ 111,842</u>	<u>\$ 93,802</u>	<u>\$ 6,230,263</u>
Carrying amounts at June 30, 2020	<u>\$ 6,023,281</u>	<u>\$ 137,687</u>	<u>\$ 104,422</u>	<u>\$ 6,265,390</u>

(Continued)

	Land	Building	Investment Property under Construction	Total
<u>Cost</u>				
Balance at January 1, 2021	\$ 2,168,581	\$ 305,852	\$ 127,139	\$ 2,601,572
Additions (Note 1)	53,023	-	22,665	75,688
Disposals (Notes 1 and 2)	(5,012)	(8,972)	-	(13,984)
Effect of foreign currency exchange differences	<u>(35,984)</u>	<u>(760)</u>	<u>(11,859)</u>	<u>(48,603)</u>
Balance at June 30, 2021	<u>\$ 2,180,608</u>	<u>\$ 296,120</u>	<u>\$ 137,945</u>	<u>\$ 2,614,673</u>
<u>Revaluation</u>				
Balance at January 1, 2021	\$ 3,739,647	\$ 151,645	\$ -	\$ 3,891,292
Additions	-	-	-	-
Disposals (Notes 1 and 2)	<u>(48,011)</u>	<u>(635)</u>	<u>-</u>	<u>(48,646)</u>
Balance at June 30, 2021	<u>\$ 3,691,636</u>	<u>\$ 151,010</u>	<u>\$ -</u>	<u>\$ 3,842,646</u>
<u>Accumulated depreciation</u>				
Balance at January 1, 2021	\$ -	\$ 342,514	\$ -	\$ 342,514
Depreciation expenses	-	4,456	-	4,456
Disposals (Note 2)	-	(8,115)	-	(8,115)
Effect of foreign currency exchange differences	<u>-</u>	<u>(322)</u>	<u>-</u>	<u>(322)</u>
Balance at June 30, 2021	<u>\$ -</u>	<u>\$ 338,533</u>	<u>\$ -</u>	<u>\$ 338,533</u>
<u>Accumulated impairment</u>				
Balance at January 1, 2021	\$ -	\$ 11,649	\$ -	\$ 11,649
Effect of foreign currency exchange differences	<u>-</u>	<u>(139)</u>	<u>-</u>	<u>(139)</u>
Balance at June 30, 2021	<u>\$ -</u>	<u>\$ 11,510</u>	<u>\$ -</u>	<u>\$ 11,510</u>
Carrying amounts at January 1, 2021	<u>\$ 5,908,228</u>	<u>\$ 103,334</u>	<u>\$ 127,139</u>	<u>\$ 6,138,701</u>
Carrying amounts at June 30, 2021	<u>\$ 5,872,244</u>	<u>\$ 97,087</u>	<u>\$ 137,945</u>	<u>\$ 6,107,276</u>

(Concluded)

Note 1: In order to activate its assets, the Group undertook a land swap on May 26, 2021 with National Property Administration. The Group swapped out \$5,012 thousand of investment properties - land with revaluation of \$48,011 thousand, and swapped in \$53,023 thousand of assets with the same cost.

Note 2: The amount of \$1,492 thousand was transferred from building to general and administrative expenses in this period.

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:

	June 30, 2021	December 31, 2020	June 30, 2020
The fair values of investment properties	\$ 13,384,745	\$ 13,430,041	\$ 14,554,192
Discount rate	6.4359%	6.4605%	5.77%

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

	June 30, 2021	December 31, 2020	June 30, 2020
Computer software	<u>\$ 9,061</u>	<u>\$ 11,347</u>	<u>\$ 13,582</u>

Except for recognized amortization, the Group did not have significant addition, disposal, or impairment of other intangible assets during the six months ended June 30, 2021 and 2020. Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software 5 years

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
An analysis of amortization by function				
General and administrative expenses	<u>\$ 656</u>	<u>\$ 811</u>	<u>\$ 1,342</u>	<u>\$ 1,119</u>

21. OTHER ASSETS

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Current</u>			
Prepayments			
Prepaid guarantee for freight	\$ 54,905	\$ 51,824	\$ 51,177
Prepayment for investment	36,218	-	-
Overpaid sales tax	31,538	27,744	30,249
Office supplies	8,671	7,811	8,969
Prepayment for purchase	194	150	176
Prepaid rents	1,890	2,191	2,941
Others	<u>12,828</u>	<u>11,126</u>	<u>10,869</u>
	<u>\$ 146,244</u>	<u>\$ 100,846</u>	<u>\$ 104,381</u>
Other current assets			
Others	<u>\$ 19</u>	<u>\$ -</u>	<u>\$ 285</u>
<u>Non-current</u>			
Other non-current assets			
Prepayments for equipment	\$ 13,656	\$ 17,614	\$ 30,695
Others	4,280	5,809	12,049
Overdue receivables (Note 9)	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 17,936</u>	<u>\$ 23,423</u>	<u>\$ 42,744</u>

22. BORROWINGS

a. Short-term borrowings

	June 30, 2021	December 31, 2020	June 30, 2020
Secured borrowings	\$ 50,000	\$ 75,000	\$ -
Unsecured borrowings	<u>1,265,563</u>	<u>1,489,000</u>	<u>1,351,485</u>
	<u>\$ 1,315,563</u>	<u>\$ 1,564,000</u>	<u>\$ 1,351,485</u>

- 1) The ranges of interest rates on bank loans were 0.85%-0.95%, 0.85%-0.95% and 0.85%-1.28% per annum as of June 30, 2021, December 31, 2020 and June 30, 2020, respectively
- 2) Refer to Note 37 for information on collaterals for the abovementioned borrowings.

b. Short-term bills payable

	June 30, 2021	December 31, 2020	June 30, 2020
Commercial paper	\$ -	\$ 137,000	\$ 350,000
Less: Unamortized discounts on bills payable	<u>-</u>	<u>(227)</u>	<u>(309)</u>
	<u>\$ -</u>	<u>\$ 136,773</u>	<u>\$ 349,691</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>		

June 30, 2020

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate Range	Collateral
<u>Commercial paper</u>					
China Development Bills	\$ 200,000	\$ (148)	\$ 199,852	1.01%	None
Shanghai Commercial Savings Bank	100,000	(111)	99,889	1.00%	None
Mega Bills	<u>50,000</u>	<u>(50)</u>	<u>49,950</u>	0.99%	None
	<u>\$ 350,000</u>	<u>\$ (309)</u>	<u>\$ 349,691</u>		

c. Long-term borrowings

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Secured borrowings</u>			
Bank loans (1)	\$ 5,331,659	\$ 5,585,286	\$ 5,692,786
Loans from governments (2)	2,322,680	2,526,632	2,368,546
<u>Unsecured borrowings</u>			
Bank loans (3)	<u>1,084,030</u>	<u>1,188,090</u>	<u>467,670</u>
	8,738,369	9,300,008	8,529,002
Less: Current portion	<u>(522,029)</u>	<u>(528,223)</u>	<u>(517,500)</u>
Long-term borrowings	<u>\$ 8,216,340</u>	<u>\$ 8,771,785</u>	<u>\$ 8,011,502</u>

- 1) The Group signed medium-term secured loan contracts with First Commercial Bank, Cathy United Bank, Bank SinoPac, China Trust Commercial Bank, and Co-operative Treasury Commercial Bank, respectively. The bank loans are to be repaid at once or in installments according to the agreements. The facilities allow drawdowns on a revolving basis. For the six months ended June 30, 2021 and 2020, the Group has taken new bank loans in the amounts of \$0 thousand and \$1,010,000 thousand, respectively. As of June 30, 2021, December 31, 2020 and June 30, 2020, the interest rates are 1.05%-1.28%, 1.05%-1.28% and 1.05%-1.43%, 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 six months ended June 30, 2021 and 2020, the Group has not drawn any new loan. As of June 30, 2021, December 31, 2020 and June 30, 2020, the annual interest rates are 0.05%-0.2%, 0.05%-0.2% and 0.05%, respectively. The final maturity date of the loan is June 25, 2042.
- 3) The Group signed medium-term unsecured loan contracts with Taishin Bank and China Trust Commercial Bank. The bank loans are to be repaid at once or in installments according to the agreements. The facilities allow drawdown on a revolving basis. For the six months ended June 30, 2021 and 2020, the Group has not drawn any new bank loan. As of June 30, 2021, December 31, 2020 and June 30, 2020, the annual interest rates are 1.28%, 1.27%-1.28% and 1.27%-1.43%, 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

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Notes payable</u>			
Operating	<u>\$ 3,057</u>	<u>\$ 3,011</u>	<u>\$ 2,944</u>
<u>Trade payables</u>			
Operating	<u>\$ 61,134</u>	<u>\$ 76,579</u>	<u>\$ 100,206</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

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Current</u>			
Other payables			
Payables for salaries and bonuses	\$ 48,963	\$ 112,768	\$ 50,542
Payables for machinery and equipment and construction in progress (Note 33)	3,084	1,041	149,386
Payables for VAT	148,565	129,923	27,245
Payables for interests	1,668	2,668	1,827
Payables for dividends (Note 33)	14,602	-	789,531
Payables for professional fees	1,906	11,176	2,640
Payables for insurance	4,794	4,523	6,630
Payables for contingent consideration (Note 16)	-	50,000	-
Others	<u>26,731</u>	<u>33,616</u>	<u>45,295</u>
	<u>\$ 250,313</u>	<u>\$ 345,715</u>	<u>\$ 1,073,096</u>
Advanced receipts			
Advanced rental receipts	\$ 8,196	\$ 11,829	\$ 10,741
Others	<u>-</u>	<u>-</u>	<u>729</u>
	<u>\$ 8,196</u>	<u>\$ 11,829</u>	<u>\$ 11,470</u>
Other liabilities			
Receipts under custody	<u>\$ 8,019</u>	<u>\$ 8,093</u>	<u>\$ 5,344</u>
<u>Non-current</u>			
Deferred revenue			
Government grants (Note 32)	<u>\$ 392,016</u>	<u>\$ 437,169</u>	<u>\$ 433,528</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 (the "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 June 30, 2021 and 2020 and the six months ended June 30, 2021 and 2020, the amounts included in the consolidated statements of comprehensive income in respect of the Group's defined contribution plan were \$3,679 thousand, \$2,746 thousand, \$6,673 thousand and \$5,472 thousand, respectively.

b. Defined benefit plan

For the three months ended June 30, 2021 and 2020 and the six months ended June 30, 2021 and 2020, the pension expenses of defined benefit plans were \$584 thousand, \$594 thousand, \$1,168 thousand and \$1,186 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

	June 30, 2021	December 31, 2020	June 30, 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

	June 30, 2021	December 31, 2020	June 30, 2020
<u>May only be used to offset a deficit (1)</u>			
Treasury share transaction	\$ 367,772	\$ 367,772	\$ 367,772
Share-based payments	20,587	-	-
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	24,908	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>\$ 980,972</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	\$ 183,510	\$ 176,052
Special reserve (reversed)	\$ (70,347)	\$ -
Cash dividends	\$ 1,079,560	\$ 771,781
Cash dividends per share (NT\$)	\$1.4	\$1.0

The Group suspends its originally scheduled shareholders' meeting in response to the FSC's announcement: "For pandemic prevention, the FSC demands public companies to postpone their shareholders' meetings". The appropriation of earnings for 2020 will be resolved by the shareholders in their meeting to be held on August 18, 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 June 30, 2021, December 31, 2020 and June 30, 2020 were as follows:

	June 30, 2021	December 31, 2020	June 30, 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)	1,793,450	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>\$ 2,257,996</u>	<u>\$ 2,275,704</u>	<u>\$ 2,346,051</u>

Note: In the first half of 2021 and the second half of 2020, the Group reversed \$17,708 thousand and \$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, respectively.

e. Other equity items

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

	For the Six Months Ended June 30	
	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	(201,026)	(153,964)
Share from associates accounted for using the equity method	(847)	(1,413)
Related income tax	<u>60,833</u>	<u>31,075</u>
Other comprehensive income recognized for the period	<u>(141,040)</u>	<u>(124,302)</u>
Balance at June 30	<u>\$ (545,265)</u>	<u>\$ (467,373)</u>

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

	For the Six Months Ended June 30	
	2021	2020
Balance at January 1	\$ 5,343,439	\$ 4,997,339
Recognized for the year		
Unrealized gain (loss) - financial instrument at FVTOCI	2,290,611	(362,660)
Share from associates accounted for using the equity method	<u>73,671</u>	<u>(77,903)</u>
Other comprehensive income recognized for the year	<u>2,364,282</u>	<u>(440,563)</u>
Balance at June 30	<u>\$ 7,707,721</u>	<u>\$ 4,556,776</u>

f. Non-controlling interests

	For the Six Months Ended June 30	
	2021	2020
Balance at January 1	\$ 835,202	\$ 862,783
Share in profit for the year	15,021	18,466
Other comprehensive income during the year		
Exchange differences on translation of the financial statements of foreign entities	(4,191)	(9,320)
Related income tax	560	1,239
Unrealized gain (loss) on financial assets at FVTOCI	93,796	(12,363)
Share in other comprehensive income of associates accounted for using the equity method	505	(869)
Cash dividends	<u>(83,132)</u>	<u>(94,469)</u>
Balance at June 30	<u>\$ 857,761</u>	<u>\$ 765,467</u>

g. Treasury shares

Purpose of Buy-back	Shares Transferred to Employees (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	1,435	-	1,435
Decrease during the period	<u>-</u>	<u>-</u>	<u>-</u>
Number of shares at June 30, 2020	<u>4,435</u>	<u>127,371</u>	<u>131,806</u>
Number of shares at January 1, 2021	4,435	127,371	131,806
Increase during the period	-	-	-
Decrease during the period	<u>(1,480)</u>	<u>-</u>	<u>(1,480)</u>
Number of shares at June 30, 2021	<u>2,955</u>	<u>127,371</u>	<u>130,326</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 \$112,000 thousand.

The abovementioned repurchase plan is for the purpose of transferring treasury shares to the Company's employees. As of June 30, 2020, the Company had already repurchased 1,435 thousand shares, with a total amount of \$22,240 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 \$(24) thousand of capital surplus-treasury shares transaction on the shares settlement date.

In addition, in the second quarter of 2021, the Company transferred 2,231 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 compensation cost of \$19,387 thousand on the grant date. As of June 30, 2021, employees have paid for 711 thousand shares. The 711 thousand shares for which the price is fully paid were deemed settled, and \$7 thousand of capital surplus-treasury shares transaction was recognized. The remaining 1,520 thousand shares are to be transferred after the employees complete the payment.

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. 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>June 30, 2021</u>			
<u>By direct investment</u>			
Tong Yang Chia Hsin International Corporation	127,371	\$ <u>1,055,710</u>	\$ <u>2,487,328</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> (Continued)

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
<u>June 30, 2020</u>			
<u>By direct investment</u>			
Tong Yang Chia Hsin International Corporation	127,371	\$ <u>1,055,710</u>	\$ <u>1,959,882</u> (Concluded)

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 receive 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

	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	2021	2020	2021	2020
Revenue from contracts with customers				
Revenue from the sale of goods	\$ 272,147	\$ 253,080	\$ 548,107	\$ 489,341
Revenue from rent	64,178	65,330	126,494	131,588
Revenue from rendering of services	174,853	164,151	337,857	317,976
Revenue from catering and hospitality	<u>39,210</u>	<u>14,424</u>	<u>82,456</u>	<u>53,414</u>
	<u>\$ 550,388</u>	<u>\$ 496,985</u>	<u>\$ 1,094,914</u>	<u>\$ 992,319</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

	June 30, 2021	December 31, 2020	June 30, 2020	January 1, 2020
Notes receivables and trade receivable from unrelated parties (Note 9)	<u>\$ 219,413</u>	<u>\$ 256,134</u>	<u>\$ 201,315</u>	<u>\$ 226,422</u>
Trade receivables from related parties (Note 36)	<u>\$ 2,890</u>	<u>\$ 4,041</u>	<u>\$ 2,712</u>	<u>\$ 2,680</u>
Contract liabilities - current	<u>\$ 25,332</u>	<u>\$ 13,154</u>	<u>\$ 15,291</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 June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Bank deposits	\$ 12,994	\$ 21,064	\$ 27,971	\$ 50,368
Financing provided to others	45	131	112	325
Less: Discontinued operations (Note 13)	<u>-</u>	<u>(224)</u>	<u>-</u>	<u>(3,967)</u>
	<u>\$ 13,039</u>	<u>\$ 20,971</u>	<u>\$ 28,083</u>	<u>\$ 46,726</u>

b. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Rental income	\$ 6,924	\$ 6,047	\$ 14,922	\$ 13,339
Dividends	4,627	2,730	4,627	2,730
Government grants (Note 32)	11,202	2,854	16,034	6,633
Remuneration of directors (Note 36)	308	24,649	308	24,649
Others	<u>14,725</u>	<u>26,159</u>	<u>16,542</u>	<u>27,945</u>
	<u>\$ 37,786</u>	<u>\$ 62,439</u>	<u>\$ 52,433</u>	<u>\$ 75,296</u>

c. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
(Loss) gain on disposal of property, plant and equipment	\$ (12)	\$ 3	\$ (12)	\$ 63,125
Gain on disposal of non-current assets held for sale (Note 13)	-	335,919	-	335,919
Net foreign exchange loss (h)	(33,795)	(35,492)	(41,024)	(23,552)
Gain (loss) on financial assets mandatorily measured at FVTPL	78,865	74,230	164,517	(56,882)
Gain on disposal of associates (Note 16)	3,245	-	3,245	-
Gain on liquidation of subsidiary (Note 15)	-	92,073	-	92,073
Others	<u>(1,315)</u>	<u>(50)</u>	<u>(2,867)</u>	<u>(249)</u>
	<u>\$ 46,988</u>	<u>\$ 466,683</u>	<u>\$ 123,859</u>	<u>\$ 410,434</u>

d. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Interest on bank loans	\$ 31,039	\$ 42,675	\$ 64,688	\$ 66,773
Interest on lease liabilities	9,457	8,841	19,097	17,787
Less: Amounts included in the cost of qualifying assets	<u>(1,003)</u>	<u>(1,217)</u>	<u>(2,048)</u>	<u>(2,442)</u>
	<u>\$ 39,493</u>	<u>\$ 50,299</u>	<u>\$ 81,737</u>	<u>\$ 82,118</u>

Information about capitalized interest is as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Capitalized interest amount	\$ 1,003	\$ 1,217	\$ 2,048	\$ 2,442
Capitalization rate	0.06%-1.28%	1.43%	0.06%-1.28%	1.43%

e. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Property, plant and equipment	\$ 95,453	\$ 109,632	\$ 192,203	\$ 213,667
Investment properties	2,223	1,194	4,456	4,447
Right-of-use assets	34,065	32,075	68,367	63,276
Other intangible assets	<u>656</u>	<u>811</u>	<u>1,342</u>	<u>1,119</u>
	<u>\$ 132,397</u>	<u>\$ 143,712</u>	<u>\$ 266,368</u>	<u>\$ 282,509</u>
An analysis of depreciation by function				
Operating costs	\$ 103,347	\$ 107,777	\$ 207,911	\$ 222,166
Operating expenses	<u>28,394</u>	<u>35,124</u>	<u>57,115</u>	<u>59,224</u>
	<u>\$ 131,741</u>	<u>\$ 142,901</u>	<u>\$ 265,026</u>	<u>\$ 281,390</u>
An analysis of amortization by function				
Operating expenses	<u>\$ 656</u>	<u>\$ 811</u>	<u>\$ 1,342</u>	<u>\$ 1,119</u>

f. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Short-term benefits	\$ 119,007	\$ 106,210	\$ 220,336	\$ 209,134
Post-employment benefits (Note 25)				
Defined contribution plans	3,679	2,746	6,673	5,472
Defined benefit plans	584	594	1,168	1,186
Share-based payments				
Equity-settled	19,387	-	20,587	-
Other employee benefits	<u>4,334</u>	<u>3,412</u>	<u>8,127</u>	<u>6,826</u>
	<u>\$ 146,991</u>	<u>\$ 112,962</u>	<u>\$ 256,891</u>	<u>\$ 222,618</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 48,603	\$ 51,660	\$ 97,092	\$ 103,071
Operating expenses	<u>98,388</u>	<u>61,302</u>	<u>159,799</u>	<u>119,547</u>
	<u>\$ 146,991</u>	<u>\$ 112,962</u>	<u>\$ 256,891</u>	<u>\$ 222,618</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 compensation of employees and remuneration of directors for the six months ended June 30, 2021 and 2020, respectively, are as shown below:

Accrual rate

	For the Six Months Ended June 30	
	2021	2020
Compensation of employees	-	1.12%
Remuneration of directors	-	0.30%

Amount

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Compensation of employees	<u>\$ -</u>	<u>\$ 52</u>	<u>\$ -</u>	<u>\$ 52</u>
Remuneration of directors	<u>\$ -</u>	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ 14</u>

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 were 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 actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2020 and 2019.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors 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 June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Foreign exchange gains	\$ 18,599	\$ 5,086	\$ 34,858	\$ 32,854
Foreign exchange losses	<u>(52,394)</u>	<u>(40,578)</u>	<u>(75,882)</u>	<u>(56,406)</u>
Net foreign exchange losses	<u>\$ (33,795)</u>	<u>\$ (35,492)</u>	<u>\$ (41,024)</u>	<u>\$ (23,552)</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 June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Current tax				
In respect of the current year	\$ 3,875	\$ 86,222	\$ 6,255	\$ 88,447
Income tax on				
unappropriated earnings	-	40,634	-	40,634
Adjustments for prior years	114	(5,041)	114	(5,041)
Land value increment tax	<u>16,911</u>	<u>-</u>	<u>16,911</u>	<u>-</u>
	20,900	121,815	23,280	124,040
Deferred tax				
In respect of the current year	(8,871)	62,232	(1,776)	71,243
Land value increment tax	<u>(28,914)</u>	<u>-</u>	<u>(28,914)</u>	<u>-</u>
Income tax expense recognized in profit or loss	<u>\$ (16,885)</u>	<u>\$ 184,047</u>	<u>\$ (7,410)</u>	<u>\$ 195,283</u>

b. Income tax recognized in other comprehensive income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
<u>Deferred tax</u>				
In respect of the current year				
Translation of foreign operations	<u>\$ 22,323</u>	<u>\$ 34,833</u>	<u>\$ 61,393</u>	<u>\$ 32,314</u>
Total income tax recognized in other comprehensive income	<u>\$ 22,323</u>	<u>\$ 34,833</u>	<u>\$ 61,393</u>	<u>\$ 32,314</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) EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Basic (loss) earnings per share				
From continuing operations	\$ (0.25)	\$ 0.22	\$ (0.45)	\$ (0.11)
From discontinued operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total basic (loss) earnings per share	<u>\$ (0.25)</u>	<u>\$ 0.22</u>	<u>\$ (0.45)</u>	<u>\$ (0.11)</u>
Diluted (loss) earnings per share				
From continuing operations	\$ (0.25)	\$ 0.22	\$ (0.45)	\$ (0.11)
From discontinued operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total diluted (loss) earnings per share	<u>\$ (0.25)</u>	<u>\$ 0.22</u>	<u>\$ (0.45)</u>	<u>\$ (0.11)</u>

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

Net (Loss) Profit for the Year

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
(Loss) profit for the year attributable to owners of the Company	\$ (162,491)	\$ 139,876	\$ (289,593)	\$ (70,213)
Less: (Loss) Profit for the year from discontinued operations used in the computation of basic (loss) earnings per share from discontinued operations	<u>-</u>	<u>(1,278)</u>	<u>-</u>	<u>1,499</u>
(Loss) earnings used in the computation of basic (loss) earnings per share from continuing operations	(162,491)	141,154	(289,593)	(71,712)
Effect of potentially dilutive ordinary shares Compensation of employees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(Loss) earnings used in the computation of diluted (loss) earnings per share from continuing operations	<u>\$ (162,491)</u>	<u>\$ 141,154</u>	<u>\$ (289,593)</u>	<u>\$ (71,712)</u>

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Weighted average number of ordinary shares used in the computation of basic earnings per share	643,744	643,385	643,445	643,887
Effect of potentially dilutive ordinary shares:				
Compensation of employees (Note)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>643,744</u>	<u>643,385</u>	<u>643,445</u>	<u>643,887</u>

Note: The balance for the three months ended June 30, 2021 and for six months ended June 30, 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 and second quarter of 2021, the Group registered to transfer to its employees who met specific criteria a total of 769,000 and 2,231,000 shares; the shares were repurchased in 2018 under the first repurchase plan. The related information was as follows:

	For the Six Months Ended June 30, 2021			
	May 7, 2021		January 19, 2021	
	Number of Shares (In Thousands of Shares)	Weighted- average Exercise Price (\$)	Number of Shares (In Thousands of Shares)	Weighted- average Exercise Price (\$)
Treasury Shares Granted to Employees				
Balance at January 1	-		-	
Shares granted	2,231	\$ 13.7	769	\$ 13.7
Shares exercised	(711)		(769)	
Shares expired	<u>-</u>		<u>-</u>	
Balance at June 30	<u>1,520</u>		<u>-</u>	

(Continued)

	For the Six Months Ended June 30, 2021			
	May 7, 2021		January 19, 2021	
	Number of Shares (In Thousands of Shares)	Weighted- average Exercise Price (\$)	Number of Shares (In Thousands of Shares)	Weighted- average Exercise Price (\$)
Treasury Shares Granted to Employees				
Shares exercisable, end of the period	<u>1,520</u>		<u>-</u>	
Weighted-average fair value of shares granted (\$)	<u>\$ 8.69</u>		<u>\$ 1.56</u>	

(Concluded)

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

	May 7, 2021	January 19, 2021
Exercise price (\$)	\$13.7	\$13.7
Fair value (\$)	\$8.69	\$1.56
Expected rate of volatility	28.78%	22.12%
Duration	85 Days	39 Days
Risk-free rate of interest	0.12%	0.17%

For the three and six months ended June 30, 2021, the Group recognized \$19,387 thousand and 20,587 thousand of compensation costs, respectively.

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 on December 20, 2017. 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 June 30, 2021, December 31, 2020, and June 30 2020, the amount of deferred revenue was JPY1,555,003 thousand, JPY1,582,228 thousand, and JPY1,575,882 thousand (equivalent to \$392,016 thousand, \$437,169 thousand and \$433,528 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 June 30, 2021 and 2020, and the six months ended June 30, 2021 and 2020, the Group has recognized JPY13,612 thousand, JPY10,255 thousand, JPY27,224 thousand, and JPY23,929 thousand (equivalent to \$3,482 thousand, \$2,854 thousand, \$7,127 thousand and \$6,633 thousand) under other income, respectively.
- b. The Group received short-time compensation from Ministry of Health, Labor and Welfare in Japan. For the three and six months ended June 30, 2021, the Group has recognized JPY 23,708 thousand and JPY 28,142 thousand (equivalent to \$6,181 thousand and \$7,368 thousand) under other income, respectively.
- c. In accordance with the Japanese government's emergency declaration, the Group received salaries grants for decreasing working hours. For the six months ended June 30, 2021, the Group has recognized JPY5,880 thousand (equivalent \$1,539 thousand) under other income.

33. CASH FLOW INFORMATION

a. Non-cash transactions

For the six months ended June 30, 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 June 30, 2021, December 31, 2020 and June 30, 2020, the payables for equipment - property, plant and equipment were \$3,084 thousand, \$1,041 thousand and \$149,386 thousand, respectively.
- 2) As of June 30, 2021, December 31, 2020 and June 30, 2020, the dividends declared but not yet paid to owners of the Company were \$0 thousand, \$0 thousand and \$771,781 thousand, respectively. The dividends declared but not yet paid to non-controlling interests - unrelated party were \$14,602 thousand, \$0 thousand and \$17,750 thousand, respectively. The dividends declared but not yet paid to non-controlling interests - related party were \$68,530 thousand, \$0 thousand and \$76,719 thousand, respectively.
- 3) As of June 30, 2021, December 31, 2020 and June 30, 2020, the related consideration of acquisition of associates were \$0 thousand, \$50,000 thousand and \$0 thousand recognized under other payables, respectively.
- 4) As of June 30, 2021, December 31, 2020 and June 30, 2020, dividends receivable from related party were \$15,729 thousand, \$0 thousand and \$47,649 thousand, respectively.

b. Changes in liabilities arising from financing activities

For the six months ended June 30, 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	\$ (248,146)	\$ -	\$ -	\$ (291)	\$ -	\$ 1,315,563
Short-term bills payable	136,773	(137,000)	-	227	-	-	-
Long-term borrowings	9,300,008	(228,750)	-	18,013	(350,902)	-	8,738,369
Guarantee deposits received	113,843	417	-	-	(48)	-	114,212
Lease liabilities	1,847,940	(55,147)	1,589	19,097	(4,968)	(19,097)	1,789,414
	<u>\$ 12,962,564</u>	<u>\$ (668,626)</u>	<u>\$ 1,589</u>	<u>\$ 37,337</u>	<u>\$ (356,209)</u>	<u>\$ (19,097)</u>	<u>\$ 11,957,558</u>

For the six months ended June 30, 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	\$ 555,100	\$ -	\$ -	\$ (4,215)	\$ -	\$ 1,351,485
Short-term bills payable	269,758	80,000	-	(67)	-	-	349,691
Long-term borrowings	8,537,272	(14,945)	-	16,952	(10,277)	-	8,529,002
Guarantee deposits received	121,906	(4,060)	-	-	(57)	-	117,789
Lease liabilities	1,844,460	(46,798)	14,953	17,787	(5,106)	(17,787)	1,807,509
	<u>\$ 11,573,996</u>	<u>\$ 569,297</u>	<u>\$ 14,953</u>	<u>\$ 34,672</u>	<u>\$ (19,655)</u>	<u>\$ (17,787)</u>	<u>\$ 12,155,476</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 that are measured at fair value on a recurring basis

1) Fair value hierarchy

June 30, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares in domestic market	\$ 1,088,425	\$ -	\$ -	\$ 1,088,425
Listed shares in foreign market	53,810	-	-	53,810
Mutual funds	<u>64,744</u>	<u>243,187</u>	<u>-</u>	<u>307,931</u>
	<u>\$ 1,206,979</u>	<u>\$ 243,187</u>	<u>\$ -</u>	<u>\$ 1,450,166</u>
Financial assets at FVTOCI				
Listed shares in domestic market	\$ 15,658,703	\$ -	\$ -	\$ 15,658,703
Unlisted shares - in domestic market	<u>-</u>	<u>-</u>	<u>324,230</u>	<u>324,230</u>
	<u>\$ 15,658,703</u>	<u>\$ -</u>	<u>\$ 324,230</u>	<u>\$ 15,982,933</u>

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>

(Continued)

	Level 1	Level 2	Level 3	Total
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>
				(Concluded)

June 30, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares in domestic market	\$ 1,041,096	\$ -	\$ -	\$ 1,041,096
Listed shares in foreign market	72,640	-	-	72,640
Mutual funds	<u>63,090</u>	<u>266,166</u>	<u>-</u>	<u>329,256</u>
	<u>\$ 1,176,826</u>	<u>\$ 266,166</u>	<u>\$ -</u>	<u>\$ 1,442,992</u>

Financial assets at FVTOCI				
Listed shares in domestic market	\$ 12,530,048	\$ -	\$ -	\$ 12,530,048
Unlisted shares - in domestic market	<u>-</u>	<u>-</u>	<u>298,811</u>	<u>298,811</u>
	<u>\$ 12,530,048</u>	<u>\$ -</u>	<u>\$ 298,811</u>	<u>\$ 12,828,859</u>

There were no transfers between Levels 1 and 2 in the six months ended June 30, 2021 and 2020.

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

For the six months ended June 30, 2021

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2021	\$ 312,923
Purchase	-
Recognized in other comprehensive income	<u>11,307</u>
Balance at June 30, 2021	<u>\$ 324,230</u>

For the six months ended June 30, 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>(64,490)</u>
Balance at June 30, 2020	<u>\$ 298,811</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 June 30, 2021, December 31, 2020 and June 30, 2020, the ranges of liquidity discount used were 20.00%-30.00%, 20.00%-30.00% and 20.00%-34.26%, 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

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily classified at FVTPL	\$ 1,450,166	\$ 1,091,077	\$ 1,442,992
Financial assets measured at amortized cost			
(1)	6,716,994	7,810,650	6,270,456
Financial assets at FVTOCI			
Equity instruments	15,982,933	13,608,423	12,828,859
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (2)			
Contingent consideration of acquisition of associates (3)	10,403,642	11,315,936	10,723,398
	-	50,000	-

1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalent, notes receivable, trade receivables from unrelated parties and related parties, other receivables from unrelated parties (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 and other payables (including related parties and excluding payable for salaries, bonus, tax payable, payable for insurance, payable for contingent consideration, and payable for dividends), current portion of long-term borrowings, 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, 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 EUR, USD, RMB 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 Six Months Ended		For the Six Months Ended	
	June 30		June 30	
	2021	2020	2021	2020
Profit or loss	\$ 78,028	\$64,215(i)	\$ 19,888	\$29,555(ii)

	EUR Impact		JPY Impact	
	For the Six Months Ended		For the Six Months Ended	
	June 30		June 30	
	2021	2020	2021	2020
Profit or loss	\$ 9,109	\$8,238(iii)	\$ 27,883	\$2,015(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 and JPY and decrease in financial assets in RMB. The results of Group's tests of sensitivity to changes in EUR are not materially different from 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:

	June 30, 2021	December 31, 2020	June 30, 2020
Fair value interest rate risk			
Financial assets	\$ 4,604,513	\$ 6,026,450	\$ 5,093,137
Financial liabilities	4,758,094	5,575,345	3,895,927
Cash flow interest rate risk			
Financial assets	1,669,129	1,380,280	724,027
Financial liabilities	7,085,252	7,273,376	6,334,251

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 six months ended June 30, 2021 and 2020 would have been lower/higher by \$6,770 thousand and \$7,013 thousand, respectively.

For the six months ended June 30, 2021, the Group's sensitivity to interest rate decreased during the current period mainly due to the decrease in floating rate liabilities.

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 six months ended June 30, 2021 would have increased/decreased by \$3,622 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the six months ended June 30, 2021 would have increased/decreased by \$5,392 thousand, 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 six months ended June 30, 2021 would have increased/decreased by \$10,879 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the six months ended June 30, 2021 would have increased/decreased by \$154,438 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If equity prices (except for equity securities of Taiwan Cement Corporation) had been 1% higher/lower, the pre-tax profit or loss for the six months ended June 30, 2020 would have increased/decreased by \$5,745 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the six months ended June 30, 2020 would have increased/decreased by \$5,000 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If equity price of Taiwan Cement Corporation had been 1% higher/lower, the pre-tax profit or loss for the six months ended June 30, 2020 would have increased/decreased by \$8,685 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the six months ended June 30, 2020 would have increased/decreased by \$123,289 thousand, 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 FVTOCI.

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 June 30, 2021, December 31, 2020 and June 30, 2020, trade receivables from the top 10 customers were 79%, 71% and 72%, 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 June 30, 2021, December 31, 2020 and June 30, 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 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.

June 30, 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	\$ 112,421	\$ 207,902	\$ 22,246	\$ 36,618	\$ 53,655
Fixed interest rate liabilities	647,367	-	130,548	534,747	2,036,206
Lease liabilities	27,220	8,663	123,942	554,244	1,425,421
Variable interest rate liabilities	<u>677,315</u>	<u>12,649</u>	<u>513,089</u>	<u>5,583,265</u>	<u>525,494</u>
	<u>\$ 1,464,323</u>	<u>\$ 229,214</u>	<u>\$ 789,825</u>	<u>\$ 6,708,874</u>	<u>\$ 4,040,776</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>\$ 159,825</u>	<u>\$ 554,244</u>	<u>\$ 449,674</u>	<u>\$ 388,052</u>	<u>\$ 330,978</u>	<u>\$ 256,717</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 for 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>

June 30, 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	\$ 215,686	\$ 1,022,224	\$ 25,142	\$ 44,482	\$ 51,936
Fixed interest rate liabilities	1,380,107	150,230	1,036	471,636	1,951,331
Lease liabilities	26,244	6,468	113,164	527,933	1,498,217
Variable interest rate liabilities	<u>180,794</u>	<u>43,160</u>	<u>544,932</u>	<u>5,743,651</u>	<u>90,672</u>
	<u>\$ 1,802,831</u>	<u>\$ 1,222,082</u>	<u>\$ 684,274</u>	<u>\$ 6,787,702</u>	<u>\$ 3,592,156</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>\$ 145,876</u>	<u>\$ 527,933</u>	<u>\$ 462,267</u>	<u>\$ 392,887</u>	<u>\$ 335,353</u>	<u>\$ 307,710</u>

b) Financing facilities

	June 30, 2021	December 31, 2020	June 30, 2020
Unsecured bank overdraft facilities, reviewed annually and payable on demand:			
Amount used	\$ 2,349,593	\$ 2,814,090	\$ 2,169,155
Amount unused	<u>3,645,527</u>	<u>3,739,260</u>	<u>4,953,975</u>
	<u>\$ 5,995,120</u>	<u>\$ 6,553,350</u>	<u>\$ 7,123,130</u>
Secured bank overdraft facilities:			
Amount used	\$ 8,028,709	\$ 8,561,436	\$ 8,443,803
Amount unused	<u>690,000</u>	<u>665,000</u>	<u>1,330,000</u>
	<u>\$ 8,718,709</u>	<u>\$ 9,226,436</u>	<u>\$ 9,773,803</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 June 30		For the Six Months Ended June 30	
		2021	2020	2021	2020
Rental revenue	Associates	\$ 1,744	\$ 735	\$ 5,740	\$ 1,470
	Substantive related parties	1,912	126	3,823	252
	The Company acts as a member of the B.O.D. of its ultimate parent company	610	606	1,221	1,212
	The Company acts as a member of the B.O.D.	-	1,119	-	2,237
		<u>\$ 4,266</u>	<u>\$ 2,586</u>	<u>\$ 10,784</u>	<u>\$ 5,171</u>
Service revenue	The Company acts as a member of the B.O.D.	<u>\$ 8,956</u>	<u>\$ 7,591</u>	<u>\$ 15,723</u>	<u>\$ 14,817</u>

The Group leases out the office and factory buildings to related parties at market price. The lease agreements were negotiated 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 June 30		For the Six Months Ended June 30	
		2021	2020	2021	2020
Cost of goods sold	The Company acts as a member of the B.O.D.				
	Taiwan Cement Corporation	<u>\$ 191,040</u>	<u>\$ 111,201</u>	<u>\$ 310,440</u>	<u>\$ 204,970</u>
	Substantive related parties	<u>\$ 93</u>	<u>\$ -</u>	<u>\$ 269</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/Name	June 30, 2021	December 31, 2020	June 30, 2020
Trade receivables	Associates			
	FDC International Hotels Corporation	\$ -	\$ 1,336	\$ -
	Others	8	15	15
	The Company acts as a member of the B.O.D.			
	Taiwan Cement Corporation	2,878	2,686	2,692
	Substantive related parties	<u>4</u>	<u>4</u>	<u>5</u>
		<u>\$ 2,890</u>	<u>\$ 4,041</u>	<u>\$ 2,712</u>
Other receivables	Associates			
- dividend	Chia Hsin Construction & Development Corp.	\$ 15,729	\$ -	\$ 47,649
- refund from liquidation	Chia Huan Tung Cement Corp.	-	-	25,690
- other	Other	<u>594</u>	<u>594</u>	<u>7,982</u>
		<u>\$ 16,323</u>	<u>\$ 594</u>	<u>\$ 81,321</u>

The outstanding trade and other receivables from related parties are unsecured. For the six months ended June 30, 2021 and 2020, no impairment loss was recognized for trade and other receivables from related parties.

Chia Huan Tung Cement Corp. was dissolved on June 14, 2020 and the refund receivable from the liquidation was classified as other receivables.

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

Line Item	Related Party Category/Name	June 30, 2021	December 31, 2020	June 30, 2020
Trade payables	The Company acts as a member of the B.O.D.			
	Taiwan Cement Corporation	\$ 137,907	\$ 73,132	\$ 73,133
	Substantive related parties	<u>10</u>	<u>-</u>	<u>-</u>
		<u>\$ 137,917</u>	<u>\$ 73,132</u>	<u>\$ 73,133</u>
Other payables	The Company acts as a member of the B.O.D.			
	Taiwan Cement Corporation	\$ -	\$ 89	\$ -
	Substantive related parties	<u>1</u>	<u>-</u>	<u>-</u>
		<u>\$ 1</u>	<u>\$ 89</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 the 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	June 30, 2021	December 31, 2020	June 30, 2020
Associates	\$ 1,954	\$ 1,000	\$ 1,954
Substantive related parties	264	528	264
The Company acts as a member of the B.O.D. of its ultimate parent company	8,113	9,102	10,584
The Company acts as a member of the B.O.D.	<u>-</u>	<u>-</u>	<u>4,297</u>
	<u>\$ 10,331</u>	<u>\$ 10,630</u>	<u>\$ 17,099</u>

g. Loans to related parties

Line Item	Related Party Category/Name	June 30, 2021	December 31, 2020	June 30, 2020
Other receivables	Associates			
	LDC ROME HOTELS S.R.L.	<u>\$ -</u>	<u>\$ 18,677</u>	<u>\$ 53,232</u>
Other receivables - interest receivable	Associates			
	LDC ROME HOTELS S.R.L.	<u>\$ -</u>	<u>\$ 164</u>	<u>\$ 134</u>

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

As of June 30, 2021, December 31, 2020 and June 30, 2020, the abovementioned loans to related parties were not secured. The related party paid off the principal and interest in full on May 31, 2021.

For the three months ended June 30, 2021 and 2020, and the six months ended June 30, 2021 and 2020, the interest revenue from the loans was \$45 thousand, \$131 thousand, \$112 thousand, and \$325 thousand, respectively.

h. Others

1) Other accounts with related parties

Line Item	Related Party Category/Name	June 30, 2021	December 31, 2020	June 30, 2020
Dividend payables	Associates	<u>\$ 68,530</u>	<u>\$ -</u>	<u>\$ 76,719</u>
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.	-	880	880
		<u>\$ 1,562</u>	<u>\$ 2,442</u>	<u>\$ 2,442</u>

2) The Company acts as a member of the B.O.D. of Taiwan Cement Corporation. The receipt of remuneration of directors recognized as other revenue for the six months ended June 30, 2021 and 2020 was \$0 thousand and \$24,543 thousand, respectively.

3)

Line Item	Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2021	2020	2021	2020
General and administrative expenses	Substantive related parties	<u>\$ 2,507</u>	<u>\$ -</u>	<u>\$ 4,384</u>	<u>\$ -</u>

i. Endorsements and guarantees

Endorsements and guarantees provided by the Group

	June 30, 2021		December 31, 2020		June 30, 2020	
	Amount Utilized	Amount Endorsed	Amount Utilized	Amount Endorsed	Amount Utilized	Amount Endorsed
Associates						
LDC ROME						
HOTELS S.R.L.	<u>\$ 318,240</u>	<u>\$ 447,600</u>	<u>\$ 357,204</u>	<u>\$ 447,600</u>	<u>\$ 359,316</u>	<u>\$ 447,600</u>

j. Compensation of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Short-term employee benefits	\$ 5,942	\$ 5,858	\$ 12,010	\$ 11,721
Share-based payments	<u>3,580</u>	<u>-</u>	<u>3,816</u>	<u>-</u>
	<u>\$ 9,522</u>	<u>\$ 5,858</u>	<u>\$ 15,826</u>	<u>\$ 11,721</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:

	June 30, 2021	December 31, 2020	June 30, 2020
Financial assets at amortized cost - non-current	\$ 25,831	\$ 25,794	\$ 23,769
Carrying amount of property, plant and equipment	<u>3,195,110</u>	<u>3,535,179</u>	<u>3,551,193</u>
Land	953,026	1,044,511	1,039,974
Buildings	2,242,084	2,490,668	2,511,219
Carrying amount of investment properties	<u>3,217,322</u>	<u>3,255,272</u>	<u>3,256,017</u>
Land - after revaluation	3,174,347	3,210,331	3,208,546
Buildings - after revaluation	<u>42,975</u>	<u>44,941</u>	<u>47,471</u>
	<u>\$ 6,438,263</u>	<u>\$ 6,816,245</u>	<u>\$ 6,830,979</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 June 30, 2021, December 31, 2020 and June 30, 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:

	June 30, 2021	December 31, 2020	June 30, 2020
Property under construction	\$ 235,136	\$ 279,838	\$ 240,859
Purchase intangible assets	<u>600</u>	<u>-</u>	<u>-</u>
	<u>\$ 235,736</u>	<u>\$ 279,838</u>	<u>\$ 240,859</u>

As of June 30, 2021, December 31, 2020 and June 30, 2020, the abovementioned unrecognized commitments also include contractual commitments signed by CHC Ryukyu Development GK for Tomigusuku development project in the amounts of \$201,517 thousand, \$211,257 thousand and \$240,490 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:

June 30, 2021

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
<u>Financial assets</u>			
Monetary items			
USD	\$ 38,947	27.86 (USD:NTD)	\$ 1,085,065
USD	17,048	1.3453 (USD:SGD)	474,944
USD	16	110.5117 (USD:JPY)	454
USD	3	6.4601 (USD:RMB)	90
EUR	5,496	33.15 (EUR:NTD)	182,188
JPY	2,212,017	0.2521 (JPY:NTD)	557,650
HKD	1,620	3.5881 (HKD:NTD)	5,813
HKD	134	0.1288 (HKD:USD)	482
RMB	4	4.3126 (RMB:NTD)	19
RMB	92,228	0.2082 (RMB:SGD)	397,743
Non-monetary items			
Investments accounted for using the equity method			
EUR	9,571	33.15 (EUR:NTD)	317,292
Financial assets at FVTPL			
USD	11,053	27.86 (USD:NTD)	307,931
HKD	14,997	3.5881 (HKD:NTD)	53,810

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

June 30, 2020

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
<u>Financial assets</u>			
Monetary items			
USD	\$ 41,662	29.63 (USD:NTD)	\$ 1,234,457
USD	1,466	1.3938 (USD:SGD)	43,445
USD	216	107.7063 (USD:JPY)	6,395
EUR	4,952	33.27 (EUR:NTD)	164,760
JPY	146,503	0.2751 (JPY:NTD)	40,303
HKD	785	3.8230 (HKD:NTD)	3,001
RMB	141,232	0.1969 (RMB:SGD)	591,101
Non-monetary items			
Investments accounted for using the equity method			
EUR	10,545	33.27 (EUR:NTD)	350,828
RMB	46,616	0.1969 (RMB:SGD)	195,102
Financial assets at FVTPL			
USD	11,112	29.63 (USD:NTD)	329,256
HKD	19,001	3.8230 (HKD:NTD)	72,640

For the three months ended June 30, 2021 and 2020 and six months ended June 30, 2021 and 2020, realized and unrealized net foreign exchange losses were \$(33,795) thousand, \$(35,492) thousand, \$(41,024) thousand and \$(23,552) 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

a. Important contracts

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 2014, filed a petition with the court in regards to the management fees for eastern sand stone in 2013. 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 31, 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.
- e. Affected by the global COVID-19 pandemic, various epidemic prevention procedures implemented successively by various counties have a slight impact on the Group's business. Although the domestic epidemic has slowed down and government policies have been loosened, the global economic outlook remains uncertain. The Group has adopted relevant actions to reduce the impact on the Group's operations. In addition to maintaining close contact with customers and manufacturers, it is also committed to strengthening employee health management. However, the actual extent of the impact on the Group will be determined on the subsequent development of the epidemic.

In terms of financing strategy, as of June 30, 2021, the unutilized bank financing line of the Group is NT\$4,335,527 thousand, and the Group has no concern about financing difficulties. As the epidemic slows down and policies loosen, the Group expects operations will return to normal gradually. The Group will continue to monitor the progress of the pandemic and adjust relevant tactics as needed. Based on the aforementioned assessment, the epidemic did not have a material impact on the impairment of assets or the continuing operations of the Group.

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 - 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

	<u>Segment Revenue</u>		<u>Segment Profit or Loss</u>	
	<u>For the Six Months Ended</u>		<u>For the Six Months Ended</u>	
	<u>June 30</u>		<u>June 30</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cement segment	\$ 547,577	\$ 487,630	\$ (17,111)	\$ (18,450)
Real estate segment	122,924	125,235	57,382	63,596
Warehousing and storage segment	316,833	310,910	35,918	35,659
Hospitality and catering services segment	107,580	68,544	(267,763)	(321,336)
Other segment	-	-	(9,537)	(14,739)
	<u>\$ 1,094,914</u>	<u>\$ 992,319</u>		
Interest income			28,083	46,726
Other income			52,433	75,296
Other gains and losses			123,859	410,434
Finance costs			(81,737)	(82,118)
Share of profit or loss of associates and joint ventures accounted for using the equity method			(108,219)	9,170
General and administrative expenses and remuneration of director			<u>(95,290)</u>	<u>(62,201)</u>
(Loss) profit before income tax from continuing operation			<u>\$ (281,982)</u>	<u>\$ 142,037</u>

The abovementioned revenue was the transactions between the Group's entities and the third parties. All inter-segment transactions for the six months ended June 30, 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 SIX MONTHS ENDED JUNE 30, 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	\$ 19,890	\$ -	1.5 (Note 3)	Short-term financing	\$ -	The need for financing operating capital	\$ -	-	-	\$ 3,923,494	\$ 10,462,651

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 June 30, 2021.

Note 3: Total interest in the period is \$112 thousand.

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 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	\$ -	\$ -	2.60%	\$ 26,156,627	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	318,240	-	1.71%	26,156,627	No	No	No
	Chia Hsin Cement Corporation (Notes 2 and 6)	CHC Ryukyu Development GK	b.	7,747,805 (Paid-in capital)	607,860	554,620	133,613	-	2.12%	26,156,627	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	1,512,600	957,980	-	5.78%	26,156,627	Yes	No	No
1	Chia Hsin Property Management & Development Corporation (Notes 3 and 6)	Chia Hsin Cement Corporation	c.	26,156,627	6,640,000	6,540,000	5,122,500	6,540,000	25.00%	26,156,627	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

JUNE 30, 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	June 30, 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	\$ 394,755	0.13	\$ 394,755	
	Asia Cement Corporation		Financial assets at FVTPL - current	71	4	-	4	
	China Chemical & Pharmaceutical Co., Ltd.		Financial assets at FVTPL - current	20,000	488	0.01	488	
	<u>Foreign stock</u> Anhui Conch Cement Co., Ltd.		Financial assets at FVTPL - current	364,000	53,810	0.01	53,810	
	<u>Foreign fund</u> GREENWOODS GOLDEN CHINA FUND - UNRESTRICTED CLASS A (0518)		Financial assets at FVTPL - current	3,340	43,804	-	43,804	
	JPMorgan Funds - Russia		Financial assets at FVTPL - current	81,593	39,530	-	39,530	
	JPMorgan - ASEAN Fund		Financial assets at FVTPL - current	2,697	10,933	-	10,933	
	JPMorgan Pacific Technology Fund		Financial assets at FVTPL - current	3,769	14,281	-	14,281	
	THE PARTNERS FUND - CLASS N-N (SERIES 27)		Financial assets at FVTPL - current	2,453	86,475	-	86,475	
	Blackstone Real Estate Income Trust iCapital Offshore Access Fund SPC-Class A ACC- (series 14)		Financial assets at FVTPL - current	1,420	48,748	-	48,748	
	HAITONG FREEDOM MULTI-TRANCHE BOND FUND - P6M (SERIES 49)	Financial assets at FVTPL - current	10,016	32,080	-	32,080		
	<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	1,295,440	0.41	1,295,440	
	CHC Resources Corporation Chien Kuo Construction Co., Ltd.		Financial assets at FVTOCI - current Financial assets at FVTOCI - current	4,285,694 771,256	203,570 11,376	1.72 0.30	203,570 11,376	
	<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	9,420,636	2.99	9,420,636	
	<u>Stock</u> B Current Impact Investment Fund 3 Pan Asian (Engineers & Constructors) Corporation		Financial assets at FVTOCI - non-current Financial assets at FVTOCI - non-current	1,000,000 2,718,217	10,000 23,322	10.00 0.24	10,000 23,322	
	Chia Hsin Ready-Mixed Concrete Corporation		Financial assets at FVTOCI - non-current	12,718,440	265,943	13.71	265,943	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2021				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Tong Yang Chia Hsin International Corporation	Overseas Investment & Development Corp.		Financial assets at FVTOCI - non-current	2,000,000	\$ 18,260	2.22	\$ 18,260	Has been eliminated through consolidation
	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	-	
	<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	693,178	0.22	693,178	
	<u>Foreign fund</u> HAITONG FREEDOM MULTI-TRANCHE BOND FUND - P6M (SERIES 49)		Financial assets at FVTPL - current	10,016	32,080	-	32,080	
	<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	1,655,316	0.53	1,655,316	
	Chia Hsin Cement Corporation	Parent company	Financial assets at FVTOCI - non-current	127,370,320	2,853,095	16.44	2,853,095	
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	60,242,447	3,072,365	0.98	3,072,365	
	IBT Second Venture Capital Co., Ltd. Kaohsiung Tug and Port Service Corp.		Financial assets at FVTOCI - non-current	725,493	4,132	2.30	4,132	
		Financial assets at FVTOCI - non-current	350,000	2,573	0.88	2,573		

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

(Concluded)

CHIA HSIN 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 SIX MONTHS ENDED JUNE 30, 2021
(In Thousands of New Taiwan Dollars)**

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	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	\$ 310,440	65	60 days from the purchase day	N/A (equal to the price for other clients)	N/A (same as the term for other clients)	\$ (137,907)	(77)	

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

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

JUNE 30, 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	Subsidiary	\$ 1,289,411 (Notes 1 and 3)	-	\$ -	-	\$ 14,589	\$ -
	Tong Yang Chia Hsin International Corporation	Subsidiary	565,561 (Note 3)	-	-	-	-	-

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

Note 2: The amount received in subsequent period as of August 12, 2021.

Note 3: The transaction has been eliminated upon consolidation.

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(In Thousands of New Taiwan Dollars, or Otherwise Stated)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2021			Net Income/(Loss) of the Investee	Share of Profit/(Loss) of Investee	Remark
				June 30, 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 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	\$ 1,861,334	\$ 42,380	\$ 18,592	(Note 4)
			General international trade	1,600,159	1,600,159	257,073,050	87.18	5,483,466	116,245	101,342	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	3,893,592	68,661	68,661	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	216,839	19,538	19,538	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	83,844	380	380	Subsidiary (Note 3)
			Holding company	969,104	969,104	19,186,070	74.16	2,292,662	7,113	5,275	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	1,050,872	(238,361)	(238,361)	Subsidiary (Note 3)
			Management consulting service	400,000	400,000	40,000,000	100.00	194,303	(29,950)	(29,950)	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 565,893 (EUR 17,070,667)	NTS 565,893 (EUR 17,070,667)	-	40.00	317,292	(77,928)	(31,171)	(Note 4)
			Hotel and tourism	1,157,340	1,157,340	67,998,915	23.10	1,074,328	(389,274)	(89,922)	(Note 4)
L'Hotel De Chine Corporation 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	113,407	(13,067)	(2,526)	(Note 4)	
		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	250,754	4,117	4,117	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	250,754	4,117	4,117	Second-tier subsidiary (Note 3)
YJ International Corporation	CHC Ryukyu Development GK	2 Chome-1-12 Matsuyama, Naha, Okinawa, Japan	Real estate rental and leasing; management consulting service	NTS 246,951 (JPY 979,575,335)	NTS 246,951 (JPY 979,575,335)	-	100.00	144,921	(1,592)	(1,592)	Second-tier subsidiary (Note 3)
	CHC Ryukyu COLLECTIVE KK	2 Chome-1-12 Matsuyama, Naha, Okinawa, Japan	Hospitality industry	NTS 1,769,849 (JPY 7,020,424,665)	NTS 1,769,849 (JPY 7,020,424,665)	-	100.00	840,190	(234,862)	(234,862)	Second-tier subsidiary (Note 3)
Chia Hsin Pacific Limited	Yonica Pte Ltd.	Singapore	Investment and holding company	NTS 1,854,118 (US\$ 66,551,243)	NTS 1,854,118 (US\$ 66,551,243)	104,908,690	100.00	NTS 779,342 (US\$ 27,973,493)	NTS 21,914 (US\$ 777,859)	NTS 21,914 (US\$ 777,859)	Second-tier subsidiary (Note 3)
	Effervesce Investment Pte. Ltd.	Singapore	Investment and holding company	NTS 865,851 (US\$ 31,078,656)	NTS 865,851 (US\$ 31,078,656)	53,274,892	100.00	NTS 1,385,678 (US\$ 49,737,168)	NTS (14,004) (US\$ -497,075)	NTS (14,004) (US\$ -497,075)	Second-tier subsidiary (Note 3)
	Sparksview Pte. Ltd.	Singapore	Investment and holding company	NTS 80,023 (US\$ 2,872,328)	NTS 80,023 (US\$ 2,872,328)	3,763,350	100.00	NTS 172,190 (US\$ 6,180,558)	NTS 1,447 (US\$ 51,371)	NTS 1,447 (US\$ 51,371)	Second-tier subsidiary (Note 3)
Tong Yang Chia Hsin International Corporation	International Chia Hsin Corporation Tong Yang Chia Hsin Marine Corp.	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City Panama	International trade; general investment Shipping service	36,642 NTS 75,222 (US\$ 2,700,000)	36,642 NTS 75,222 (US\$ 2,700,000)	6,052,636 2,700	20.18 100.00	135,203 442,889	(13,067) 2,382	(2,637) 2,382	Second-tier subsidiary (Note 3)
	Chia Hsin Pacific Limited	Cayman Islands	Holding company	626,119	626,119	6,257,179	24.18	747,709	7,113	1,720	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 June 30, 2021: US\$1=NT\$27.860, JPY1=NT\$0.2521, EUR1=NT\$33.15; net income items denominated in foreign currencies are translated using the average exchange rate for the six months ended June 30, 2021: US\$1=NT\$28.172, JPY1=NT\$0.2618, EUR1=NT\$33.96.

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 SIX MONTHS ENDED JUNE 30, 2021
(Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Transaction Details				
				Financial Statement Accounts	Amount (Note 5)	Payment Terms	% of Total Sales or Assets (Note 3)	
0	Chia Hsin Cement Corporation	Chia Pei International Corporation	a.	Warehousing and storage service revenue	\$ 48,052	The fee is billed monthly and paid quarterly with receipts issued in the same month when the fee is billed.	4.39	
				Interest of subletting revenue	10,190		0.93	
				Lease payment receivable	1,289,411		3.10	
				Endorsement or guarantee	554,620		1.33	
				Endorsement or guarantee	1,512,600		3.64	
				Endorsement or guarantee	680,000		1.64	
				Investment accounted for using the equity method	1,455,000		Cash dividends	3.50
				Other receivables	13,312		Every May (Limited tax payments)	0.03
				Investment accounted for using the equity method	1,055,710		Treasury shares	2.54
				Dividend receivables	565,561		Cash dividends	1.36
1	Tong Yang Chia Hsin International Corporation	Chia Hsin Cement Corporation	b.	Service revenue	34,279	The fee is billed monthly and collected in the next month.	3.13	
2	Chia Hsin Property Management & Development Corporation	Chia Hsin Cement Corporation	b.	Endorsement or guarantee	6,540,000		15.74	
3	Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	c.	Investment accounted for using the equity method	51,752	Cash injection	0.12	
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	60,377	Cash injection	0.15	
		Jiapeng Maternal and Child Care (Suzhou) Co., Ltd.	c.	Investment accounted for using the equity method	17,251	Cash injection	0.04	

(Continued)

Transactions with amount above \$10 million are listed in this table.

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

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

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 June 30, 2021: US\$1=NT\$27.860, JPY1=NT\$0.2521, RMB1=NT\$4.312638; net income items denominated in foreign currencies are translated using the average exchange rate for the six months ended June 30, 2021: US\$1=NT\$28.172, JPY1=NT\$0.2618, RMB1= NT\$4.354391.

Note 5: The transaction has been eliminated upon consolidation.

(Concluded)

CHIA H SIN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 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 June 30, 2021 (Note 1 (a.))	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1 (a.) and Note 9)	Carrying Amount as of June 30, 2021 (Note 1 (a.))	Accumulated Repatriation of Investment Income as of June 30, 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.	US\$ 8,460 (NT\$ 235,696)	b. and d.	US\$ 12,722 (NT\$ 354,435)	US\$ - (NT\$ -)	US\$ - (NT\$ -)	US\$ 12,722 (NT\$ 354,435)	US\$ 152 (NT\$ 4,296)	95.23	US\$ 152 (NT\$ 4,296)	US\$ 18,436 (NT\$ 513,625)	US\$ - (NT\$ -)	Note 1 (b.) (3) and Note 7
Shanghai Chia Hsin Ganghui Co., Ltd.	Warehousing and packing bulk cement and formulating and delivering high-strength cement.	US\$ 10,500 (NT\$ 292,530)	b.	US\$ 16,066 (NT\$ 447,599)	US\$ - (NT\$ -)	US\$ - (NT\$ -)	US\$ 16,066 (NT\$ 447,599)	US\$ 158 (NT\$ 4,449)	95.23	US\$ 158 (NT\$ 4,449)	US\$ 15,207 (NT\$ 423,669)	US\$ - (NT\$ -)	Note 1 (b.) (3) and Note 7
Shanghai Chang Hsin Shipping Co., Ltd. (Note 5)	Delivering cement.	US\$ - (NT\$ -)	b.	US\$ 3,065 (NT\$ 85,391)	US\$ - (NT\$ -)	US\$ - (NT\$ -)	US\$ 3,065 (NT\$ 85,391)	US\$ (49) (NT\$ -1,388)	-	US\$ (20) (NT\$ -555)	US\$ - (NT\$ -)	US\$ - (NT\$ -)	Note 1 (b.) (3), and Note 8
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Consulting for developing information system for business and finance purpose.	US\$ 17,310 (NT\$ 482,257)	b.	US\$ 26,497 (NT\$ 738,206)	US\$ - (NT\$ -)	US\$ - (NT\$ -)	US\$ 26,497 (NT\$ 738,206)	US\$ (917) (NT\$ -25,834)	95.23	US\$ (905) (NT\$ -25,509)	US\$ 18,669 (NT\$ 520,124)	US\$ - (NT\$ -)	Note 1 (b.) (3) and Note 7
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Consulting for management of healthcare and hospitality business.	RMB 58,000 (NT\$ 250,133)	f. Investor: Chia Hsin Business Consulting (Shanghai) Co., Ltd.	US\$ - (NT\$ -)	US\$ - (NT\$ -)	US\$ - (NT\$ -)	US\$ - (NT\$ -)	US\$ (952) (NT\$ -26,815)	95.23	US\$ (952) (NT\$ -26,815)	US\$ 6,000 (NT\$ 167,156)	US\$ - (NT\$ -)	Note 1 (b.) (3) and Note 7
Jiapeng Maternal and Child Care (Yangzhou) Co., Ltd.	Providing healthcare service to mothers in pregnancy, parturition and postpartum period.	RMB 42,000 (NT\$ 181,131)	f. Investor: Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	US\$ - (NT\$ -)	US\$ - (NT\$ -)	US\$ - (NT\$ -)	US\$ - (NT\$ -)	US\$ (338) (NT\$ -9,534)	95.23	US\$ (338) (NT\$ -9,534)	US\$ 5,005 (NT\$ 139,444)	US\$ - (NT\$ -)	Note 1 (b.) (3) and Note 7
Jiapeng Maternal and Child Care (Suzhou) Co., Ltd.	Providing healthcare service to mothers in pregnancy, parturition and postpartum period.	RMB 10,000 (NT\$ 43,126)	f. Investor: Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	US\$ - (NT\$ -)	US\$ - (NT\$ -)	US\$ - (NT\$ -)	US\$ - (NT\$ -)	US\$ (548) (NT\$ -15,426)	95.23	US\$ (548) (NT\$ -15,426)	US\$ 717 (NT\$ 19,972)	US\$ - (NT\$ -)	Note 1 (b.) (3) and Note 7
Jiangsu Union Mining Industry Ltd. (Note 6)	Processing, manufacturing and delivering of limestone and other related products.	RMB - (NT\$ -)	c.	US\$ 4,970 (NT\$ 138,464)	US\$ - (NT\$ -)	US\$ - (NT\$ -)	US\$ 4,970 (NT\$ 138,464)	US\$ - (NT\$ -)	-	US\$ - (NT\$ -)	US\$ - (NT\$ -)	US\$ - (NT\$ -)	
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	US\$ 13,200 (NT\$ 367,752)	e.	US\$ 13,847 (NT\$ 385,777)	US\$ - (NT\$ -)	US\$ - (NT\$ -)	US\$ 13,847 (NT\$ 385,777)	US\$ 84 (NT\$ 2,371)	87.18	US\$ 84 (NT\$ 2,371)	US\$ 15,665 (NT\$ 436,426)	US\$ - (NT\$ -)	Note 1 (b.) (3) and Note 7
Jiangsu Jiaxin Property Limited Company	Developing and selling real estate and providing property management service	RMB 20,000 (NT\$ 86,253)	f. Investor: Jiangsu Jiaguo Construction Material Storage Co., Ltd.	US\$ - (NT\$ -)	US\$ - (NT\$ -)	US\$ - (NT\$ -)	US\$ - (NT\$ -)	US\$ 9 (NT\$ 251)	87.18	US\$ 9 (NT\$ 251)	US\$ 3,350 (NT\$ 93,338)	US\$ - (NT\$ -)	Note 1 (b.) (3) and Note 7

(Continued)

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

Accumulated Outward Remittance for Investments in Mainland China as of June 30, 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)
\$ 6,398,550 (US\$ 229,668)	\$ 6,466,975 (US\$ 232,124)	\$ 16,208,633

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 June 30, 2021: US\$1=NT\$27.860, RMB1=NT\$4.312638; net income items denominated in foreign currencies are translated using the average exchange rate for the six months ended June 30, 2021: US\$1=NT\$28.172, RMB1=NT\$4.354391.

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 Sparksvie 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.

Note 5: On May 17, 2021 the dissolution of Shanghai Chang Hsin Shipping Co., Ltd. has been completed.

Note 6: 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 7: The transaction has been eliminated upon consolidation.

Note 8: The investment in associate accounted for using the equity method.

Note 9: Including the gains and losses recognized by using the equity method and the gains and losses on internal unrealized transactions.

(Concluded)

TABLE 9**CHIA HSIN CEMENT CORPORATION****INFORMATION OF MAJOR SHAREHOLDERS****JUNE 30, 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.