Chia Hsin Cement Corporation and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2021 and 2020 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies that are required to be included in the consolidated financial statements of affiliates of Chia Hsin Cement Corporation as of and for the year ended December 31, 2021, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements of parent and subsidiary companies prepared in conformity with International Financial Reporting Standard No. 10, “Consolidated Financial Statements” In addition, relevant information required to be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, Chia Hsin Cement Corporation and subsidiaries did not prepare a separate set of consolidated financial statements of affiliated enterprises.

Very truly yours,

CHIA HSIN CEMENT CORPORATION

JASON K. L. CHANG
Chairman

March 22, 2022

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Chia Hsin Cement Corporation

Opinion

We have audited the accompanying consolidated financial statements of Chia Hsin Cement Corporation and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Group's consolidated financial statements for the year ended December 31, 2021 are stated as follows:

Key Audit Matter 1: Sales of Cement to the Main Clients

The operating revenue of the Group mainly comes from the sale of cement. For the year ended December 31, 2021, the amount of revenue from the sales of cement was $1,069,131 thousand, which accounted for 48% of the consolidated total operating revenue. Due to the concentration of sales to target clients in the Group's cement business and the materiality of the transactions, we considered the transactions with such clients as key audit matter.

For the relevant explanation of accounting policies and notes to the financial statements, refer to Notes 4 and 27.

Our key audit procedures performed in respect of the above area included the following:

1. We understood the design and implementation of internal controls over the sales of cement and tested the effectiveness of the relevant controls over sales transactions; we designed the audit procedures responsive to the risks identified.

2. We obtained the list of sales order from main clients and inspected the supporting documents, such as registration card for sale of cement and bills of lading, and verified the existence of the sales.

3. We analyzed the changes in the revenue, gross margin rate, turnover rate of accounts receivable and credit conditions from prior year to the current year.

4. We verified the occurrence of the sales by obtaining confirmation letters from the main clients; we performed alternative audit procedures for unreplied letters.

Key Audit Matter 2: Impairment of Property, Plant and Equipment

As of December 31, 2021, the net carrying amount of property, plant and equipment of the hotel operated by the Group located in Ryukyu, Japan was NT$4,181,457 thousand, representing 10% of total consolidated assets, which was material to the consolidated financial statements. Due to the impact of the COVID-19 on the overall economic trend of the industry, the actual operating performance of the hotel was lower than expected, which in turn affected the management's assessment of impairment of property, plant, and equipment. Since the information used in the assessment was subject to management's judgment and involved a high level of uncertainty, we identified the impairment of property, plant and equipment as a key audit matter.

Our key audit procedures performed in respect of the above area included the following:

We obtained from the management an impairment assessment report issued by an external expert, and we performed the following key audit procedures in connection with the above major transactions:

1. We obtained an understanding of the management's basis of assumptions and sources of relevant data and description used to estimate the value in use of the assets, and we assessed the reasonableness of management's adoption of such assumptions and data.

2. We assessed the appropriateness of the discount rates used by the external specialists in their valuation report.

3. We recalculated the value in use of the assets and verified that the calculation in the valuation report was accurate.

Other Matter

We have also audited the parent company only financial statements of Chia Hsin Cement Corporation as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for 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 Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chiang Hsun Chen and Keng Hsi Chang.

Chiang Hsun Chen Keng Hsi Chang

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 22, 2022

<u>*Notice to Readers*</u>

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 audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' 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' report and consolidated financial statements shall prevail.

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021		2020	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 3,685,347	9	$ 3,375,981	8
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	1,387,308	4	1,091,077	3
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	2,982,413	8	2,713,193	7
Financial assets at amortized cost - current (Notes 4 and 14)	2,638,297	7	4,065,846	10
Notes receivable from unrelated parties (Notes 4, 9 and 27)	137,437	-	147,422	1
Trade receivables from unrelated parties (Notes 4, 9 and 27)	78,308	-	108,712	-
Trade receivables from related parties (Notes 4, 27 and 37)	10,864	-	4,041	-
Finance lease receivables - current (Notes 4 and 11)	2,852	-	2,618	-
Other receivables from unrelated parties (Notes 4 and 10)	28,546	-	33,016	-
Other receivables from related parties (Notes 4 and 37)	317	-	19,435	-
Current tax assets (Notes 4 and 29)	467	-	1,197	-
Inventories (Notes 4 and 12)	55,320	-	61,497	-
Prepayments (Note 21)	149,047	-	100,846	-
Disposal groups held for sale (Notes 4 and 13)	-	-	-	-
Refundable deposits (Note 4)	20	-	1,639	-
Other current assets (Note 21)	117	-	-	-
Total current assets	11,156,660	28	11,726,520	29
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	12,152,445	30	10,895,230	27
Financial assets at amortized cost - non-current (Notes 4, 14 and 38)	25,856	-	25,794	-
Investments accounted for using the equity method (Notes 4 and 16)	3,445,290	9	3,628,571	9
Property, plant and equipment (Notes 4, 5, 17 and 38)	5,282,102	13	6,195,433	15
Right-of-use assets (Notes 4 and 18)	1,652,742	4	1,786,356	4
Investment properties (Notes 4, 19, 37 and 38)	6,130,417	15	6,138,701	15
Intangible assets (Notes 4 and 20)	7,580	-	11,347	-
Deferred tax assets (Notes 4 and 29)	333,077	1	174,983	1
Refundable deposits - non-current (Note 4)	31,539	-	32,990	-
Finance lease receivables - non-current (Notes 4 and 11)	4,027	-	6,879	-
Net defined benefit assets - non-current (Notes 4 and 25)	4,834	-	-	-
Other non-current assets (Note 21)	21,082	-	23,423	-
Total non-current assets	29,090,991	72	28,919,707	71
TOTAL	$ 40,247,651	100	$ 40,646,227	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 22 and 38)	$ 914,000	2	$ 1,564,000	4
Short-term bills payable (Note 22)	134,842	1	136,773	-
Contract liabilities (Notes 4 and 27)	23,704	-	13,154	-
Notes payable to unrelated parties (Note 23)	3,351	-	3,011	-
Trade payables to unrelated parties (Note 23)	118,141	-	76,579	-
Trade payables to related parties (Note 37)	124,010	-	73,132	-
Other payables to unrelated parties (Note 24)	227,742	1	345,715	1
Other payables to related parties (Note 37)	72	-	89	-
Current tax liabilities (Notes 4 and 29)	121,492	-	137,173	1
Lease liabilities - current (Notes 4 and 18)	132,442	-	124,926	-
Advance receipts (Note 24)	8,820	-	11,829	-
Current portion of long-term borrowings (Notes 22 and 38)	947,847	3	528,223	1
Guarantee deposits - current (Note 37)	29,995	-	19,768	-
Other current liabilities (Note 24)	2,870	-	8,093	-
Total current liabilities	2,789,328	7	3,042,465	7
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 22 and 38)	7,908,939	20	8,771,785	22
Deferred tax liabilities (Notes 4 and 29)	1,583,897	4	1,559,363	4
Lease liabilities - non-current (Notes 4 and 18)	1,599,272	4	1,723,014	4
Deferred revenue - non-current (Notes 24 and 32)	367,431	1	437,169	1
Net defined benefit liabilities - non-current (Notes 4 and 25)	-	-	1,007	-
Guarantee deposits - non-current (Note 37)	88,551	-	94,075	-
Total non-current liabilities	11,548,090	29	12,586,413	31
Total liabilities	14,337,418	36	15,628,878	38
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 26)				
Share capital				
Ordinary shares	7,747,805	19	7,747,805	19
Capital surplus	1,139,296	3	960,402	3
Retained earnings				
Legal reserve	2,503,173	6	2,319,663	6
Special reserve	2,257,996	6	2,275,704	6
Unappropriated earnings	6,475,930	16	7,058,382	17
Total retained earnings	11,237,099	28	11,653,749	29
Other equity	5,979,118	15	4,939,214	12
Treasury shares	(1,077,950)	(3)	(1,119,023)	(3)
Total equity attributable to owners of the Company	25,025,368	62	24,182,147	60
NON-CONTROLLING INTERESTS (Note 26)	884,865	2	835,202	2
Total equity	25,910,233	64	25,017,349	62
TOTAL	$ 40,247,651	100	$ 40,646,227	100

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

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 27 and 37)	$ 2,220,254	100	$ 2,058,417	100
OPERATING COSTS (Notes 12, 28 and 37)	(2,189,455)	(99)	(2,202,158)	(107)
GROSS PROFIT (LOSS)	30,799	1	(143,741)	(7)
OPERATING EXPENSES (Notes 9, 10, 13, 28 and 37)				
Selling and marketing expenses	(32,965)	(1)	(30,794)	(1)
General and administrative expenses	(523,691)	(24)	(572,267)	(28)
Expected credit gain (loss)	221	-	(94)	-
Total operating expenses	(556,435)	(25)	(603,155)	(29)
OTHER OPERATING INCOME AND EXPENSES (Notes 28 and 37)	-	-	1,569,463	76
(LOSS) GAIN FROM OPERATIONS	(525,636)	(24)	822,567	40
NON-OPERATING INCOME AND EXPENSES (Notes 4, 13, 28 and 37)				
Interest income	52,932	2	84,861	4
Other income	1,262,036	57	927,568	45
Other gains and losses	311,367	14	372,015	18
Finance costs	(159,902)	(7)	(163,580)	(8)
Share of profit or loss of associates and joint ventures	(121,277)	(5)	62,611	3
Total non-operating income and expenses	1,345,156	61	1,283,475	62
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	819,520	37	2,106,042	102
INCOME TAX EXPENSE (Notes 4 and 29)	(71,985)	(3)	(269,547)	(13)
NET PROFIT FROM CONTINUING OPERATIONS	747,535	34	1,836,495	89
NET PROFIT FROM DISCONTINUED OPERATIONS (Note 13)	-	-	1,499	-
NET PROFIT FOR THE YEAR	747,535	34	1,837,994	89

(Continued)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (Notes 4, 25, 26 and 29)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	$ 5,776	-	$ 2,142	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	1,441,456	65	408,679	20
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	52,959	3	(45,256)	(2)
Income tax relating to items that will not be reclassified subsequently to profit or loss	(1,155)	-	(429)	-
	1,499,036	68	365,136	18
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(554,584)	(25)	(79,343)	(4)
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	(4,289)	-	(3,907)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	147,470	6	18,343	1
	(411,403)	(19)	(64,907)	(3)
Other comprehensive income for the year, net of income tax	1,087,633	49	300,229	15
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 1,835,168	83	$ 2,138,223	104
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 657,848	30	$ 1,764,366	86
Non-controlling interests	89,687	4	73,628	3
	$ 747,535	34	$ 1,837,994	89
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 1,702,814	77	$ 2,051,467	100
Non-controlling interests	132,354	6	86,756	4
	$ 1,835,168	83	$ 2,138,223	104

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CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	**%**	**Amount**	**%**
EARNINGS PER SHARE (Note 30)				
From continuing and discontinued operations				
Basic	$ 1.02		$ 2.74	
Diluted	$ 1.02		$ 2.74	
From continuing operations				
Basic	$ 1.02		$ 2.74	
Diluted	$ 1.02		$ 2.74	

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

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

			Retained Earnings			Other Equity					
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Total	Non-controlling Interests	Total Equity
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)
Reverse of special reserve	-	-	-	(70,347)	70,347	-	-	-	-	-	-
Net profit for the year ended December 31, 2020	-	-	-	-	1,764,366	-	-	-	1,764,366	73,628	1,837,994
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	2,155	(61,154)	346,100	-	287,101	13,128	300,229
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	1,766,521	(61,154)	346,100	-	2,051,467	86,756	2,138,223
Changes in capital surplus due to cash dividends of the Company paid to subsidiary (Note 26)	-	111,248	-	-	-	-	-	-	111,248	-	111,248
Acquisition of interests in subsidiaries (Notes 15 and 33)	-	(538)	-	-	(1,766)	-	-	-	(2,304)	(19,927)	(22,231)
Decrease in non-controlling interests (Note 26)	-	-	-	-	-	-	-	-	-	(94,469)	(94,469)
Buy-back of ordinary shares (Note 26)	-	-	-	-	-	-	-	(22,240)	(22,240)	-	(22,240)
Unclaimed dividends extinguished by prescription (Note 26)	-	2,315	-	-	-	-	-	-	2,315	59	2,374
BALANCE, DECEMBER 31, 2020	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)											
Legal reserve	-	-	183,510	-	(183,510)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,079,560)	-	-	-	(1,079,560)	-	(1,079,560)
Reverse of special reserve	-	-	-	(17,708)	17,708	-	-	-	-	-	-
Changes in equity of associates accounted for using the equity method (Note 26)	-	3,461	-	-	-	-	-	-	3,461	-	3,461
Net profit for the year ended December 31, 2021	-	-	-	-	657,848	-	-	-	657,848	89,687	747,535
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	5,062	(396,011)	1,435,915	-	1,044,966	42,667	1,087,633
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	662,910	(396,011)	1,435,915	-	1,702,814	132,354	1,835,168
Changes in capital surplus due to cash dividends of the Company paid to subsidiary (Note 26)	-	155,010	-	-	-	-	-	-	155,010	-	155,010
Share-based payment (Notes 26 and 31)	-	20,175	-	-	-	-	-	-	20,175	412	20,587
Decrease in non-controlling interests (Note 26)	-	-	-	-	-	-	-	-	-	(83,132)	(83,132)
Reissuance of treasury shares (Note 26)	-	(96)	-	-	-	-	-	41,073	40,977	-	40,977
Unclaimed dividends extinguished by prescription (Note 26)	-	344	-	-	-	-	-	-	344	29	373
BALANCE, DECEMBER 31, 2021	$ 7,747,805	$ 1,139,296	$ 2,503,173	$ 2,257,996	$ 6,475,930	$ (800,236)	$ 6,779,354	$ (1,077,950)	$ 25,025,368	$ 884,865	$ 25,910,233

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

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax from continuing operations	$ 819,520	$ 2,106,042
Income before income tax from discontinued operations	-	1,499
Income before income tax	819,520	2,107,541
Adjustments for:		
Depreciation expense	524,834	570,326
Amortization expense	2,629	2,508
Expected credit (gain) loss	(221)	94
Net gain on fair value changes of financial assets at fair value through profit or loss	(102,103)	(1,682)
Finance costs	159,902	163,580
Interest income	(52,932)	(88,828)
Dividend income	(1,128,413)	(807,947)
Compensation costs arising from share-based payment	20,587	-
Share of loss (profit) of associates and joint ventures	121,277	(62,611)
Loss (gain) on disposal of property, plant and equipment	143	(64,356)
Expense transferred from property under construction	-	1,358
Gain on disposal of investment properties	-	(1,569,463)
Expense transferred from investment property	1,492	-
Gain on disposal of right-of-use assets	(140)	-
(Gain) loss on disposal of associates and joint ventures accounted for using the equity method	(3,245)	5,822
Loss (gain) on lease modification	95	(45)
Gain on disposal of assets held for sale	-	(335,919)
Gain on disposal of subsidiaries	(291,167)	(92,073)
Impairment loss recognized on property, plant and equipment and right-of-use assets	-	56,980
Impairment loss recognized on non-financial assets	404	366
Reversal of deferred revenue	(13,884)	(12,310)
Net loss on foreign currency exchange	105,410	36,937
Changes in operating assets and liabilities:		
Financial assets mandatorily classified as at fair value through profit or loss	(194,128)	573,921
Notes receivable from unrelated parties	10,070	18,057
Trade receivables from unrelated parties	28,116	(47,866)
Trade receivables from related parties	(6,823)	(1,361)
Other receivables from unrelated parties	3,018	323,663
Inventories	5,315	(16,941)
Increase in other current assets	(124)	-
Prepayments	(49,828)	(29,887)
Contract liabilities	10,778	3,865
Notes payables to unrelated parties	340	105
Trade payables to unrelated parties	42,083	(33,959)
Trade payables to related parties	50,878	(10,448)
Other payables to unrelated parties	(47,597)	107,347

(Continued)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
Advanced receipts	$ (2,960)	$ (2,451)
Other current liabilities	(4,412)	7,045
Net defined benefit liability	(65)	(59)
Cash generated from operations	8,849	801,309
Interest paid	(129,874)	(133,714)
Income tax paid	(73,691)	(136,764)
Net cash (used in) generated from operating activities	(194,716)	530,831
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(90,000)	(10,000)
Purchase of financial assets at amortized cost	(74,951)	(644,164)
Proceeds from sale of financial assets at amortized cost	1,467,434	-
Cash return of capital due to liquidation of associates and joint ventures accounted for using the equity method	66,327	184,358
Acquisition of associates	(50,000)	(1,144,460)
Payments for property, plant and equipment	(105,482)	(746,786)
Proceeds from disposal of property, plant and equipment	178	41,261
Decrease (increase) in refundable deposits paid	2,747	(4,274)
Decrease in other receivables from related parties	19,118	97,185
Payments for intangible assets	(184)	(5,581)
Payments for investment properties	(71,967)	(28,588)
Proceeds from disposal of investment properties	-	1,686,299
Decrease in finance lease receivables	2,047	2,105
Decrease (increase) in other non-current assets	1,708	(311)
Increase in prepayments for equipment	(4,149)	(4,873)
Interest received	53,296	92,618
Other dividends received	1,144,142	855,136
Deferred revenue	-	7,439
Net cash generated from investing activities	2,360,264	377,364
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayments of) proceeds from short-term borrowings	(650,000)	762,800
Repayments of short-term bills payable	(2,000)	(133,000)
Proceeds from long-term loans	1,679,000	851,261
Repayments of long-term loans	(1,619,271)	(123,678)
Refunds of guarantee deposits received	-	(8,117)
Proceeds of guarantee deposits received	4,749	-
Repayments of the principal portion of lease liabilities	(117,847)	(106,734)
Dividend paid to owners of the Company	(924,550)	(660,533)
Payments for buy-back of ordinary shares	-	(22,240)
Proceeds from reissuance of treasury shares	40,977	-
Acquisition of additional interests in subsidiaries	-	(22,231)

(Continued)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
Dividends paid to non-controlling interests	$ (83,132)	$ (94,469)
Return of unclaimed dividends extinguished by prescription	373	2,374
Net cash (used in) generated from financing activities	(1,671,701)	445,433
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(184,481)	(44,544)
NET INCREASE IN CASH AND CASH EQUIVALENTS	309,366	1,309,084
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3,375,981	2,066,897
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 3,685,347	$ 3,375,981

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

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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 December 31, 2021, the Company has authorized capital of $15,000,000 thousand and paid-in capital of $7,747,805 thousand. The Company’s business activities include cement manufacturing, wholesale of building materials, retail sale of building materials, non-metallic mining, mixed-concrete products manufacturing, international trade, construction and development of residences and buildings, lease, construction and development of industrial factory buildings, real estate commerce, real estate rental and leasing, reconstruction within the renewal area and warehousing and storage, healthcare, fitness and training, manufacture of beverages and bakery products, and hotel management.

b. On December 30, 2016, the Group’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 was 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 March 22, 2022.

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

Note 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 has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

c. New IFRSs issued 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 IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	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 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

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

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. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

The Group is engaged in the construction business, which has an operating cycle of over 1 year. The normal operating cycle applies when considering the classification of the Group's construction-related assets and liabilities.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries, including structured entities).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of 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 of the Group.

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.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the cost on initial recognition of an investment in an associate.

See Note 15, Table 6 and Table 8 for detailed information on subsidiaries.

e. Foreign currencies

In preparing the financial statements of each individual entities, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting consolidated financial statements, the financial statements of the Company's foreign operations (including subsidiaries, associates and joint ventures in other countries) that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

f. Inventories

Inventories consist of raw materials, supplies, finished goods, and land for construction

Cement inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

Costs of building constructions are recorded separately for each construction project. Payments made for land prior to the acquisition of land use rights are recognized as “prepayment for land purchase”; as “land for construction” after the acquisition of the land use rights; as “construction in progress” when the construction on the land started; and as “land and building held for sale” upon the completion of construction. Prepayments collected from preselling of land and building are recognized as “advance receipt”.

g. Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture. A joint venture is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the arrangements.

The Group uses the equity method to account for its investments in associates and joint ventures.

Under the equity method, investments in an associate and a joint venture are initially recognized at cost and adjusted thereafter to recognize the Group’s share of the profit or loss and other comprehensive income of the associate and joint venture. The Group also recognizes the changes in the Group’s share of the equity of associates and joint ventures.

Any excess of the cost of acquisition over the Group’s share of the net fair value of the identifiable assets and liabilities of an associate and a joint venture at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group’s share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of an associate and a joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group’s proportionate interest in the associate and joint venture. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using the equity method. If the Group’s ownership interest is reduced due to its additional subscription of the new shares of the associate and joint venture, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and joint venture is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group’s share of losses of an associate and a joint venture equals or exceeds its interest in that associate and joint venture (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group’s net investment in the associate and joint venture), the Group discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate and joint venture.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate and a joint venture. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate and joint venture attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate and joint venture. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate and joint venture on the same basis as would be required had that associate directly disposed of the related assets or liabilities.

When the Group transacts with its associate and joint venture, profits and losses resulting from the transactions with the associate and joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the associate and joint venture that are not related to the Group.

h. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently are measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. If the lease term of an item of property, plant and equipment is shorter than its useful life, such asset is depreciated over its lease term. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Investment properties

Investment properties are properties held to earn rental and or for capital appreciation. Investment properties include right-of-use assets and properties under construction that meet the definition of investment properties. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized using the straight-line method.

Investment properties under construction are measured at cost less accumulated impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Depreciation of these assets commences when the assets are ready for their intended use.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

j. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Impairment of property, plant and equipment, right-of-use assets, investment properties, and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, investment properties, and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount (after deducting amortization and depreciation) that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

l. Disposal groups held for sale

Disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the disposal group is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, and the sale should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

Disposal groups classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Such assets classified as held for sale are not depreciated.

m. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

   All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

   a) Measurement categories

      Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

      i. Financial assets at FVTPL

         Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI.

         Financial assets at FVTPL are subsequently measured at fair value, and any dividends, interest earned, and remeasurement gains or losses on such financial assets are recognized in profit or loss. Fair value is determined in the manner described in Note 36.

      ii. Financial assets at amortized cost

         Financial assets that meet the following conditions are subsequently measured at amortized cost:

         i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

         ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

         Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes receivable and trade receivables at amortized cost, trade receivables from related parties, other receivables (less tax refund receivables), other receivables from related parties, time deposits with original maturities over 3 months, and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

         Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

         i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables), other receivables, and finance lease receivables.

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables and finance lease receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Group):

i. Internal or external information shows that the debtor is unlikely to pay its creditors.

ii. When a financial asset is more than 365 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss directly or by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI in its entirety, the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

n. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of cement; sales of cement are recognized as revenue when the goods are delivered to the customer's specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently. The advance receipts before the delivery of goods are recognized as contract liabilities and reclassified to revenue after the goods are transferred to customers.

2) Revenue from the rendering of services

The revenue from rendering of services is recognized over time with reference to the progress of the fulfillment of contracts or recognized on the date the service is provided.

o. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Under finance leases, the lease payments comprise fixed payments. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Group’s net investment outstanding in respect of leases. For a lease modification that is not accounted for as a separate lease, if the lease would have been classified as an operating lease had the modification been in effect at the inception date, the Group accounts for the lease modification as a new lease and measures the carrying amount of the underlying asset as the finance lease receivables immediately before the effective date of the lease modification. Other lease modifications are accounted for by adjusting the finance lease receivables in accordance with IFRS 9.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

Variable lease payments that do not depend on an index or a rate are recognized as income in the periods in which they are incurred.

When a lease includes both land and building elements, the Group assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated to the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably to the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term lease and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

The Group negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2021, that results in the revised consideration for the lease substantially less than the consideration for the lease immediately preceding the change. There is no substantive change to other terms and conditions. The Group elects to apply the practical expedient to all of these rent concessions and, therefore, does not assess whether the rent concessions are lease modifications. Instead, the Group recognizes the reduction in lease payment in profit or loss as other operating income and expenses, and makes a corresponding adjustment to the lease liability.

p. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

q. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

The benefit of a government loan received at a below-market rate of interest is treated as a government grant measured as the difference between the proceeds received and the fair value of the loan based on prevailing market interest rates.

r. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

s. Share-based payment arrangements

Equity-settled share-based payment arrangements granted to employees

The fair value at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group’s best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately.

t. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years’ tax liabilities are added to or deducted from the current year’s tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

4) The linked-tax system

The Company files joint income tax returns with Chia Hsin Property Management & Development Corporation. The differences between the tax expense and deferred tax liabilities and assets of the Company as a separate entity and of the Company and its qualified subsidiaries as a joint entity are adjusted on the Company; the related amounts are recognized as current tax assets or current tax liabilities.

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 on 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 possible impact of the recent development of the COVID-19 in global and its economic environment implications when making its critical accounting estimates on 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.

Key Sources of Estimation Uncertainty

Impairment of property, plant and equipment

Impairment of equipment is evaluated based on the recoverable amount of assets, which is the higher of its fair value less costs of disposal and its value in use. Any changes in the market prices, future cash flows or discount rates will affect the recoverable amount of the assets and may lead to the recognition of additional impairment losses or the reversal of impairment losses. Furthermore, the estimates of the cash flow projections, growth rate and discount rate are subject to higher degree of estimation uncertainties in the current year due to uncertainty on the impact arising from potential disruptions of the Group's operations and volatility in financial markets due to the evolution of COVID-19 pandemic.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2021	**2020**
Cash on hand	$ 4,169	$ 4,790
Checking accounts and demand deposits	1,528,380	921,356
Cash equivalents		
Commercial papers	118,867	452,656
Time deposits with original maturities of 3 months or less	2,006,243	1,904,118
Repurchase agreements collateralized by bonds	27,688	93,061
	$ 3,685,347	$ 3,375,981

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

	December 31	
	2021	**2020**
Commercial papers	0.23%-0.25%	0.19%-0.23%
Cash in the bank	0.001%-2.55%	0.001%-2.12%
Repurchase agreements collateralized by bonds	0.33%	0.50%-0.60%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2021	**2020**
Financial assets mandatorily classified as at fair value through profit or loss (FVTPL) - current		
Non-derivative financial assets		
Domestic listed shares	$ 1,023,941	$ 922,018
Overseas listed shares	50,340	64,909
Overseas mutual funds - beneficiary certificates	313,027	104,150
	$ 1,387,308	$ 1,091,077

The Group has investments in shares of Taiwan Cement Corporation. As of December 31, 2021, the Group held 21,332,026 shares (carrying amount of $1,023,938 thousand) accounted for as financial assets at fair value through profit or loss and 302,818,769 shares (carrying amount of $14,535,301 thousand) accounted for as financial assets at fair value through other comprehensive income. As of December 31, 2020, the Group held 21,332,026 shares (carrying amount of $921,543 thousand) accounted for as financial assets at fair value through profit or loss and 302,818,769 shares (carrying amount of $13,081,771 thousand) accounted for as financial assets at fair value through other comprehensive income. Information for other price risks and sensitivity analysis are provided in Note 36.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2021	**2020**
Investments in equity instruments - current		
Domestic investments		
Listed shares and emerging market shares	$ 2,982,413	$ 2,713,193
Investments in equity instruments - non-current		
Domestic investments		
Listed shares and emerging market shares	$ 11,758,119	$ 10,582,307
Unlisted shares	394,326	312,923
	$ 12,152,445	$ 10,895,230

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.

The Group purchased preference shares B of Smart Ageing Tech Co., Ltd. and ordinary shares of B Current Impact Investment Fund 3 with the amount of $90,000 thousand in July 2021 and $10,000 thousand in March 2020, respectively. The investment is held for medium- to long-term strategic purposes. Accordingly, the management designated these investments as at FVTOCI.

9. NOTES RECEIVABLE, TRADE RECEIVABLES AND OVERDUE RECEIVABLES

	December 31	
	2021	**2020**
Notes receivable		
Gross carrying amount at amortized cost	$ 138,812	$ 148,892
Less: Allowance for impairment loss	(1,375)	(1,470)
	$ 137,437	$ 147,422

(Continued)

	December 31	
	2021	2020
Trade receivables		
Gross carrying amount at amortized cost	$ 78,619	$ 109,296
Less: Allowance for impairment loss	(311)	(584)
	$ 78,308	$ 108,712
Overdue receivables (Note)		
Gross carrying amount at amortized cost	$ 12,952	$ 13,022
Less: Allowance for impairment loss	(12,952)	(13,022)
	$ -	$ -

(Concluded)

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 note receivables 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 receivables at an amount equal to lifetime expected credit losses (ECLs). The expected credit losses on notes receivables 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 receivables (including receivables from related parties) based on the Group's provision matrix:

December 31, 2021

	Not Overdue	Overdue Within 90 Days	Overdue 91-360 Days	Overdue 1 Year or More	Total
Expected credit loss rate	0.74%	0.94%	-	100%	
Gross carrying amount	$ 227,547	$ 748	$ -	$ 12,952	$ 241,247
Loss allowance (Lifetime ECLs)	(1,679)	(7)	-	(12,952)	(14,638)
Amortized cost	$ 225,868	$ 741	$ -	$ -	$ 226,609

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)	(1,919)	(1)	(134)	(13,022)	(15,076)
Amortized cost	$ 260,046	$ 129	$ -	$ -	$ 260,175

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

	For the Year Ended December 31	
	2021	2020
Balance at January 1	$ 15,076	$ 14,784
Add: Net remeasurement of loss allowance	10	266
Less: Net remeasurement of loss allowance reversed	(231)	(172)
Less: Amounts written off	(134)	-
Foreign exchange gains and losses	(83)	198
Balance at December 31	$ 14,638	$ 15,076

10. OTHER RECEIVABLES

	December 31	
	2021	2020
Interest receivables	$ 14,569	$ 15,015
VAT refund receivables	-	4,226
Government grant receivables (Note 32)	1,950	3,585
Others	13,908	12,081
Less: Allowance of impairment loss	(1,881)	(1,891)
	$ 28,546	$ 33,016

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

	For the Year Ended December 31	
	2021	2020
Balance at January 1	$ 1,891	$ 1,862
Foreign exchange gains and losses	(10)	29
Balance at December 31	$ 1,881	$ 1,891

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

December 31, 2021

	Not Overdue	Overdue Less than 90 Days	Overdue 90-360 Days	Overdue 1 Year or More	Total
Expected credit loss rate	0%	-	-	100%	
Gross carrying amount	$ 28,546	$ -	$ -	$ 1,881	$ 30,427
Loss allowance (Lifetime ECLs)	-	-	-	(1,881)	(1,881)
Amortized cost	$ 28,546	$ -	$ -	$ -	$ 28,546

December 31, 2020

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

Other receivables were mainly interest, refund of excise tax and business tax, 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

	December 31	
	2021	**2020**
Undiscounted lease payments		
Year 1	$ 2,972	$ 2,800
Year 2	2,972	2,972
Year 3	1,114	2,972
Year 4	-	1,114
	7,058	9,858
Less: Unearned finance income	(179)	(361)
Lease payments receivable	6,879	9,497
Net investment in leases presented as finance lease receivables	$ 6,879	$ 9,497

Due to the severe impact of Covid-19 pandemic on economy, the Group consented to unconditionally reduce the rent by 55%, 100% and 95% during the period from May 1, 2021 to May 31, 2021, the period from June 1, 2021 to June 30, 2021 and the period from July 1, 2021 to July 31, 2021, respectively. And reduce the rent by 25% and 50% during the period from March 1, 2020 to March 31, 2020 and the period from April 1, 2020 to June 30, 2020, respectively. Because there was no relevant rent adjustment mechanism in the original lease contract, the aforementioned rent deduction adjustment led to a decrease in finance lease receivables, and the Group recognized $95 and $67 thousand of loss on lease modification under other gains and losses, respectively.

	December 31	
	2021	**2020**
Lease payments receivable		
Not more than 1 year	$ 2,852	$ 2,618
More than 1 year and not more than 5 years	4,027	6,879
	$ 6,879	$ 9,497

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

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

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

The Group measures the loss allowance for finance lease receivables at an amount equal to lifetime ECLs. As of December 31, 2021 and 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

	December 31	
	2021	**2020**
Finished goods	$ 50,526	$ 55,699
Raw materials	278	271
Supplies	1,350	2,361
	52,154	58,331
Land held for construction	3,166	3,166
	$ 55,320	$ 61,497

The cost of inventories sold for the years ended December 31, 2021 and 2020 was $1,051,719 thousand and $998,455 thousand, respectively.

The loss from the write-downs of inventory for the years ended December 31, 2021 and 2020 was $404 thousand and $366 thousand, respectively.

13. DISPOSAL GROUPS HELD FOR SALE

a. Discontinued operations

On December 30, 2016, the board of directors of the Group 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 Year Ended December 31, 2020
Operating revenue	$ -
Operating costs	-
Gross profit	-
Selling and marketing expenses	-
General and administrative expenses	-
Allowance for credit loss	-
Loss from operations	-
Interest income	3,967
Other income	-
Other gains and losses	(2,468)
Finance costs	-
Profit before tax	1,499
Income tax expense	-
Net profit for the year	$ 1,499
Profit from discontinued operations attributable to:	
Owners of the Company	$ 1,499
Non-controlling interests	-
	$ 1,499
Cash flows	
Operating activities	$ (9,383)
Investing activities	3,967
Financing activities	(601,796)
Net cash outflows	$ (607,212)

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 shareholders of Shanghai Jia Huan resolved to enter into a compensation contract with Shanghai Xuhui District Land Reserve Center and Shanghai Xuhui Waterfront Development, Construction, and Investment Co., Ltd. The compensation contract was signed in August 2018, and the aforementioned disposal was completed in June 2020. The total proceeds of $441,258 thousand (RMB105,430 thousand) were fully received, and after deducting the cost of assets in the disposal group classified as held for sale of $41,426 thousand (RMB9,898 thousand) and other relevant demolition cost and taxes, the gain on disposal of the assets of $335,919 thousand (RMB78,706 thousand) was recognized under other gains and losses.

14. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2021	2020
Current		
Principal protected investments (Note)	$ -	$ 501,955
Time deposits with original maturities of more than 3 months	2,638,297	3,563,891
	$ 2,638,297	$ 4,065,846
Non-current		
Restricted deposits	$ 25,856	$ 25,794
Interest rate range		
Principal protected investments	-	2.20%-2.70%
Time deposits with original maturities of more than 3 months	0.12%-2.30%	0.57%-2.25%
Restricted deposits	0.09%-0.815%	0.41%-1.045%

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 both 12-month expected credit losses or lifetime expected credit losses of financial assets at amortized cost. As of December 31, 2021 and 2020, the Group assessed the expected credit loss rate as 0%.

b. Refer to Note 38 for the carrying amounts of financial assets pledged by the Group to secure obligations.

15. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

			Proportion of Ownership (%) December 31		
Investor	Investee	Nature of Activities	2021	2020	Remark
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	-
〃	Chia Hsin Property Management & Development	Wholesale and retail business of machinery; residence, factory buildings and office buildings leasing and selling; PPE leasing and selling	100.00	100.00	-

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31 2021	2020	Remark
〃	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	-
〃	Chia Hsin Pacific Limited	Holding company	74.16	74.16	Exchange rate risk
〃	BlueSky. Co., Ltd.	International trade; real estate trading; real estate leasing	100.00	100.00	-
〃	YJ International Corporation	Real estate rental and leasing; real estate management; realtor agent	100.00	100.00	-
〃	Jaho Life Plus+ Management Corp., Ltd. (Note 1)	Management consulting service	100.00	100.00	-
YJ International Corporation	CHC Ryukyu Development GK	Real estate rental and leasing; management consulting service	100.00	100.00	Exchange rate risk
〃	CHC Ryukyu COLLECTIVE KK	Hotel management	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	Exchange rate risk
〃	Chia Hsin Pacific Limited	Holding company	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	Exchange rate risk and political risk arising from Cross-Strait relations
Jiangsu Jiaguo Construction Material Storage Co., Ltd.	Jiangsu Jiaxin Property Limited Company	Developing and selling real estate and providing property management service	100.00	100.00	Exchange rate risk and political risk arising from Cross-Strait relations
Chia Hsin Property Management & Development	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	-
Chia Hsin Pacific Limited	Effervesce Investment Pte. Ltd.	Investment and holding company	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	Exchange rate risk and political risk arising from Cross-Strait relations
〃	Shanghai Chia Hsin Ganghui Co., Ltd.	Warehousing and packing bulk cement and formulating and delivering high-strength cement.	100.00	100.00	Exchange rate risk and political risk arising from Cross-Strait relations
〃	Shanghai Jia Huan Concrete Co., Ltd.	Processing, manufacturing and selling of cement, concrete and other related products.	68.00	68.00	Exchange rate risk and political risk arising from Cross-Strait relations
Chia Hsin Pacific Limited	Yonica Pte Ltd (Note 6)	Investment and holding company	-	100.00	Exchange rate risk

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31 2021	Proportion of Ownership (%) December 31 2020	Remark
Yonica Pte Ltd	Jiangsu Union Cement Co., Ltd. (Note 5)	Processing, manufacturing and selling of cement.	-	-	Exchange rate risk and political risk arising from Cross-Strait relations
Chia Hsin Pacific Limited	Sparksview Pte. Ltd.	Investment and holding company	100.00	100.00	Exchange rate risk
Sparksview Pte. Ltd.	Shanghai Jia Huan Concrete Co., Ltd.	Processing, manufacturing and selling of cement, concrete and other related products.	32.00	32.00	Exchange rate risk and political risk arising from Cross-Strait relations
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. (Note 2)	Consulting for management of healthcare and hotel business.	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 (Yangzhou) Co., Ltd. (Note 3)	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
〃	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% (Note 33). 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: The company was liquidated by the resolution of the board of directors on April 20, 2021. The remaining property for distribution was substantially completed in November 2021, and the dissolution registration was completed on February 2, 2022.

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

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

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

Refer to Note 43, Table 6 "Information on Investees" for the nature of activities, principal places of business and countries of incorporation of the subsidiaries and associates.

	Profit (Loss) Allocated to Non-controlling Interests		Accumulated Non-controlling Interests	
	For the Year Ended December 31		December 31	
Name of Subsidiary	**2021**	**2020**	**2021**	**2020**
Tong Yang Chia Hsin International Corporation	$ 85,033	$ 71,567	$ 989,243	$ 938,143

The summarized financial information below represents amounts before intragroup eliminations.

Tong Yang Chia Hsin International Corporation

	December 31	
	2021	**2020**
Current assets	$ 2,365,470	$ 2,248,612
Non-current assets	5,569,774	5,296,456
Current liabilities	(48,071)	(45,845)
Non-current liabilities	(172,349)	(182,804)
Equity	$ 7,714,824	$ 7,316,419
Equity attributable to:		
Owners of the Group	$ 6,725,581	$ 6,378,276
Non-controlling interests of Tong Yang Chia Hsin International Corporation	989,243	938,143
	$ 7,714,824	$ 7,316,419

	For the Year Ended December 31	
	2021	2020
Operating revenue	$ 108,027	$ 105,013
Net profit for the year	$ 663,321	$ 558,250
Other comprehensive income	596,864	(303,837)
Total comprehensive income for the year	$ 1,260,185	$ 254,413
Profit attributable to:		
Owners of Group	$ 578,288	$ 486,683
Non-controlling interests of Tong Yang Chia Hsin International Corporation	85,033	71,567
	$ 663,321	$ 558,250
Total comprehensive income attributable to:		
Owners of Group	$ 1,098,629	$ 221,797
Non-controlling interests of Tong Yang Chia Hsin International Corporation	161,556	32,616
	$ 1,260,185	$ 254,413
Net cash (outflow) inflow from:		
Operating activities	$ 29,261	$ (1,438)
Investing activities	536,320	895,964
Financing activities	(671,008)	(759,827)
Net cash (outflow) inflow	$ (105,427)	$ 134,699

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2021	2020
Investments in associates	$ 3,445,290	$ 3,628,571

a. Investments in associates

	December 31	
	2021	2020
Material associates		
LDC ROME HOTELS S.R.L.	$ 289,131	$ 367,335
L’Hotel De Chine Corporation	1,032,448	1,164,251
Chia Hsin Construction & Development Corp.	1,870,402	1,792,694
Associates that are not individually material	253,309	304,291
	$ 3,445,290	$ 3,628,571

1) Material associates

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

Refer to Note 43, Table 6 "Information on Investees" for the nature of activities, principal places of business and countries of incorporation of the associates.

All the associates were accounted for using the equity method.

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

LDC ROME HOTELS S.R.L.

	December 31	
	2021	2020
Current assets	$ 200,036	$ 311,500
Non-current assets	1,560,215	1,824,143
Current liabilities	(134,259)	(102,503)
Non-current liabilities	(903,164)	(1,114,803)
Equity	$ 722,828	$ 918,337
Proportion of the Group's ownership	40.00%	40.00%
Equity attributable to the Group	$ 289,131	$ 367,335
Carrying amount	$ 289,131	$ 367,335

	For the Year Ended December 31	
	2021	2020
Operating revenue	$ 235,128	$ 147,972
Net loss for the year	(104,258)	(188,754)
Other comprehensive loss	-	-
Total comprehensive loss for the year	$ (104,258)	$ (188,754)

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

Chia Hsin Construction & Development Corp.

	December 31	
	2021	2020
Current assets	$ 2,006,649	$ 2,041,258
Non-current assets	2,628,645	2,410,159
Current liabilities	(296,726)	(381,994)
Non-current liabilities	(104,405)	(12,394)
Equity	$ 4,234,163	$ 4,057,029
Proportion of the Group's ownership	43.87%	43.87%
Equity attributable to the Group	$ 1,857,527	$ 1,779,819
Premium representing the difference between fair value and carrying amount of remaining equity investments	12,875	12,875
Carrying amount	$ 1,870,402	$ 1,792,694

	For the Year Ended December 31	
	2021	2020
Operating revenue	$ 343,344	$ 328,189
Net profit for the year	114,794	208,159
Other comprehensive income (loss)	97,836	(79,389)
Total comprehensive income for the year	$ 212,630	$ 128,770
Dividends received from Chia Hsin Construction & Development Corp.	$ 15,729	$ 47,189

L'Hotel De Chine Corporation

	December 31	
	2021	2020
Current assets	$ 598,400	$ 2,179,633
Non-current assets	7,065,130	6,118,487
Current liabilities	(1,555,061)	(1,525,195)
Non-current liabilities	(1,638,997)	(1,732,880)
Equity	$ 4,469,472	$ 5,040,045
Proportion of the Group's ownership	23.10%	23.10%
Equity attributable to the Group	$ 1,032,448	$ 1,164,251
Carrying amount	$ 1,032,448	$ 1,164,251

	For the Year Ended December 31	
	2021	2020
Operating revenue	$ 919,740	$ 1,163,999
Net loss for the year	(603,476)	(86,528)
Other comprehensive loss	(34,626)	32,992
Total comprehensive loss for the year	$ (638,102)	$ (53,536)

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%. The Company has identified the difference between the cost of acquisition and the net fair value of the identifiable assets and liabilities of its associate in November 2021.

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

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. The earning per share in 2020 has meet 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 Year Ended December 31	
	2021	2020
The Group's share of:		
Profit from continuing operations	$ 4,599	$ 38,440
Other comprehensive income (loss)	6,986	(11,483)
Total comprehensive income for the year	$ 11,585	$ 26,957

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.

On October 27, 2020, the liquidation process of Chia Huan Tung Cement Corp. was completed. The Group received $25,071 thousand of cash return on capital due to liquidation and recognized $620 thousand of loss on disposal of associates accounted for using the equity method under other gains and losses.

b. Investments in joint ventures

On December 29, 2020, the cancellation of registration of Jiangsu Union Mining Industry Ltd. was completed. The Group received $159,287 thousand of cash return on capital due to liquidation and recognized $5,202 thousand of loss on disposal under other gains and losses.

c. The investments in associates accounted for using the equity method and the share of profit and loss and other comprehensive income of those investments for the years ended December 31, 2021 and 2020 were based on the associates' financial statements which have been audited for the same years.

17. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2021	**2020**
Assets used by the Group	$ 5,216,443	$ 6,126,784
Assets leased under operating leases	65,659	68,649
	$ 5,282,102	$ 6,195,433

a. Assets used by the Group

	Land	Building	Machinery and Equipment	Transportation Equipment	Leasehold Improvement	Other Equipment	Property under Construction	Total
Cost								
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	-	4,297	8,637	1,311	18,200	14,657	46,251	93,353
Disposals	(5,377)	-	(29,953)	(325)	-	(1,611)	-	(37,266)
Reclassified from property under construction (Note)	-	6,094	-	-	90,780	7,570	(108,566)	(4,122)
Reclassified from prepayments	-	-	7,773	-	-	-	-	7,773
Reclassified from office supplies	-	-	1,608	-	-	-	-	1,608
Transferred from assets leased under operating leases	-	-	-	-	45,033	-	-	45,033
Effect of foreign currency exchange differences	1,134	3,935	1,114	4	927	567	447	8,128
Balance at December 31, 2020	$ 1,049,179	$ 3,664,218	$ 810,215	$ 18,722	$ 2,871,645	$ 649,990	$ 29,612	$ 9,093,581
Revaluation								
Balance at January 1, 2020	$ -	$ -	$ 15,806	$ -	$ -	$ 357	$ -	$ 16,163
Effect of foreign currency exchange differences	-	-	-	-	-	-	-	-
Balance at December 31, 2020	$ -	$ -	$ 15,806	$ -	$ -	$ 357	$ -	$ 16,163
Accumulated depreciation								
Balance at January 1, 2020	$ -	$ 12,175	$ 559,835	$ 11,918	$ 1,609,350	$ 158,107	$ -	$ 2,351,385
Depreciation expenses	-	142,900	43,623	1,637	136,204	99,932	-	424,296
Disposals	-	-	(29,953)	(293)	-	(1,584)	-	(31,830)
Transferred from assets leased under operating leases	-	-	-	-	13,893	-	-	13,893
Effect of foreign currency exchange differences	-	(590)	283	(45)	359	(70)	-	(63)
Balance at December 31, 2020	$ -	$ 154,485	$ 573,788	$ 13,217	$ 1,759,806	$ 256,385	$ -	$ 2,757,681
Accumulated impairment								
Balance at January 1, 2020	$ -	$ -	$ 55,848	$ -	$ 152,610	$ -	$ -	$ 208,458
Impairment loss	-	-	-	-	16,622	-	-	16,622
Effect of foreign currency exchange differences	-	-	139	-	60	-	-	199
Balance at December 31, 2020	$ -	$ -	$ 55,987	$ -	$ 169,292	$ -	$ -	$ 225,279
Carrying amount at January 1, 2020	$ 1,053,422	$ 3,637,717	$ 221,159	$ 5,814	$ 954,745	$ 471,057	$ 91,480	$ 6,435,394
Carrying amount at December 31, 2020	$ 1,049,179	$ 3,509,733	$ 196,246	$ 5,505	$ 942,547	$ 393,962	$ 29,612	$ 6,126,784

(Continued)

	Land	Building	Machinery and Equipment	Transportation Equipment	Leasehold Improvement	Other Equipment	Property under Construction	Total
Cost								
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	-	4,055	5,609	1,330	1,596	27,936	64,160	104,686
Disposals	-	-	(4,907)	(2,891)	-	(1,383)	-	(9,181)
Reclassified from property under construction (Note)	-	-	693	-	19	5,427	(6,869)	(730)
Reclassified from prepayments	-	-	4,362	-	-	-	-	4,362
Effect of foreign currency exchange differences	(135,337)	(475,421)	(24,668)	(67)	467	(53,351)	(695)	(689,072)
Balance at December 31, 2021	$ 913,842	$ 3,192,852	$ 791,304	$ 17,094	$ 2,873,727	$ 628,619	$ 86,208	$ 8,503,646
Revaluation								
Balance at January 1, 2021	$ -	$ -	$ 15,806	$ -	$ -	$ 357	$ -	$ 16,163
Disposals	-	-	-	-	-	(127)	-	(127)
Effect of foreign currency exchange differences	-	-	-	-	-	-	-	-
Balance at December 31, 2021	$ -	$ -	$ 15,806	$ -	$ -	$ 230	$ -	$ 16,036
Accumulated depreciation								
Balance at January 1, 2021	$ -	$ 154,485	$ 573,788	$ 13,217	$ 1,759,806	$ 256,385	$ -	$ 2,757,681
Depreciation expenses	-	132,600	26,920	1,699	117,143	99,133	-	377,495
Disposals	-	-	(4,907)	(2,687)	-	(1,393)	-	(8,987)
Effect of foreign currency exchange differences	-	(27,956)	(4,211)	(51)	156	(16,102)	-	(48,164)
Balance at December 31, 2021	$ -	$ 259,129	$ 591,590	$ 12,178	$ 1,877,105	$ 338,023	$ -	$ 3,078,025
Accumulated impairment								
Balance at January 1, 2021	$ -	$ -	$ 55,987	$ -	$ 169,292	$ -	$ -	$ 225,279
Effect of foreign currency exchange differences	-	-	(48)	-	(17)	-	-	(65)
Balance at December 31, 2021	$ -	$ -	$ 55,939	$ -	$ 169,275	$ -	$ -	$ 225,214
Carrying amount at January 1, 2021	$ 1,049,179	$ 3,509,733	$ 196,246	$ 5,505	$ 942,547	$ 393,962	$ 29,612	$ 6,126,784
Carrying amount at December 31, 2021	$ 913,842	$ 2,933,723	$ 159,581	$ 4,916	$ 827,347	$ 290,826	$ 86,208	$ 5,216,443

(Concluded)

Note: The amounts of $2,764 thousand, $1,358 thousand and $730 thousand were transferred from property under construction to intangible assets and to general and administrative expenses in 2020, and to other current assets in 2021, respectively.

1) Due to intense competition in the healthcare industry and the difficulty in business expansion, the future cash flows were expected to decrease, resulting in the recoverable amount being less than the carrying amount. Therefore, the Group recognized $13,500 thousand of impairment loss on property, plant and equipment in 2020. The Group determined the recoverable amounts of the relevant assets on the basis of their value in use. The discount rate used in measuring the value in use was 6.4605% per annum. The impairment loss was recognized under other gains and losses.

2) The Group expected the future cash flows from the related equipment, leasehold improvement and other equipment in the Port of Longwu to decrease, resulting in the recoverable amount being less than the carrying amount. Therefore, the Group recognized $3,122 thousand (RMB729 thousand) and $7,670 thousand (RMB1,791 thousand) of impairment loss on property, plant and equipment used by the Group and leased under operating leases in 2020, respectively. The Group determined the recoverable amounts of the relevant assets on the basis of their value in use. The discount rate used in measuring the value in use was 6.4605% per annum. The impairment loss was recognized under other gains and losses.

The abovementioned 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	7-24 years
Others	3-24 years
Other equipment	2-20 years

b. Assets leased under operating leases

	Machinery and Equipment	**Leasehold Improvement**	**Other Equipment**	**Total**
Cost				
Balance at January 1, 2020	$ 224,863	$ 126,553	$ 2,736	$ 354,152
Additions	10,990	-	-	10,990
Transferred to assets used by the Group	-	(45,033)	-	(45,033)
Effect of foreign currency exchange difference	3,737	1,277	43	5,057
Balance at December 31, 2020	$ 239,590	$ 82,797	$ 2,779	$ 325,166
Accumulated depreciation				
Balance at January 1, 2020	$ 201,825	$ 49,792	$ 2,355	$ 253,972
Depreciation expense	1,239	3,476	58	4,773
Transferred to assets used by the Group	-	(13,893)	-	(13,893)
Effect of foreign currency exchange difference	3,186	623	39	3,848
Balance at December 31, 2020	$ 206,250	$ 39,998	$ 2,452	$ 248,700
Accumulated impairment				
Balance at January 1, 2020	$ -	$ -	$ -	$ -
Impairment losses	-	7,670	-	7,670
Effect of foreign currency exchange difference	-	147	-	147
Balance at December 31, 2020	$ -	$ 7,817	$ -	$ 7,817
Carrying amount at January 1, 2020	$ 23,038	$ 76,761	$ 381	$ 100,180
Carrying amount at December 31, 2020	$ 33,340	$ 34,982	$ 327	$ 68,649

(Continued)

	Machinery and Equipment	Leasehold Improvement	Other Equipment	Total
Cost				
Balance at January 1, 2021	$ 239,590	$ 82,797	$ 2,779	$ 325,166
Additions	-	-	-	-
Effect of foreign currency exchange difference	(1,281)	(442)	(15)	(1,738)
Balance at December 31, 2021	$ 238,309	$ 82,355	$ 2,764	$ 323,428
Accumulated depreciation				
Balance at January 1, 2021	$ 206,250	$ 39,998	$ 2,452	$ 248,700
Depreciation expense	1,159	1,441	24	2,624
Effect of foreign currency exchange difference	(1,103)	(214)	(13)	(1,330)
Balance at December 31, 2021	$ 206,306	$ 41,225	$ 2,463	$ 249,994
Accumulated impairment				
Balance at January 1, 2021	$ -	$ 7,817	$ -	$ 7,817
Impairment losses	-	-	-	-
Effect of foreign currency exchange difference	-	(42)	-	(42)
Balance at December 31, 2021	$ -	$ 7,775	$ -	$ 7,775
Carrying amount at January 1, 2021	$ 33,340	$ 34,982	$ 327	$ 68,649
Carrying amount at December 31, 2021	$ 32,003	$ 33,355	$ 301	$ 65,659

(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:

	December 31	
	2021	2020
Year 1	$ 29,305	$ 28,906
Year 2	29,382	28,991
Year 3	-	29,070
	$ 58,687	$ 86,967

The abovementioned 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 38.

18. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2021	2020
Carrying amount		
Land use rights	$ 559,926	$ 586,329
Land improvement	778,637	799,502
Building	311,632	396,456
Machinery and equipment	60	139
Transportation equipment	2,487	3,930
	$ 1,652,742	$ 1,786,356

	For the Year Ended December 31	
	2021	2020
Additions to right-of-use asset	$ 1,589	$ 106,233
Depreciation charge for right-of-use asset		
Land use rights	$ 25,929	$ 26,841
Land improvement	36,027	35,311
Building	72,558	68,987
Machinery and equipment	64	69
Transportation equipment	1,321	1,150
	$ 135,899	$ 132,358

1) Due to intense competition in the healthcare industry and the difficulty in business development, the future cash flows were expected to decrease, resulting in the recoverable amount being less than the carrying amount. Therefore, the Group recognized $16,500 thousand of impairment loss on right-of-use assets in 2020. The Group determined the recoverable amounts of right-of-use assets on the basis of their value in use. The discount rate used in measuring the value in use was 6.4605% per annum. The impairment loss was recognized under other gains and losses.

2) The Group expected the future cash flows from the land use right in the Port of Longwu to decrease, resulting in the recoverable amount being less than the carrying amount. Therefore, the Group recognized $16,188 thousand (RMB3,780 thousand) of impairment loss on right-of-use assets in 2020. The Group determined the recoverable amounts of right-of-use assets on the basis of their value in use. The discount rate used in measuring the value in use was 6.4605% per annum. The impairment loss was recognized under other gains and losses.

b. Lease liabilities

	December 31	
	2021	**2020**
Carrying amount		
Current	$ 132,442	$ 124,926
Non-current	$ 1,599,272	$ 1,723,014

Range of discount rates for lease liabilities was as follows:

	December 31	
	2021	**2020**
Land use rights	1.38%-5.46%	1.38%-5.46%
Land improvement	1.38%-1.58%	1.38%-1.58%
Building	1.30%-5.59%	1.38%-5.59%
Machinery and equipment	5.20%	5.20%
Transportation equipment	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 for 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 Year Ended December 31	
	2021	**2020**
Expenses relating to short-term leases	$ 5,842	$ 5,784
Expenses relating to low-value asset leases	$ 1,402	$ 1,089
Total cash outflow for leases	$ (162,412)	$ (150,346)

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**
Cost				
Balance at January 1, 2020	$ 2,169,973	$ 336,550	$ 93,802	$ 2,600,325
Additions (Note 1)	11,125	-	33,318	44,443
Disposals (Note 1)	(12,963)	(31,680)	-	(44,643)
Effect of foreign currency exchange difference	446	982	19	1,447
Balance at December 31, 2020	$ 2,168,581	$ 305,852	$ 127,139	$ 2,601,572

(Continued)

	Land	Building	Investment Property under Construction	Total
Revaluation				
Balance at January 1, 2020	$ 3,854,646	$ 156,455	$ -	$ 4,011,101
Disposals (Note 1)	(114,999)	(4,810)	-	(119,809)
Balance at December 31, 2020	$ 3,739,647	$ 151,645	$ -	$ 3,891,292
Accumulated depreciation				
Balance at January 1, 2020	$ -	$ 369,693	$ -	$ 369,693
Depreciation expenses	-	8,899	-	8,899
Disposals	-	(36,489)	-	(36,489)
Effect of foreign currency exchange difference	-	411	-	411
Balance at December 31, 2020	$ -	$ 342,514	$ -	$ 342,514
Accumulated impairment				
Balance at January 1, 2020	$ -	$ 11,470	$ -	$ 11,470
Effect of foreign currency exchange difference	-	179	-	179
Balance at December 31, 2020	$ -	$ 11,649	$ -	$ 11,649
Carrying amount at January 1, 2020	$ 6,024,619	$ 111,842	$ 93,802	$ 6,230,263
Carrying amount at December 31, 2020	$ 5,908,228	$ 103,334	$ 127,139	$ 6,138,701
Cost				
Balance at January 1, 2021	$ 2,168,581	$ 305,852	$ 127,139	$ 2,601,572
Additions (Note 2)	53,023	-	76,009	129,032
Disposals (Note 2)	(5,012)	-	-	(5,012)
Reclassified (Note 3)	-	(8,972)	-	(8,972)
Effect of foreign currency exchange difference	(53,233)	(340)	(20,615)	(74,188)
Balance at December 31, 2021	$ 2,163,359	$ 296,540	$ 182,533	$ 2,642,432
Revaluation				
Balance at January 1, 2021	$ 3,739,647	$ 151,645	$ -	$ 3,891,292
Additions	-	-	-	-
Disposals (Note 2)	(48,011)	-	-	(48,011)
Reclassified (Note 3)	-	(635)	-	(635)
Balance at December 31, 2021	$ 3,691,636	$ 151,010	$ -	$ 3,842,646

(Continued)

	Land		Building		Investment Property under Construction		Total	
Accumulated depreciation								
Balance at January 1, 2021	$	-	$	342,514	$	-	$	342,514
Depreciation expenses		-		8,816		-		8,816
Disposals		-		-		-		-
Reclassified (Note 3)		-		(8,115)		-		(8,115)
Effect of foreign currency exchange difference		-		(142)		-		(142)
Balance at December 31, 2021	$	-	$	343,073	$	-	$	343,073
Accumulated impairment								
Balance at January 1, 2021	$	-	$	11,649	$	-	$	11,649
Effect of foreign currency exchange difference		-		(61)		-		(61)
Balance at December 31, 2021	$	-	$	11,588	$	-	$	11,588
Carrying amount at January 1, 2021	$	5,908,228	$	103,334	$	127,139	$	6,138,701
Carrying amount at December 31, 2021	$	5,854,995	$	92,889	$	182,533	$	6,130,417

(Concluded)

Note 1: In order to activate its assets, the Group undertook a land swap on September 30, 2020. The Group swapped out $6,831 thousand of investment properties - land with revaluation of $4,294, and swapped in $11,125 thousand of assets with the same cost.

Note 2: 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 3: The amount of $1,492 thousand were transferred from building to general and administrative expenses.

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 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:

	December 31	
	2021	2020
The fair values of investment properties	$ 12,793,999	$ 12,892,061
Discount rate	6.8458%	6.4605%

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 38.

20. INTANGIBLE ASSETS

	Computer Software
Cost	
Balance at January 1, 2020	$ 5,829
Additions	5,581
Reclassified from property under construction	2,764
Effect of foreign currency exchange difference	(14)
Balance at December 31, 2020	$ 14,160
Accumulated amortization	
Balance at January 1, 2020	$ 311
Amortization expenses	2,508
Effect of foreign currency exchange difference	(6)
Balance at December 31, 2020	$ 2,813
Carrying amount at December 31, 2020	$ 11,347
Cost	
Balance at January 1, 2021	$ 14,160
Additions	184
Effect of foreign currency exchange difference	(1,835)
Balance at December 31, 2021	$ 12,509
Accumulated amortization	
Balance at January 1, 2021	$ 2,813
Amortization expenses	2,629
Effect of foreign currency exchange difference	(513)
Balance at December 31, 2021	$ 4,929
Carrying amount at December 31, 2021	$ 7,580

Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	5 years

	For the Year Ended December 31	
	2021	2020
An analysis of amortization by function		
General and administrative expenses	$ 2,629	$ 2,508

21. OTHER ASSETS

	December 31	
	2021	2020
Current		
Prepayments		
Prepaid guarantee for freight	$ 56,452	$ 51,824
Prepayment for investments	41,520	-
Overpaid sales tax	29,723	27,744
Office supplies	5,282	7,811
Prepayment for purchase	354	150
Prepaid rents	778	2,191
Others	14,938	11,126
	$ 149,047	$ 100,846
Other current assets		
Other	$ 117	$ -
Non-current		
Other non-current assets		
Prepayments for equipment	$ 17,339	$ 17,614
Others	3,743	5,809
Overdue receivables (Note 9)	-	-
	$ 21,082	$ 23,423

22. BORROWINGS

a. Short-term borrowings

	December 31	
	2021	2020
Secured borrowings	$ 209,000	$ 75,000
Unsecured borrowings	705,000	1,489,000
	$ 914,000	$ 1,564,000

1) The range of interest rates on bank loans was 0.85%-0.90% and 0.85%-0.95% per annum as of December 31, 2021 and 2020, respectively.

2) Refer to Note 38 for information on collaterals for the abovementioned borrowings.

b. Short-term bills payable

	December 31	
	2021	2020
Commercial papers	$ 135,000	$ 137,000
Less: Unamortized discounts on bills payable	(158)	(227)
	$ 134,842	$ 136,773

Outstanding short-term bills payable were as follows:

December 31, 2021

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate Range	Collateral
Commercial papers					
International Bills	$ 135,000	$ (158)	$ 134,842	0.888%	None

December 31, 2020

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

c. Long-term borrowings

	December 31	
	2021	2020
Secured borrowings		
Bank loans (1)	$ 5,190,984	$ 5,585,286
Loans from governments (2)	2,170,902	2,526,632
Unsecured borrowings		
Bank loans (3)	1,494,900	1,188,090
	8,856,786	9,300,008
Less: Current portion	(947,847)	(528,223)
Long-term borrowings	$ 7,908,939	$ 8,771,785

1) The Group signed medium-term secured loan contracts with First Commercial Bank, Cathay United Bank, Bank SinoPac, China Trust Commercial Bank and Taiwan Cooperative Bank, respectively. The bank loans are to be repaid at once or in installments according to the agreement. The facilities allow drawdown on a revolving basis. For the years ended December 31, 2021 and 2020, the Group has taken new bank loans in the amounts of $200,000 thousand and $1,600,000 thousand, with annual interest rates of 1.05%-1.29% and 1.05%-1.28%, 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. In 2021 and 2020, the Group has drawn $0 thousand and $138,500 thousand, respectively (equal to JPY0 thousand and JPY500,000 thousand respectively). The annual interest rates are both 0.05%-0.2%. The final maturity date of the loan is June 25, 2042.

3) The Group signed medium-term unsecured loan contracts with Taishin Bank, Bank SinoPac, and China Trust Commercial Bank. The bank loan is to be repaid at once or in instalment according to the agreement. The facility allows drawdown on a revolving basis. For the years ended December 31, 2021 and 2020, the Group has taken new bank loans in the amounts of $1,479,000 thousand and $720,200 thousand, with annual interest rates of 1.05%-1.41% and 1.27%-1.28%, respectively. The loan is repayable in 3 to 5 years, and the final maturity date of the loan is December 28, 2026.

4) Refer to Note 38 for information on collaterals for the abovementioned borrowings.

23. NOTES PAYABLE AND TRADE PAYABLES

	December 31	
	2021	2020
Notes payable		
Operating	$ 3,351	$ 3,011
Trade payables		
Operating	$ 118,141	$ 76,579

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

	December 31 2021	December 31 2020
Current		
Other payables		
Payables for salaries and bonuses	$ 93,678	$ 112,768
Payables for machinery and equipment and construction in progress (Note 34)	235	1,041
Payables for VAT	82,645	129,923
Payables for interests	1,397	2,668
Payables for professional fees	7,453	11,176
Payables for insurance	4,474	4,523
Payables for contingent consideration (Note 16)	-	50,000
Others	37,860	33,616
	$ 227,742	$ 345,715
Advanced receipts		
Advanced rental receipts	$ 8,820	$ 11,829
Other liabilities		
Receipts under custody	$ 2,870	$ 8,093
Non-current		
Deferred revenue		
Government grants (Note 32)	$ 367,431	$ 437,169

25. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

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

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

For the years ended on December 31, 2021 and 2020, the amounts included in the consolidated statements of comprehensive income in respect of the Group's defined contribution plan were $12,671 thousand and $11,327 thousand, respectively.

b. Defined benefit plan

The defined benefit plans adopted by the Group in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Group contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans are as follows:

	December 31	
	2021	**2020**
Present value of defined benefit obligation	$ 97,375	$ 107,455
Fair value of plan assets	(102,209)	(106,448)
(Surplus) deficit	(4,834)	1,007
Net defined benefit (assets) liabilities	$ (4,834)	$ 1,007

Movements in net defined benefit (assets) liabilities were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit (Assets) Liabilities**
Balance at January 1, 2020	$ 106,690	$ (103,482)	$ 3,208
Service cost			
Current service cost	2,295	-	2,295
Net interest expense (income)	801	(785)	16
Recognized in profit or loss	3,096	(785)	2,311
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(3,383)	(3,383)
Actuarial loss			
Changes in demographic assumptions	15	-	15
Changes in financial assumptions	2,569	-	2,569
Experience adjustments	(1,343)	-	(1,343)
Recognized in other comprehensive income	1,241	(3,383)	(2,142)
Benefits paid	(3,572)	3,572	-
Contributions from the employer	-	(2,370)	(2,370)
Balance at December 31, 2020	107,455	(106,448)	1,007
Service cost			
Current service cost	2,261	-	2,261
Net interest expense (income)	526	(508)	18
Recognized in profit or loss	2,787	(508)	2,279

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit (Assets) Liabilities
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	$ -	$ (1,408)	$ (1,408)
Actuarial loss			
Changes in demographic assumptions	2,049	-	2,049
Changes in financial assumptions	(1,188)	-	(1,188)
Experience adjustments	(5,229)	-	(5,229)
Recognized in other comprehensive income	(4,368)	(1,408)	(5,776)
Benefits paid	(8,499)	8,499	-
Contributions from the employer	-	(2,344)	(2,344)
Balance at December 31, 2021	$ 97,375	$ (102,209)	$ (4,834)

(Concluded)

Through the defined benefit plans under the Labor Standards Act, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations are as follows:

	December 31	
	2021	2020
Discount rate	0.625%	0.375%-0.500%
Expected rate of salary increase	2.00%	2.00%

If possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2021	2020
Discount rate		
0.25% increase	$ (2,189)	$ (2,479)
0.25% decrease	$ 2,262	$ 2,565
Expected rate of salary increase		
0.25% increase	$ 2,194	$ 2,485
0.25% decrease	$ (2,135)	$ (2,415)

The above sensitivity analysis presented may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2021	2020
Expected contributions to the plans for the next year	$ 2,377	$ 2,464
Average duration of the defined benefit obligation	7.2-9.9 years	8.1-10.2 years

26. EQUITY

a. Share capital

Ordinary shares

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

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

	December 31	
	2021	**2020**
May only be used to offset a deficit (Note 1)		
Treasury share transactions	$ 367,772	$ 367,772
Unclaimed dividends extinguished by prescription	12,054	11,908
Unclaimed dividends extinguished by prescription of subsidiaries	198	-
Changes in equity of associates accounted for using the equity method	3,461	-
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 2)		
Treasury share transactions		
Dividends paid to subsidiaries	710,800	555,790
Disposal of treasury shares	24,829	24,925
Share-based payment	15,428	-
Share-based payment of subsidiaries and second - tier subsidiaries	4,747	-
Differences between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	7	7
	$ 1,139,296	$ 960,402

Note 1: Such capital surplus may only be used to offset a deficit

Note 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 and once a year).

For 2021 and 2020, the Company distributed cash dividends to subsidiaries, with capital surplus - treasury shares adjusted by the amounts of $155,010 thousand and $111,248 thousand, respectively.

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Articles of Incorporation of the Company, when the Company makes the financial statement to obtain after-tax surplus earnings in a fiscal year, it shall make up its accumulated losses, set aside a sum as legal reserve, set aside or reverse 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(h).

The remaining dividend policy is taken by the Company. In consideration of the future business expansion and capital needs, an appropriate amount of earnings can be retained. If there are undistributed earnings remained after the appropriation, distribution of earnings can be made.

For the distribution of shareholders' dividends, cash dividends shall be more than 10% of total dividends distributed in the current year, the remainders will be in stock dividends.

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, and Rule No. 1010012865 and No. 1010047490 will repeal on December 31, 2021 and March 31, 2021, respectively.

The appropriations of earnings for 2020 and 2019 approved in the shareholders' regular meetings on August 18, 2021 and June 22, 2020, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2020	**2019**
Legal reserve	$ 183,510	$ 176,052
Cash dividends	$ 1,079,560	$ 771,781
Cash dividends per share (NT$)	$ 1.4	$ 1.0

The appropriation of earnings for 2021 is expected to be proposed by the board of directors in May 2022 and will be resolved by the shareholders in their meeting to be held on June 14, 2022.

The earnings of the Company and the subsidiaries are appropriated under the Articles of each company and are not restricted by contract.

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, and Rule No. 1010012865 will repeal on December 31, 2021.

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

	December 31	
	2021	**2020**
Appropriation in respect of the Article of Incorporation of the Company	$ 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
Exchange differences on the translation of the financial statements of foreign operations	168,790	168,790

Balance at December 31	$ 2,257,996	$ 2,275,704

Note: In the first half of 2021 and the forth quarter 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 the translation of the financial statements of foreign operations:

	For the Year Ended December 31	
	2021	**2020**
Balance at January 1	$ (404,225)	$ (343,071)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	(536,868)	(75,104)
Shares from associates accounted for using the equity method	(4,289)	(3,907)
Related income tax	145,146	17,857
Other comprehensive income recognized for the year	(396,011)	(61,154)
Balance at December 31	$ (800,236)	$ (404,225)

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

	For the Year Ended December 31	
	2021	**2020**
Balance at January 1	$ 5,343,439	$ 4,997,339
Recognized for the year		
Unrealized gain (loss) - financial instrument at FVTOCI	1,383,859	391,103
Unrealized gain (loss) on financial assets at FVTOCI held by associates accounted for using the equity method	52,056	(45,003)
Other comprehensive income recognized for the year	1,435,915	346,100
Balance at December 31	$ 6,779,354	$ 5,343,439

f. Non-controlling interests

	For the Year Ended December 31	
	2021	**2020**
Balance at January 1	$ 835,202	$ 862,783
Share in profit for the year	89,687	73,628
Other comprehensive income during the year		
Exchange differences on translating the financial statements of foreign entities	(17,716)	(4,239)
Related income tax	2,324	486
Unrealized gain (loss) on financial assets at FVTOCI	57,597	17,576
Unrealized gain (loss) on financial assets at FVTOCI held by associates accounted for using the equity method	457	(753)
Remeasurement on defined benefit plans	6	73

(Continued)

	For the Year Ended December 31	
	2021	2020
Income tax relating to defined benefit plans	$ (1)	$ (15)
Non-controlling interests arising from acquisition of subsidiaries	-	(19,858)
Adjustments of capital surplus due to transactions with non-controlling interests	-	(69)
Adjustments of capital surplus due to dividend paid to subsidiaries and second-tier subsidiaries	412	-
Adjustments of capital surplus due to unclaimed dividends extinguished by prescription	29	59
Cash dividends	(83,132)	(94,469)
Balance at December 31	$ 884,865	$ 835,202

(Concluded)

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 year	1,435	-	1,435
Decrease during the year	-	-	-
Number of shares at December 31, 2020	4,435	127,371	131,806
Number of shares at January 1, 2021	4,435	127,371	131,806
Increase during the year	-	-	-
Decrease during the year	(3,000)	-	(3,000)
Number of shares at December 31, 2021	1,435	127,371	128,806

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 December 31, 2020, the Company had already repurchased 1,435 thousand shares, with a total amount of $22,240 thousand.

As of December 31, 2021, the Company transferred 3,000 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 $20,587 thousand of compensation costs on the grant date, and recognized a deduction of $96 thousand from capital surplus - treasury shares transaction on the shares settlement date.

Refer to Note 31 for information on share-based payment arrangements.

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

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
December 31, 2021			
By direct investment			
Tong Yang Chia Hsin International Corporation	127,371	$ 1,055,710	$ 2,304,110
December 31, 2020			
By direct investment			
Tong Yang Chia Hsin International Corporation	127,371	$ 1,055,710	$ 2,115,340

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

27. REVENUE

	For the Year Ended December 31	
	2021	2020
Revenue from contracts with customers		
Revenue from the sale of goods	$ 1,070,147	$ 1,010,996
Revenue the rent	258,643	268,889
Revenue from rendering services	715,803	648,222
Revenue from catering and hospitality	175,661	130,310
	$ 2,220,254	$ 2,058,417

a. Contract information

Revenue from the sale of goods

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

Revenue from the 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

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

	December 31, 2021	**December 31, 2020**	**January 1, 2020**
Notes receivable and trade receivables from unrelated parties (Note 9)	$ 215,745	$ 256,134	$ 226,422
Trade receivables from related parties (Note 37)	$ 10,864	$ 4,041	$ 2,680
Contract liabilities - current	$ 23,704	$ 13,154	$ 9,479

Revenue recognized in the current reporting period that was included in the contract liability balance at the beginning of the period and from the performance obligations satisfied for the years ended December 31, 2021 and 2020 was $13,154 thousand and $9,479 thousand, respectively.

c. Disaggregation of revenue

For information of disaggregation of revenue, please refer to Note 44.

28. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations was attributable to:

a. Other operating income and expenses

	For the Year Ended December 31	
	2021	**2020**
Gain on disposal of investment properties (Note 37)	$ -	$ 1,569,463

b. Interest income

	For the Year Ended December 31	
	2021	2020
Bank deposits	$ 52,820	$ 88,118
Loans to related parties (Note 37)	112	710
Less: Discontinued operations (Note 13)	-	(3,967)
	$ 52,932	$ 84,861

c. Other income

	For the Year Ended December 31	
	2021	2020
Rental income	$ 31,779	$ 29,605
Dividends (Note 37)	1,128,413	807,947
Government grants (Note 32)	47,155	23,737
Remuneration of directors (Note 37)	26,476	25,368
Others	28,213	40,911
	$ 1,262,036	$ 927,568

d. Other gains and losses

	For the Year Ended December 31	
	2021	2020
(Loss) gain on disposal of property, plant and equipment	$ (143)	$ 64,356
Gain on disposal of non-current assets held for sale (Note 13)	-	335,919
Net foreign exchange loss (i)	(84,026)	(60,175)
Gain on fair value changes of financial assets at FVTPL	102,103	1,682
Gain on disposal of subsidiaries (Note 15)	291,167	92,073
Loss on disposal of joint ventures (Note 16)	-	(5,202)
Gain (loss) on disposal of associates (Note 16)	3,245	(620)
Impairment loss on property, plant and equipment (Note 17)	-	(24,292)
Impairment loss on right-of-use assets (Note 18)	-	(32,688)
Others	(979)	(1,506)
Less: Discontinued operations (Note 13)	-	2,468
	$ 311,367	$ 372,015

e. Finance costs

	For the Year Ended December 31	
	2021	2020
Interest on bank loans	$ 126,623	$ 131,571
Interest on lease liabilities	37,321	36,739
Less: Capitalized interest amount	(4,042)	(4,730)
	$ 159,902	$ 163,580

Information about capitalized interest is as follows:

	For the Year Ended December 31	
	2021	2020
Capitalized interest amount	$ 4,042	$ 4,730
Capitalization rate	0.84%-1.29%	1.28%

f. Depreciation and amortization

	For the Year Ended December 31	
	2021	2020
Property, plant and equipment	$ 380,119	$ 429,069
Investment properties	8,816	8,899
Right-of-use assets	135,899	132,358
Other intangible assets	2,629	2,508
	$ 527,463	$ 572,834
An analysis of depreciation by function		
Operating costs	$ 418,915	$ 454,541
Operating expenses	105,919	115,785
	$ 524,834	$ 570,326
An analysis of amortization by function		
Operating expenses	$ 2,629	$ 2,508

g. Employee benefits expense

	For the Year Ended December 31	
	2021	2020
Short-term benefits	$ 475,890	$ 479,735
Post-employment benefits (Note 25)		
Defined contribution plans	12,671	11,327
Defined benefit plans	2,279	2,311
Share-based payments		
Equity settled	20,587	-
Other employee benefits	16,004	14,973
	$ 527,431	$ 508,346
An analysis of employee benefits expense by function		
Operating costs	$ 179,371	$ 194,472
Operating expenses	348,060	313,874
	$ 527,431	$ 508,346

h. 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 and supervisors for the years ended December 31, 2021 and 2020, which were approved by the Company's board of directors on March 22, 2022 and March 29, 2021, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2021	**2020**
Compensation of employees	1.39%	0.39%
Remuneration of directors	1.39%	0.98%

Amount

	For the Year Ended December 31			
	2021		**2020**	
	Cash	**Shares**	**Cash**	**Shares**
Compensation of employees	$ 9,660	$ -	$ 7,200	$ -
Remuneration of directors	9,660	-	18,000	-

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

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the 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.

i. Gains and losses on foreign currency exchange

	For the Year Ended December 31	
	2021	**2020**
Foreign exchange gains	$ 57,081	$ 76,459
Foreign exchange losses	(141,107)	(136,634)
Net foreign exchange (losses) gains	$ (84,026)	$ (60,175)

29. INCOME TAXES RELATING TO CONTINUING OPERATIONS

According to regulations stipulated by Ruling Letter No. 910458039 dated February 12, 2003, "Principles and regulations of profit-seeking businesses filing joint tax returns in accordance with Article 49 of the Financial Holding Company Law and Article 40 of Enterprise Merger Law", when a financial holding company holds more than 90% of the shares of a domestic subsidiary, the financial holding company and the subsidiary can file a joint tax return once the financial holding company has held more than 90% of the subsidiary for 12 months during a taxable year.

The Company filed the joint income tax returns of the Company and Chia Hsin Property Management & Development Corporation. The objective of the Company under the linked-tax system is to reduce the income tax liabilities of the companies by maximizing the benefits from the synergy of the Group and its subsidiaries.

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2021	**2020**
Current tax		
In respect of the current year	$ 17,122	$ 102,457
Income tax on unappropriated earnings	25,084	40,656
Adjustments for prior years	113	(5,041)
Land value increment tax	16,911	80,030
	59,230	218,102
Deferred tax		
In respect of the current year	41,669	81,496
Land value increment tax	(28,914)	(30,051)
Income tax expense recognized in profit or loss	$ 71,985	$ 269,547

A reconciliation of accounting profit and income tax expenses/average effective tax rate is as follows:

	For the Year Ended December 31	
	2021	**2020**
Profit before tax from continuing operations	$ 819,520	$ 2,106,042
Income tax expense calculated at the statutory rate	$ 163,904	$ 421,208
Nondeductible expenses in determining taxable income	7,055	7,355
Income in determining taxable income	37,303	-
Tax-exempt income	(290,543)	(493,603)
Difference in payable of basic tax	-	4,088
Income tax on unappropriated earnings	25,084	40,656
Unrecognized loss carryforwards	18,423	19,198
Loss carryforwards utilized in the current year	(4,017)	(11,527)
Unrecognized deductible temporary differences	217,522	321,206
Effect of different tax rates of group entities in the Group operating in other jurisdictions	(90,856)	(83,972)
Land value increment tax	(12,003)	49,979
Adjustments for prior years' income tax	113	(5,041)
Income tax expense recognized in profit or loss	$ 71,985	$ 269,547

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2021	2020
Deferred tax		
In respect of the current year		
Translation of foreign operations	$ 147,470	$ 18,343
Remeasurement of defined benefit plans	(1,155)	(429)
Total income tax recognized in other comprehensive income	$ 146,315	$ 17,914

c. Current tax assets and liabilities

	December 31	
	2021	2020
Current tax assets		
Tax refund receivable	$ 467	$ 1,197
Current tax liabilities		
Income tax payable	$ 121,492	$ 137,173

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities are as follows:

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Impairment of inventory	$ 1,898	$ (425)	$ -	$ 1,473
Fair value changes of financial assets at FVTPL	52	(26)	-	26
Loss on investments accounted for using the equity method	674	(674)	-	-
Expense capitalization	5	-	-	5
Unrealized gain or loss on foreign exchange	9,365	12,036	-	21,401
Allowance for impairment loss	1,000	(27)	-	973
Exchange differences on translating the financial statements of foreign operations	93,119	-	147,470	240,589
Retirement benefit over statutory limit	57,211	(13)	-	57,198
Payables for annual leave	527	34	-	561
Defined benefit obligations	10,741	-	(1,146)	9,595
Right-of-use assets	-	-	-	-
Others	391	865	-	1,256
	$ 174,983	$ 11,770	$ 146,324	$ 333,077
Deferred tax liabilities				
Temporary differences				
Gain on investments accounted for using the equity method	$ 369,765	$ 53,553	$ -	$ 423,318
Fair value changes of financial assets at FVTPL	5,839	(108)	-	5,731
Exchange differences on translating the financial statements of foreign operations	229	-	-	229
Provision for land value increment tax	1,179,734	(28,914)	-	1,150,820
Defined benefit obligations	3,730	-	9	3,739
Others	66	(6)	-	60
	$ 1,559,363	$ 24,525	$ 9	$ 1,583,897

For the year ended December 31, 2020

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Impairment of inventory	$ 1,825	$ 73	$ -	$ 1,898
Fair value changes of financial assets at FVTPL	-	52	-	52
Loss on investments accounted for using the equity method	2,130	(1,456)	-	674
Expense capitalization	5	-	-	5
Unrealized gain or loss on foreign exchange	11,232	(1,867)	-	9,365
Allowance for impairment loss	1,026	(26)	-	1,000
Exchange differences on translating the financial statements of foreign operations	74,776	-	18,343	93,119
Retirement benefit over statutory limit	57,222	(11)	-	57,211
Payables for annual leave	507	20	-	527
Defined benefit obligations	11,056	-	(315)	10,741
Right-of-use assets	117	(117)	-	-
Others	739	(348)	-	391
	$ 160,635	$ (3,680)	$ 18,028	$ 174,983
Deferred tax liabilities				
Temporary differences				
Gain on investments accounted for using the equity method	$ 294,429	$ 75,336	$ -	$ 369,765
Fair value changes of financial assets at FVTPL	3,377	2,462	-	5,839
Exchange differences on translating the financial statements of foreign operations	229	-	-	229
Provision for land value increment tax	1,209,785	(30,051)	-	1,179,734
Defined benefit obligations	3,616	-	114	3,730
Others	48	18	-	66
	$ 1,511,484	$ 47,765	$ 114	$ 1,559,363

e. Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2021	2020
Loss carryforwards		
Expiry in 2022	$ 1,843	$ 1,852
Expiry in 2023	8,218	8,479
Expiry in 2024	9,021	9,310
Expiry in 2025	10,043	10,681
Expiry in 2026	40,944	39,348
Expiry in 2027	39,221	40,833
Expiry in 2028	235,353	257,671
Expiry in 2029	494,839	554,100
Expiry in 2030	407,197	65,676
Expiry in 2031	47,326	-
	$ 1,294,005	$ 987,950

(Continued)

	December 31	
	2021	2020
Deductible temporary differences		
Impairment loss on non-financial assets	$ 1,911	$ 1,922
Gain or loss on investments in subsidiaries and associates accounted for using the equity method	3,127,887	2,185,575
Impairment loss on property, plant and equipment	22,892	24,292
Credit loss allowance	8,046	8,090
Impairment loss on right-of-use	30,554	32,688
Book-tax difference arising from amortized cost	2,874	2,064
Others	192	192
	$ 3,194,356	$ 2,254,823

(Concluded)

f. Income tax assessments

1) The income tax returns of the Company and its subsidiaries, Chia Hsin Property Management & Development Corporation, through 2018 have been assessed by the tax authorities. The income tax returns of Tong Yang Chia Hsin International Corporation, Chia Pei International Corporation, Chia Sheng Construction Corp., and Jaho Life Plus+ Management Corp., Ltd. through 2019 have been assessed by the tax authorities. The income tax returns of BlueSky. Co., Ltd. and YJ International Corporation through 2020 have been assessed by the tax authorities. Except for the abovementioned issues, the Company and the abovementioned subsidiaries do not involve in material pending action in regard of taxation.

2) Other overseas group entities in the Group do not involve in any material pending action in regard of taxation.

30. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2021	2020
Basic earnings per share		
From continuing operations	$ 1.02	$ 2.74
From discontinued operations	-	-
Total basic earnings per share	$ 1.02	$ 2.74
Diluted earnings per share		
From continuing operations	$ 1.02	$ 2.74
From discontinued operations	-	-
Total diluted earnings per share	$ 1.02	$ 2.74

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

Net Profit for the Year

	For the Year Ended December 31	
	2021	**2020**
Profit for the year attributable to owners of the Company	$ 657,848	$ 1,764,366
Less: Profit for the year from discontinued operations used in the computation of basic earnings per share from discontinued operations	-	1,499
Earnings used in the computation of basic earnings per share from continuing operations	657,848	1,762,867
Effect of potentially dilutive ordinary shares		
Compensation of employees	-	-
Earnings used in the computation of diluted earnings per share from continuing operations	$ 657,848	$ 1,762,867

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

	For the Year Ended December 31	
	2021	**2020**
Weighted average number of ordinary shares used in the computation of basic earnings per share	644,540	643,427
Effect of potentially dilutive ordinary shares:		
Compensation of employees	556	630
Weighted average number of ordinary shares used in the computation of diluted earnings per share	645,096	644,057

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 will be 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:

	May 7, 2021		January 19, 2021	
Treasury Shares Granted to Employees	**Number of Shares (In Thousands of Shares)**	**Weighted-average Exercise Price ($)**	**Number of Shares (In Thousands of Shares)**	**Weighted-average Exercise Price ($)**
Balance at January 1	-		-	
Shares granted	2,231	$ 13.7	769	$ 13.7
Shares exercised	(2,231)		(769)	
Shares expired	-		-	
Balance at December 31	-		-	
Shares exercisable, end of the period	-		-	
Weighted-average fair value of shares granted ($)	$ 8.69		$ 1.56	

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 year ended December 31, 2021, the Group recognized $15,428 thousand and $5,159 thousand of compensation costs, respectively. And recognized a deduction of $96 thousand from capital surplus - treasury shares transaction on the share settlement date.

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 December 31, 2021 and 2020, the amount of deferred revenue was JPY1,527,779 thousand and JPY1,582,228 thousand, respectively (equivalent to $367,431 thousand and

$437,169 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 years ended December 31, 2021 and 2020, a total of JPY54,449 thousand and JPY44,439 thousand (equivalent to $13,884 thousand and $12,310 thousand) was recognized under other income, respectively.

b. The Group received short-time compensation from Ministry of Health, Labor and Welfare in Japan. For the years ended December 31, 2021 and 2020, the Group has recognized JPY112,079 thousand and JPY41,252 thousand (equivalent to $28,580 thousand and $11,427 thousand) in total under other income.

c. In accordance with the Japanese government's emergency declaration, the Group received salaries grants for decreasing working hours. For the year ended December 31, 2021, the Group has recognized JPY18,398 thousand (equivalent to $4,691 thousand) under other income.

33. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On September 3, 2020, the Group repurchased 30% of its interest in Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. from the unrelated party Suzhou Chung-hwa Chemical & Pharmaceutical industrial Co., Ltd. The Group's continuing interest increased from 70% to 100%.

The above transactions were accounted for as equity transactions, since the Group did not cease to have control over these subsidiaries.

	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.
Consideration paid	$ 22,231
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to (from) non-controlling interests	(19,927)
Differences recognized from equity transactions	$ 2,304
Line items adjusted for equity transactions	
Capital surplus - difference between consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition	$ (538)
Retained earnings	(1,766)
	$ (2,304)

34. CASH FLOW INFORMATION

a. Non-cash transactions

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

1) As of December 31, 2021 and 2020, the payables for equipment - property, plant and equipment were $235 thousand and $1,041 thousand, respectively.

2) The Group purchased the shares of associates in 2020. The related contingent consideration of $50,000 thousand has not yet been paid and was recognized under other payables.

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2021

	Opening Balance	Cash Flows	Non-cash Changes: New Leases	Non-cash Changes: Amortization of Interest Expense	Non-cash Changes: Lease Modifications	Non-cash Changes: Change in Exchange Rate	Others	Closing Balance
Short-term borrowings	$ 1,564,000	$ (650,000)	$ -	$ -	$ -	$ -	$ -	$ 914,000
Short-term bills payable	136,773	(2,000)	-	69	-	-	-	134,842
Long-term borrowings	9,300,008	59,729	-	35,205	-	(538,156)	-	8,856,786
Guarantee deposits received	113,843	4,749	-	-	-	(46)	-	118,546
Lease liabilities	1,847,940	(117,847)	1,589	37,321	3,380	(3,348)	(37,321)	1,731,714
	$ 12,962,564	$ (705,369)	$ 1,589	$ 72,595	$ 3,380	$ (541,550)	$ (37,321)	$ 11,755,888

For the year ended December 31, 2020

	Opening Balance	Cash Flows	Non-cash Changes: New Leases	Non-cash Changes: Amortization of Interest Expense	Non-cash Changes: Lease Modifications	Non-cash Changes: Change in Exchange Rate	Others	Closing Balance
Short-term borrowings	$ 800,600	$ 762,800	$ -	$ -	$ -	$ 600	$ -	$ 1,564,000
Short-term bills payable	269,758	(133,000)	-	15	-	-	-	136,773
Long-term borrowings	8,537,272	727,583	-	34,007	-	1,146	-	9,300,008
Guarantee deposits received	121,906	(8,117)	-	-	-	54	-	113,843
Lease liabilities	1,844,460	(106,734)	106,233	36,739	(333)	4,314	(36,739)	1,847,940
	$ 11,573,996	$ 1,242,532	$ 106,233	$ 70,761	$ (333)	$ 6,114	$ (36,739)	$ 12,962,564

35. 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 both 2021 and 2020.

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. Followed 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.

36. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares in domestic market	$ 1,023,941	$ -	$ -	$ 1,023,941
Listed shares in foreign market	50,340	-	-	50,340
Mutual funds	61,766	251,261	-	313,027
	$ 1,136,047	$ 251,261	$ -	$ 1,387,308
Financial assets at FVTOCI				
Listed shares in domestic market	$ 14,740,532	$ -	$ -	$ 14,740,532
Unlisted shares in domestic market	-	-	394,326	394,326
	$ 14,740,532	$ -	$ 394,326	$ 15,134,858

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	-	104,150	-	104,150
	$ 986,927	$ 104,150	$ -	$ 1,091,077
Financial assets at FVTOCI				
Listed shares in domestic market	$ 13,295,500	$ -	$ -	$ 13,295,500
Unlisted shares in domestic market	-	-	312,923	312,923
	$ 13,295,500	$ -	$ 312,293	$ 13,608,423

There were no transfers between Levels 1 and 2 in 2021 and 2020.

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

For the year ended December 31, 2021

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2021	$ 312,923
Purchase	90,000
Recognized in other comprehensive income	(8,597)
Balance at December 31, 2021	$ 394,326

For the year ended December 31, 2020

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2020	$ 353,301
Purchase	10,000
Recognized in other comprehensive income	(50,378)
Balance at December 31, 2020	$ 312,923

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 December 31, 2021 and 2020, the both ranges of liquidity discount used were 20.00%-30.00%.

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

	December 31	
	2021	**2020**
Financial assets		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	$ 1,387,308	$ 1,091,077
Financial assets measured at amortized cost (1)	6,636,531	7,810,650
Financial assets at FVTOCI		
Equity instruments	15,134,858	13,608,423
Financial liabilities		
Financial liabilities at amortized cost (2)	10,316,693	11,315,936
Contingent consideration of acquisition of associates (3)	-	50,000

1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalent, notes receivable and trade receivables from unrelated parties and related parties, other receivables from unrelated parties (excluding VAT refund receivables) and related parties, financial assets at amortized costs, and refundable deposits.

2) The balances include financial liabilities measured at amortized cost, which comprise short-term loans, short-term bills payable, notes payable to unrelated parties, trade payables to unrelated and related parties, other payables to unrelated parties (excluding payable for salaries and bonus, tax payable, payable for insurance, and payable for contingent consideration), other payables to related parties. current portion of long-term borrowings, long-term borrowings and guarantee deposits.

3) Refer to Note 16 for information about contingent consideration of acquisition of associates.

d. Financial risk management objectives and policies

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

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

1) Market risk

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

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

a) Foreign currency risk

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

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

The carrying amounts of the Group's foreign-currency-denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 41.

<u>Sensitivity analysis</u>

The Group was mainly exposed to the USD, RMB, EUR 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 Year Ended December 31		**For the Year Ended December 31**	
	2021	**2020**	**2021**	**2020**
Profit or loss	$ 52,935 (i)	$ 95,899 (i)	$ 9,787 (ii)	$ 16,636 (ii)

	EUR Impact		**JPY Impact**	
	For the Year Ended December 31		**For the Year Ended December 31**	
	2021	**2020**	**2021**	**2020**
Profit or loss	$ 8,573 (iii)	$ 9,619 (iii)	$ 34,928 (iv)	$ 2,288 (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 decrease in financial assets in USD and RMB, and the increase in financial assets in JPY. The results of Group's tests of sensitivity to 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:

	December 31	
	2021	**2020**
Fair value interest rate risk		
Financial assets	$ 4,714,030	$ 6,026,450
Financial liabilities	4,451,458	5,575,345
Cash flow interest rate risk		
Financial assets	1,559,205	1,380,280
Financial liabilities	7,185,884	7,273,376

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 years ended December 31, 2021 and 2020 would have decreased/increased by $14,067 thousand and $14,733 thousand, respectively. The Group's sensitivity to interest rates decreased during the current period mainly due to the decrease in floating rate liabilities.

For the year ended December 31, 2021, the Group's sensitivity to interest rates 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 is 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 year ended December 31, 2021 would have increased/decreased by $3,634 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the year ended December 31, 2021 would have increased/decreased by $5,996 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 year ended December 31, 2021 would have increased/decreased by $10,239 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the year ended December 31, 2021 would have increased/decreased by $145,353 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 year ended December 31, 2020 would have increased/decreased by $1,695 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the year ended December 31, 2020 would have increased/decreased by $5,267 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 year ended December 31, 2020 would have increased/decreased by $9,215 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the year ended December 31, 2020 would have increased/decreased by $130,818 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 increased due to the increase 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 amount 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 equity securities.

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. As at the end of the year, 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 financial institution to obtain 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 December 31, 2021 and 2020, trade receivables from the top 10 customers were 67% and 71%, 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 December 31, 2021 and 2020, the Group had available unutilized bank loan facilities 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 upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

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

December 31, 2021

	On Demand or Less than 1 Month	1 Month to 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	$ 168,085	$ 139,529	$ 14,900	$ 34,857	$ 53,694
Fixed interest rate liabilities	414,603	135,000	125,019	511,045	1,878,845
Lease liabilities	27,164	8,141	120,980	530,319	1,374,601
Variable interest rate liabilities	508,396	13,437	883,781	5,547,758	462,358
	$ 1,118,248	$ 296,107	$ 1,144,680	$ 6,623,979	$ 3,769,498

Additional information about the maturity analysis of lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 156,285	$ 530,319	$ 441,300	$ 377,433	$ 326,620	$ 229,248

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	508,594	13,793	516,920	5,918,465	584,879
	$ 1,752,022	$ 211,606	$ 733,561	$ 7,129,329	$ 4,415,209

Additional information about the maturity analysis of lease liabilities:

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

b) Financing facilities

	December 31	
	2021	2020
Unsecured bank overdraft facilities, reviewed annually and payable on demand:		
Amount used	$ 2,334,900	$ 2,814,090
Amount unused	4,176,700	3,739,260
	$ 6,511,600	$ 6,553,350
Secured bank overdraft facilities:		
Amount used	$ 7,863,674	$ 8,561,436
Amount unused	831,000	665,000
	$ 8,694,674	$ 9,226,436

37. 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	Associate
Chia Hsin Construction & Development Corp.	Associate
LDC ROME HOTELS S.R.L.	Associate

(Continued)

Related Party Name	Related Party Category
Shanghai Chang Hsin Shipping Co., Ltd. (1)	Associate
FDC International Hotels Corporation (2)	Associate
Chia Hsin Winn Corp.	Substantive related party
Sung Ju Investment Corp.	Substantive related party
La Trinite Naturelle Crop.	Substantive related party
Chia Hsin Foundation	Substantive related party
Zhenjiang Chia Hsin Transportation Co., Ltd.	The Company acts as a member of the B.O.D. of its ultimate parent company

(Concluded)

1) On May 17, 2021 the dissolution of Shanghai Chang Hsin Shipping Co., Ltd. has been completed.

2) 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, and details of related party transactions have been disclosed since December 1, 2020.

b. Revenue

Line Item	Related Party Category/Name	For the Year Ended December 31 2021	2020
Rental revenue	Associates	$ 8,353	$ 4,231
	The Company acts as a member of the B.O.D. of its ultimate parent company	2,443	2,423
	The Company acts as a member of the B.O.D.	-	4,412
	Substantive related parties	7,646	505
		$ 18,442	$ 11,571
Service revenue	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	$ 36,615	$ 30,387

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

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

c. Cost of goods sold

Line Item	Related Party Category/Name	For the Year Ended December 31 2021	2020
Purchases of goods	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	$ 696,400	$ 453,720
	Substantive related parties	589	-
		$ 696,989	$ 453,720

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	December 31	
		2021	2020
Trade receivables	Associates		
	FDC International Hotels Corporation	$ 780	$ 1,336
	Others	15	15
	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	10,064	2,686
	Substantive related parties	5	4
		$ 10,864	$ 4,041
Other receivables	Associates		
	Others	$ 317	$ 594

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

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

Line Item	Related Party Category/Name	December 31	
		2021	2020
Trade payables	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	$ 123,932	$ 73,132
	Substantive related parties	78	-
		$ 124,010	$ 73,132
Other payables	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	$ -	$ 89
	Substantive related parties	72	-
		$ 72	$ 89

The outstanding trade payables to related parties are unsecured.

f. Lease arrangements

<u>The Group is lessor under operating leases</u>

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

Future lease payment receivables are as follows:

Related Party Category/Name	December 31 2021	December 31 2020
Associates	$ 1,000	$ 1,000
Substantive related parties	11,776	528
The Company acts as a member of the B.O.D. of its ultimate parent company	6,619	9,102
	$ 19,395	$ 10,630

g. Loans to related parties

Line Item	Related Party Category/Name	December 31 2021	December 31 2020
Other receivables	Associates LDC ROME HOTELS S.R.L.	$ -	$ 18,677
Other receivables - interest receivables	Associates LDC ROME HOTELS S.R.L.	$ -	$ 164

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

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

For the years ended December 31, 2021 and 2020, the interest income from the loans was $112 thousand and $710 thousand, respectively.

h. Disposal of investment properties

	Proceeds		Gain (Loss) on Disposal	
	For the Year Ended December 31		For the Year Ended December 31	
Related Party Category/Name	2021	2020	2021	2020
The Company acts as a member of the B.O.D. Taiwan Cement Corporation	$ -	$ 1,686,299	$ -	$ 1,569,463

The Group disposed its land located in Luzhu District, Taoyuan to Taiwan Cement Corporation, and the proceeds of disposal were $1,686,299 thousand. In December 2020, total proceeds have been collected and the transfer of right has been completed. The Group recognized $1,569,463 thousand of gain on disposal of land under other operating income and expenses during the period.

i. Others

1)

Line Item	Related Party Category/Name	December 31 2021	December 31 2020
Refundable deposits	Substantive related parties	$ 168	$ 168
	Associates	971	971
	The Company acts as a member of the B.O.D. of its ultimate parent company	423	423
	The Company acts as a member of the B.O.D.	-	880
		$ 1,562	$ 2,442
Dividend revenue	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	$ 1,091,779	$ 772,028

2) The Group served as director of related parties. The details of recognition and receipt of remuneration of directors and supervisors were as follows:

Line Item	Related Party Category/Name	December 31 2021	December 31 2020
Other income	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	$ 25,696	$ 24,543
	Associates	472	718
		$ 26,168	$ 25,261

3)

Line Item	Related Party Category/Name	December 31 2021	December 31 2020
General and administrative expenses	Substantive related parties	$ 8,453	$ -

j. Endorsements and guarantees

Endorsements and guarantees provided by the Group

	December 31			
	2021		2020	
	Amount Utilized	Amount Endorsed	Amount Utilized	Amount Endorsed
Associates				
LDC ROME HOTELS S.R.L.	$ 300,672	$ 340,000	$ 357,204	$ 447,600

k. Remuneration of key management personnel

The remuneration of key management personnel are as follows:

	For the Year Ended December 31	
	2021	2020
Short-term employee benefits	$ 51,268	$ 59,070
Share-based payment	6,684	-
	$ 57,952	$ 59,070

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.

38. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	December 31	
	2021	2020
Financial assets at amortized cost - non-current	$ 25,856	$ 25,794
Carrying amount of property, plant and equipment	3,019,056	3,535,179
Land	909,174	1,044,511
Buildings	2,109,882	2,490,668
Carrying amount of investment properties	3,197,494	3,255,272
Land - after revaluation	3,157,098	3,210,331
Buildings - after revaluation	40,396	44,941
	$ 6,242,406	$ 6,816,245

39. 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 December 31, 2021 and 2020, the Group had bank guarantees of both $153,034 thousand issued under its name for the operations in the ports.

b. Unrecognized commitments were as follows:

	December 31	
	2021	2020
Property under construction	$ 194,447	$ 279,838
Purchase intangible assets	100	-
	$ 194,547	$ 279,838

As of December 31, 2021 and 2020, the abovementioned unrecognized commitments also include contractual commitments signed by CHC Ryukyu Development GK for Tomigusuku development project in the amounts of $159,358 thousand and $211,257 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.

40. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Group completed the dissolution registration of subsidiary Yonica Pte Ltd. on February 2, 2022.

41. 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 the functional currencies were as follows:

December 31, 2021

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
Financial assets			
Monetary items			
USD	$ 34,793	27.68 (USD:NTD)	$ 963,057
USD	3,455	1.3490 (USD:SGD)	95,642
EUR	5,474	31.32 (EUR:NTD)	171,459
JPY	2,904,639	0.2405 (JPY:NTD)	698,566
RMB	45,085	0.1568 (RMB:USD)	195,737
Non-monetary items			
Investments accounted for using the equity method			
EUR	9,232	31.32 (EUR:NTD)	289,131
Financial assets at FVTPL			
USD	11,309	27.68 (USD:NTD)	313,027
HKD	14,178	3.5506 (HKD:NTD)	50,340

December 31, 2020

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
Financial assets			
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

For the years ended December 31, 2021 and 2020, realized and unrealized net foreign exchange losses were $84,206 thousand and $60,175 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.

42. OTHERS

Important contracts

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

The Group has disputed with Taiwan International Ports Co., Ltd. on the reconsideration of converting the guaranteed transportation volume for eastern sand stone to that for coal or other bulk and general cargo and, in February 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 $25.84 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 from the completion of the resorts. 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 December 31, 2021, the unutilized bank financing line of the Group is NT$5,007,700 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.

43. 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)

b. Information about 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)

e. The disclosure of related information on affiliated companies as follows:

1) Disclosed items on the consolidated financial statements of affiliates are as follows:

No.	Items	Description
1	Subsidiaries' company names, relationships to the controlling company, nature of business, and the controlling company's shareholding or capital proportion.	Refer to Note 15
2	Variation of subsidiaries which are included in the current consolidated financial statements.	Refer to Note 15
3	Subsidiaries' company names, shareholding or capital proportion and the reasons that they are not listed on the consolidated financial statements.	None
4	The adjustments and the ways to manage when the controlling company and a subsidiary have different fiscal year start/end dates.	None
5	The adjustments when the controlling company and a subsidiary have different accounting policies.	None
6	Operating risk such as exchange risk for an overseas subsidiary.	Refer to Note 15
7	Retained earnings allocation of each subsidiary restricted by regulations or contracts.	Refer to Note 26
8	Consolidated amortization methods and expirations.	None
9	Others.	None

2) Disclosed items from each individual affiliate are as follows:

No.	Items	Description
1	Elimination transactions between the controlling company and subsidiaries and between subsidiaries.	Refer to Table 7
2	Information about accommodations of funds or endorsements.	Refer to Tables 1 and 2
3	Information about derivative instrument transactions.	None
4	Significant contingencies.	None
5	Significant events after the reporting period.	Refer to Note 40
6	Names, quantities, costs, market prices (if not available, disclose net worth per share), capital proportions and the highest shareholding situation of the securities.	Refer to Tables 3, 6 and 8
7	Others.	None

f. The subsidiaries holding the parent company's shares should list clearly the Company's name, number of shares held, the total amounts and the related reasons: Refer to Note 26.

44. SEGMENT INFORMATION

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

Cement segment - cement production, manufacture and sale.

Real estate segment - real estate trading and leasing.

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

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

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

a. These operating segments have similar long-term gross profit margins.

b. The nature of the products and production processes are similar.

c. The methods used to distribute the products to the customers are the same.

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

a. Segment revenue and results

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

	Segment Revenue		Segment Profit or Loss	
	For the Year Ended December 31		For the Year Ended December 31	
	2021	2020	2021	2020
Cement segment	$ 1,069,131	$ 1,008,790	$ (31,023)	$ (36,876)
Real estate segment	250,926	259,243	125,840	1,700,450
Warehousing and storage segment	656,017	605,847	47,097	48,110
Hospitality and catering services segment	244,180	184,537	(427,669)	(671,179)
Other segment	-	-	(22,669)	(19,522)
Revenue from continuing operation	$ 2,220,254	$ 2,058,417		
Interest income			52,932	84,861
Other income			1,262,036	927,568
Other gains and losses			311,367	372,015

(Continued)

	Segment Revenue		Segment Profit or Loss	
	For the Year Ended December 31		For the Year Ended December 31	
	2021	2020	2021	2020
Finance costs			$ (159,902)	$ (163,580)
Share of profit or loss of associates and joint ventures accounted for using the equity method			(121,277)	62,611
General and administrative expenses and remuneration of director			(217,212)	(198,416)
Profit before income tax from continuing operation			$ 819,520	$ 2,106,042

(Concluded)

The abovementioned revenue was the transactions between entities in the Group and the third parties. All inter-segment transactions for the years ended December 31, 2021 and 2020 were eliminated through the consolidation.

Segment profit represents the profit before tax earned by each segment without allocation of general and administrative expenses and remuneration of directors, interest income, 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.

c. Revenue from major products and services

The following is an analysis of the Group’s revenue from continuing operations from its major products and services.

	For the Year Ended December 31	
	2021	2020
Revenue from the sale of goods	$ 1,070,147	$ 1,010,996
Revenue from the rent	258,643	268,889
Revenue from rendering of services	715,803	648,222
Revenue from catering and hospitality	175,661	130,310
	$ 2,220,254	$ 2,058,417

d. Geographical information

The Group operates in three principal geographical areas - Taiwan, China and Japan.

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2021	2020	2021	2020
Taiwan	$ 2,049,858	$ 1,929,563	$ 7,941,577	$ 8,141,724
China	15,836	12,369	426,177	397,454
Japan	154,560	116,485	4,730,196	5,622,961
	$ 2,220,254	$ 2,058,417	$ 13,097,950	$ 14,162,139

Non-current assets exclude investments accounted for using the equity method, those classified as financial instruments, deferred tax assets and net defined benefit assets.

e. Information about major customers

Included in revenue of $2,220,254 thousand and $2,058,417 thousand in 2021 and 2020, respectively, is revenue of $303,782 thousand and $253,197 thousand which represents sales to the Group's largest customer.

Single customers contributed 10% or more to the Group's revenue are detailed below

	For the Year Ended December 31	
	2021	2020
Customer A (Note 1)	$ 303,782	$ 253,197
Customer B (Note 1)	226,197	NA (Note 2)
	$ 529,979	$ 253,197

Note 1: Revenue from sales of cement.

Note 2: The amount is less than 10% of the Group's revenue.

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
0	Chia Hsin Cement Corporation (Note 1)	LDC ROME HOTELS S.R.L.	Other receivables from related parties	Yes	$ 49,028	$ -	$ -	1.5 (Note 3)	Short-term financing	$ -	The need for financing operating capital	$ -	-	$ -	$ 3,753,805	$ 10,010,147

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 December 31, 2021.

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

TABLE 2

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 5)										
0	Chia Hsin Cement Corporation (Notes 2 and 6)	Chia Hsin Property Management & Development Corporation	b.	$ 7,747,805 (Paid-in capital)	$ 1,480,000	$ -	$ -	$ -	-	$ 25,025,368	Yes	No	No
		LDC ROME HOTELS S.R.L.	f.	7,747,805 (Paid-in capital)	787,600	340,000	300,672	-	1.36%	25,025,368	No	No	No
		CHC Ryukyu Development GK	b.	7,747,805 (Paid-in capital)	958,230	408,850	192,400	-	1.63%	25,025,368	Yes	No	No
		CHC Ryukyu COLLECTIVE KK	b.	7,747,805 (Paid-in capital)	2,825,550	1,322,750	1,202,500	-	5.29%	25,025,368	Yes	No	No
1	Chia Hsin Property Management & Development Corporation (Notes 3 and 6)	Chia Hsin Cement Corporation	c.	25,025,368	6,640,000	6,640,000	5,052,750	6,640,000	26.53%	25,025,368	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 guarantees 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 amounts 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:

a. Having a business relationship.
b. The endorser/guarantor owns directly or indirectly more than 50 of the ordinary shares of the endorsee/guarantee.
c. The endorsee/guarantee owns directly or indirectly more than 50 of the ordinary shares of the endorser/guarantor.
d. The endorser/guarantor owns directly or indirectly more than 90 of the ordinary shares of the endorsee/guarantee.
e. Mutually endorsed/guaranteed companies for the construction project based on the construction contract.
f. Due to joint venture, each shareholder provides endorsements/guarantees to the endorsee/guarantee in proportion to its ownership.
g. 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.

TABLE 3

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				The Highest Number of Shares Held During the Period	Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value		
Chia Hsin Cement Corporation	Shares								
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTPL - current	7,740,307	$ 371,535	0.12	$ 371,535	7,740,307	
	Asia Cement Corporation		Financial assets at FVTPL - current	71	3	-	3	71	
	Foreign shares								
	Anhui Conch Cement Co., Ltd.		Financial assets at FVTPL - current	364,000	50,340	0.01	50,340	364,000	
	Foreign fund								
	Greenwoods Golden China Fund - Unrestricted Class A (0518)		Financial assets at FVTPL - current	3,340	38,724	-	38,724	3,340	
	JPMorgan Funds - Russia		Financial assets at FVTPL - current	81,593	38,439	-	38,439	81,593	
	JPMorgan Funds - ASEAN Fund		Financial assets at FVTPL - current	2,697	11,277	-	11,277	2,697	
	JPMorgan Funds - Pacific Technology Fund		Financial assets at FVTPL - current	3,769	12,050	-	12,050	3,769	
	The Partners Fund - Class N-N (Series 27)		Financial assets at FVTPL - current	2,453	91,882	-	91,882	2,453	
	Blackstone Real Estate Income Trust		Financial assets at FVTPL - current	1,420	55,987	-	55,987	1,420	
	iCapital Offshore Access Fund SPC-Class A ACC- (Series 14)								
	Haitong Freedom Multi-Tranche Bond Fund - P3M		Financial assets at FVTPL - current	11,572	32,334	-	32,334	11,572	
	Shares								
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - current	25,400,783	1,219,238	0.40	1,219,238	25,400,783	
	CHC Resources Corporation		Financial assets at FVTOCI - current	4,285,694	194,356	1.72	194,356	4,285,694	
	Chien Kuo Construction Co., Ltd.		Financial assets at FVTOCI - current	771,256	10,875	0.30	10,875	771,256	
	Shares								
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	184,718,366	8,866,481	2.92	8,866,481	184,718,366	
	Shares								
	B Current Impact Investment Fund 3		Financial assets at FVTOCI - non-current	1,000,000	10,000	10.00	10,000	1,000,000	
	Pan Asian (Engineers & Constructors) Corporation		Financial assets at FVTOCI - non-current	2,718,217	23,975	2.38	23,975	2,718,217	
	Chia Hsin Ready-Mixed Concrete Corporation		Financial assets at FVTOCI - non-current	12,718,440	249,027	13.71	249,027	12,718,440	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				The Highest Number of Shares Held During the Period	Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value		
	Overseas Investment & Development Corp.		Financial assets at FVTOCI - non-current	2,000,000	$ 14,000	2.22	$ 14,000	$ 2,000,000	
	Smart Ageing Tech Co., Ltd.		Financial assets at FVTOCI - non-current	3,600,000	90,000	11.17	90,000	3,600,000	
	Asia Pacific Gongshanglian Corporation Limited		Financial assets at FVTOCI - non-current	21,090	-	0.03	-	21,090	
	Chia Hsin Livestock Corp.		Financial assets at FVTOCI - non-current	6,600,000	-	1.17	-	6,600,000	
	Huatung Heping River Mining Industry Development Co., Ltd.		Financial assets at FVTOCI - non-current	9,350	-	1.87	-	9,350	
Tong Yang Chia Hsin International Corporation	Shares								
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTPL - current	13,591,719	652,403	0.21	652,403	13,591,719	
	Foreign fund								
	Haitong Freedom Multi-Tranche Bond Fund - P3M		Financial assets at FVTPL - current	11,572	32,334	-	32,334	11,572	
	Shares								
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - current	32,457,173	1,557,944	0.51	1,557,944	32,457,173	
	Chia Hsin Cement Corporation	Parent company	Financial assets at FVTOCI - non-current	127,370,320	2,642,934	16.44	2,642,934	127,370,320	Has been eliminated through consolidation
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	60,242,447	2,891,638	0.95	2,891,638	60,242,447	
	IBT Second Venture Capital Co., Ltd.		Financial assets at FVTOCI - non-current	725,493	4,353	2.30	4,353	725,493	
	Kaohsiung Tug and Port Service Corp.		Financial assets at FVTOCI - non-current	350,000	2,971	0.88	2,971	350,000	

Note 1: For the information about subsidiaries, associates and joint ventures, refer to Table 6 and Table 8.

Note 2: All the marketable securities as shown above have not been pledged as collateral.

(Concluded)

TABLE 4

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20 OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes Receivable (Payable)/Trade Receivables (Payables)		Note
			Purchases/Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Chia Hsin Cement Corporation	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Purchases	$ 696,400	69	60 days from the purchase day	N/A (equal to the price for other clients)	N/A (same as the term for other clients)	$ (123,932)	(55)	

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20 OF THE PAID-IN CAPITAL
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
Chia Hsin Cement Corporation	Chia Pei International Corporation	Subsidiary	$ 1,285,566 (Notes 1 and 3)	-	$ -	-	$ 14,361	$ -

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

Note 2: The amount received in subsequent period as of March 22, 2022.

Note 3: The transaction has been eliminated upon consolidation.

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, or Otherwise Stated)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income/(Loss) of the Investee	Share of Profit/(Loss) of Investee	Remark
				December 31, 2021	December 31, 2020	Number of Shares (In Thousands)	%	Carrying Amount			
Chia Hsin Cement Corporation	Chia Hsin Construction & Development Corp.	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	$ 1,870,402	$ 114,794	$ 50,360	(Note 4)
	Tong Yang Chia Hsin International Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	General international trade	1,600,159	1,600,159	257,073,050	87.18	6,725,581	663,321	578,288	Subsidiary (Note 3)
	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	3,963,806	138,355	138,355	Subsidiary (Note 3)
	Chia Pei International Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	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	220,413	22,721	22,721	Subsidiary (Note 3)
	BlueSky Co., Ltd.	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	International trade; real estate trading; real estate leasing	81,561	81,561	8,300,000	100.00	84,072	608	608	Subsidiary (Note 3)
	Chia Hsin Pacific Limited	Cayman Islands	Holding company	969,104	969,104	19,186,070	74.16	2,279,077	279,890	207,552	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	886,562	(366,475)	(366,475)	Subsidiary (Note 3)
	Jaho Life Plus+ Management Corp., Ltd.	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Management consulting service	400,000	400,000	40,000,000	100.00	188,142	(36,903)	(36,903)	Subsidiary (Note 3)
	LDC ROME HOTELS S.R.L.	Rome, Italy	Hospitality industry	NT$ 534,653 (EUR 17,070,667)	NT$ 534,653 (EUR 17,070,667)	-	40.00	289,131	(104,258)	(41,703)	(Note 4)
	L'Hotel De Chine Corporation	11F, No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Hotel and tourism	1,157,340	1,157,340	67,998,915	23.10	1,032,448	(603,476)	(134,533)	(Note 4)
	International Chia Hsin Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	International trade; general investment	69,341	69,341	5,800,000	19.33	118,091	13,023	2,517	
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	251,494	4,857	4,857	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	NT$ 235,588 (JPY 979,575,335)	NT$ 235,588 (JPY 979,575,335)	-	100.00	135,129	(4,863)	(4,863)	Second-tier subsidiary (Note 3)
	CHC Ryukyu COLLECTIVE KK	2 Chome-1-12 Matsuyama, Naha, Okinawa, Japan	Hospitality industry	NT$ 1,688,412 (JPY 7,020,424,665)	NT$ 1,688,412 (JPY 7,020,424,665)	-	100.00	680,488	(357,102)	(357,102)	Second-tier subsidiary (Note 3)
Chia Hsin Pacific Limited	Yonica Pte Ltd.	Singapore	Investment and holding company	NT$ - (US$ -)	NT$ 1,842,138 (US$ 66,551,243)	-	-	NT$ - (US$ -)	NT$ 27,500 (US$ 981,827)	NT$ 27,500 (US$ 981,827)	Second-tier subsidiary (Notes 3 and 5)
	Effervesce Investment Pte. Ltd.	Singapore	Investment and holding company	NT$ 860,257 (US$ 31,078,656)	NT$ 860,257 (US$ 31,078,656)	53,274,892	100.00	NT$ 1,370,996 (US$ 49,530,200)	NT$ (36,601) (US$ -1,306,764)	NT$ (36,601) (US$ -1,306,764)	Second-tier subsidiary (Note 3)
	Sparksview Pte. Ltd.	Singapore	Investment and holding company	NT$ 79,506 (US$ 2,872,328)	NT$ 79,506 (US$ 2,872,328)	3,763,350	100.00	NT$ 174,239 (US$ 6,294,747)	NT$ 2,467 (US$ 88,067)	NT$ 2,467 (US$ 88,067)	Second-tier subsidiary (Note 3)
Tong Yang Chia Hsin International Corporation	International Chia Hsin Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	International trade; general investment	36,642	36,642	6,052,636	20.18	135,218	13,023	2,629	
	Tong Yang Chia Hsin Marine Corp.	Panama	Shipping service	NT$ 74,736 (US$ 2,700,000)	NT$ 74,736 (US$ 2,700,000)	2,700	100.00	448,046	1,786	1,786	Second-tier subsidiary (Note 3)
	Chia Hsin Pacific Limited	Cayman Islands	Holding company	626,119	626,119	6,257,179	24.18	743,278	279,890	67,689	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 December 31, 2021: US$1=NT$27.680, JPY1=NT$0.2405, EUR1=NT$31.32; net income items denominated in foreign currencies are translated using the average exchange rate of 2021: US$1=NT$28.009, JPY1=NT$0.2550, EUR1=NT$33.157.

Note 3: The investment has been eliminated upon consolidation.

Note 4: Material associates.

Note 5: The liquidation of the Company was resolved by the board of directors on April 20, 2021, and the dissolution registration was completed on February 2, 2022.

Note 6: Except for Yonica Pte Ltd., of which the highest number of shares is 104,908,690 during the period, the highest number of shares held of each investee during the period is the same as those held at the end of the period, and all the shares held are not pledged as collateral.

TABLE 7

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
	For the year ended December 31, 2021						
0	Chia Hsin Cement Corporation	Chia Pei International Corporation	a.	Warehousing and storage service revenue	$ 93,615	The fee is billed monthly and paid quarterly with receipts issued in the same month when the fee is billed.	4.22
		Chia Pei International Corporation	a.	Interest income from sublease	20,132		0.91
		Chia Pei International Corporation	a.	Finance lease receivables	1,285,566		3.19
		CHC Ryukyu Development GK	a.	Endorsement or guarantee	408,850		1.02
		CHC Ryukyu COLLECTIVE KK	a.	Endorsement or guarantee	1,322,750		3.29
		Chia Hsin Property Management & Development Corporation	a.	Investment accounted for using the equity method	1,455,000	Cash dividends	3.62
		Chia Hsin Property Management & Development Corporation	a.	Other receivables	35,512	Every May (Linked tax payments)	0.09
		Tong Yang Chia Hsin International Corporation	a.	Investment accounted for using the equity method	1,055,710	Treasury shares	2.62
		Tong Yang Chia Hsin International Corporation	a.	Investment accounted for using the equity method	565,561	Cash dividends	1.41
1	Chia Pei International Corporation	Chia Hsin Cement Corporation	b.	Service revenue	18,634		0.84
2	Tong Yang Chia Hsin International Corporation	Chia Hsin Cement Corporation	b.	Service revenue	69,045	The fee is billed monthly and paid in the next month.	3.11
		Chia Hsin Cement Corporation	b.	Dividend income	155,010	Cash dividends	6.98
3	Chia Hsin Property Management & Development Corporation	Chia Hsin Cement Corporation	b.	Endorsement or guarantee	6,640,000		16.50
		Chia Hsin Cement Corporation	b.	Other income	19,698	Transaction fee arising from endorsement or guarantee	0.89
		Chia Hsin Cement Corporation	b.	Other receivables	20,683	Transaction fee arising from endorsement or guarantee	0.05
		Jaho Life Plus+ Management Corp., Ltd.	c.	Rental revenue	12,295		0.55
4	Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	c.	Investment accounted for using the equity method	52,098	Cash injection	0.13
5	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd.	c.	Investment accounted for using the equity method	60,781	Cash injection	0.15
		Jiapeng Gemcare Maternity (Suzhou) Co., Ltd.	c.	Investment accounted for using the equity method	17,366	Cash injection	0.04

(Continued)

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

Note 1: The Company and 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 year-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 December 31, 2021: US$1=NT$27.680, JPY1=NT$0.2405, RMB1=NT$4.341493; net income items denominated in foreign currencies are translated using the average exchange rate of 2021: US$1=NT$28.009, JPY1= NT$0.2550, RMB1=NT$4.341679.

Note 5: The transactions have been eliminated upon consolidation.

(Concluded)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, or in Thousands of Foreign Currencies)

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1 (a.))	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021 (Note 1 (a.))	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 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 December 31, 2021 (Note 1 (a.))	Accumulated Repatriation of Investment Income as of December 31, 2021	Note
					Outward (Note 1 (a.))	Inward (Note 1 (a.))							
Shanghai Jia Huan Concrete Co., Ltd.	Processing, manufacturing and selling of cement, concrete and other related products	$ 234,173 (US$ 8,460)	b. and d.	$ 352,145 (US$ 12,722)	$ - (US$ -)	$ - (US$ -)	$ 352,145 (US$ 12,722)	$ 8,167 (US$ 292)	95.23	$ 8,167 (US$ 292)	$ 520,945 (US$ 18,820)	$ - (US$ -)	Note 1 (b.) (2) and Note 7
Shanghai Chia Hsin Ganghui Co., Ltd.	Warehousing and packing bulk cement and formulating and delivering high-strength cement	290,640 (US$ 10,500)	b.	444,707 (US$ 16,066)	- (US$ -)	- (US$ -)	444,707 (US$ 16,066)	7,995 (US$ 285)	95.23	7,995 (US$ 285)	430,062 (US$ 15,537)	- (US$ -)	Note 1 (b.) (2) and Note 7
Shanghai Chang Hsin Shipping Co., Ltd. (Note 5)	Delivering cement	- (US$ -)	b.	84,839 (US$ 3,065)	- (US$ -)	- (US$ -)	84,839 (US$ 3,065)	(1,368) (US$ -49)	-	(547) (US$ -20)	- (US$ -)	- (US$ -)	Note 1 (b.) (2) and Note 8
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Consulting for developing information system for business and finance purpose	479,141 (US$ 17,310)	b.	733,437 (US$ 26,497)	- (US$ -)	- (US$ -)	733,437 (US$ 26,497)	(56,264) (US$ -2,009)	95.23	(55,623) (US$ -1,986)	493,540 (US$ 17,830)	- (US$ -)	Note 1 (b.) (2) and Note 7
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Consulting for management of healthcare and hospitality business	251,807 (RMB 58,000)	f. Investor: Chia Hsin Business Consulting (Shanghai) Co., Ltd.	- (US$ -)	- (US$ -)	- (US$ -)	- (US$ -)	(57,102) (US$ -2,039)	95.23	(57,102) (US$ -2,039)	137,911 (US$ 4,982)	- (US$ -)	Note 1 (b.) (2) and Note 7
Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd.	Providing healthcare service to mothers in pregnancy, parturition and postpartum period	182,343 (RMB 42,000)	f. Investor: Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	- (US$ -)	- (US$ -)	- (US$ -)	- (US$ -)	(21,886) (US$ -781)	95.23	(21,886) (US$ -781)	127,997 (US$ 4,624)	- (US$ -)	Note 1 (b.) (2) and Note 7
Jiapeng Gemcare Maternity (Suzhou) Co., Ltd.	Providing healthcare service to mothers in pregnancy, parturition and postpartum period	43,415 (RMB 10,000)	f. Investor: Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	- (US$ -)	- (US$ -)	- (US$ -)	- (US$ -)	(31,751) (US$ -1,134)	95.23	(31,751) (US$ -1,134)	3,736 (US$ 135)	- (US$ -)	Note 1 (b.) (2) and Note 7
Jiangsu Union Mining Industry Ltd. (Note 6)	Processing, manufacturing and delivering of limestone and other related products	- (RMB -)	c.	137,570 (US$ 4,970)	- (US$ -)	- (US$ -)	137,570 (US$ 4,970)	- (US$ -)	-	- (US$ -)	- (US$ -)	- (US$ -)	

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1 (a.))	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021 (Note 1 (a.))	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021 (Note 1 (a.))	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1 (a.))	Carrying Amount as of December 31, 2021 (Note 1 (a.))	Accumulated Repatriation of Investment Income as of December 31, 2021	Note
					Outward (Note 1 (a.))	Inward (Note 1 (a.))							
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	$ 365,376 (US$ 13,200)	e.	$ 383,285 (US$ 13,847)	$ - (US$ -)	$ - (US$ -)	$ 383,285 (US$ 13,847)	$ 4,649 (US$ 166)	87.18	$ 4,649 (US$ 166)	$ 441,630 (US$ 15,955)	$ - (US$ -)	Note 1 (b.) (2) and Note 7
Jiangsu Jiaxin Property Limited Company	Developing and selling real estate and providing property management service	86,830 (RMB 20,000)	f. Investor: Jiangsu Jiaguo Construction Material Storage Co., Ltd.	- (US$ -)	- (US$ -)	- (US$ -)	- (US$ -)	353 (US$ 13)	87.18	353 (US$ 13)	94,065 (US$ 3,398)	- (US$ -)	Note 1 (b.) (2) and Note 7

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

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2021	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (Notes 3 and 4)
$ 6,357,210 (US$ 229,668)	$ 6,425,192 (US$ 232,124)	$ 15,546,140

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 December 31, 2021: US$1=$27.680, RMB1=$4.341493; net income items denominated in foreign currencies are translated using the average exchange rate of 2021: US$1=$28.009, RMB1=$4.341679.

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

1) The investment income (loss) is recognized based on the financial statements audited 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 audited 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 invests 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 invests 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 invests in Sparksview Pte. Ltd., the company that invests in mainland China.

e. Indirect investment in mainland China through companies registered in a third region. The Company and Tong Yang Chia Hsin International Corporation invest in Tong Yang Chia Hsin Marine Corp., which then invests in mainland China.

f. Other method.

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

Note 4: The Company conducted a share-for-share transaction with Taiwan Cement Corporation to get rid of the investment via TCC International Holdings Ltd. in mainland China. The result of the share-for-share 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. On August 20, 2021, the write-off of the investment in China was approved by the Investment Commission, Ministry of Economic Affairs.

(Continued)

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 associates 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.

Note 10: The highest number of shares held of each investee during the period is the same as those held at the end of the period, and all the shares held are not pledged as collateral.

(Concluded)

TABLE 9

CHIA HSIN CEMENT CORPORATION

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2021

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Tong Yang Chia Hsin International Corporation	127,370,320	16.43
Sung Ju Investment Corp.	68,780,239	8.87
Yung-Ping Chang	41,748,178	5.38

Note: The information of major shareholders comes from the summary of shareholders holding more than 5 of total ordinary and preference 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 shares recorded in the consolidated financial statements could be different from that registered as dematerialized security.