

**Chia Hsin Cement Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Three Months Ended March 31, 2022 and 2021 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Chia Hsin Cement Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Chia Hsin Cement Corporation and its subsidiaries (collectively, the "Group") as of March 31, 2022 and 2021, the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

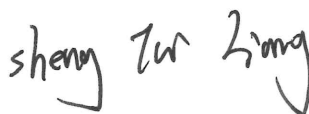
As disclosed in Note 14 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of March 31, 2022 and 2021, combined total assets of these non-significant subsidiaries were NT\$11,530,280 thousand and NT\$12,112,507 thousand, respectively, representing 28.25% and 29.96%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT\$4,720,887 thousand and NT\$4,838,139 thousand, respectively, representing 32.97% and 33.46%, respectively, of the consolidated total liabilities; for the three months ended March 31, 2022 and 2021, the amounts of combined comprehensive income (loss) of these subsidiaries were NT\$(71,827) thousand and NT\$(123,855) thousand, respectively, representing (12.21%) and (13.25%), respectively, of the consolidated total comprehensive income (loss). In addition, as disclosed in Note 15 to the consolidated financial statements, as of March 31, 2022 and 2021, the amounts of investments accounted for using the equity method were NT\$3,477,299 thousand and NT\$3,616,945 thousand, respectively, and for the three months ended March 31, 2022 and 2021, the amounts of share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method were NT\$21,918 thousand and NT\$(842) thousand, respectively. The abovementioned amounts were recognized according to the unreviewed financial statements for the same accounting periods of the aforementioned investee companies. The related information disclosed in Note 40 to

the consolidated financial statements and the information of the aforementioned subsidiaries and investee companies were also not reviewed by the auditors.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and investee companies as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2022 and 2021, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Chiang Hsun Chen and Sheng-Tai Liang.



Deloitte & Touche
Taipei, Taiwan
Republic of China

May 3, 2022

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally applied in the Republic of China.

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

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	March 31, 2022 (Reviewed)		December 31, 2021 (Audited)		March 31, 2021 (Reviewed)	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 3,125,485	8	\$ 3,685,347	9	\$ 2,240,337	6
Financial assets at fair value through profit or loss - current (Note 7)	1,477,314	4	1,387,308	4	1,323,303	3
Financial assets at fair value through other comprehensive income - current (Note 8)	3,102,453	8	2,982,413	8	2,917,818	7
Financial assets at amortized cost - current (Note 13)	3,306,091	8	2,638,297	7	4,129,206	10
Notes receivable from unrelated parties (Notes 9 and 26)	117,483	-	137,437	-	131,270	1
Trade receivables from unrelated parties (Notes 9 and 26)	91,240	-	78,308	-	98,223	-
Trade receivables from related parties (Notes 26 and 35)	5,167	-	10,864	-	3,528	-
Finance lease receivables - current (Note 11)	2,868	-	2,852	-	2,690	-
Other receivables from unrelated parties (Note 10)	33,498	-	28,546	-	32,561	-
Other receivables from related parties (Note 35)	317	-	317	-	18,673	-
Current tax assets	492	-	467	-	1,231	-
Inventories (Note 12)	26,150	-	55,320	-	28,457	-
Prepayments (Note 20)	97,358	-	149,047	-	120,669	-
Refundable deposits - current	21	-	20	-	1,642	-
Other current assets (Note 20)	1,681	-	117	-	-	-
Total current assets	11,387,618	28	11,156,660	28	11,049,608	27
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 8)	12,682,438	31	12,152,445	30	11,784,940	29
Financial assets at amortized cost - non-current (Notes 13 and 36)	27,356	-	25,856	-	25,794	-
Investments accounted for using the equity method (Note 15)	3,477,299	8	3,445,290	9	3,616,945	9
Property, plant and equipment (Notes 16 and 36)	5,123,778	13	5,282,102	13	5,813,973	15
Right-of-use assets (Note 17)	1,640,078	4	1,652,742	4	1,750,905	4
Investment properties (Notes 18 and 36)	6,129,519	15	6,130,417	15	6,101,653	15
Intangible assets (Note 19)	6,808	-	7,580	-	9,923	-
Deferred tax assets (Note 4)	284,073	1	333,077	1	208,100	1
Refundable deposits - non-current	31,758	-	31,539	-	32,778	-
Finance lease receivables - non-current (Note 11)	3,304	-	4,027	-	6,172	-
Net defined benefit assets- non-current (Note 4)	4,876	-	4,834	-	-	-
Other non-current assets (Notes 9 and 20)	21,629	-	21,082	-	22,753	-
Total non-current assets	29,432,916	72	29,090,991	72	29,373,936	73
TOTAL	\$ 40,820,534	100	\$ 40,247,651	100	\$ 40,423,544	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 21 and 36)	\$ 975,000	3	\$ 914,000	2	\$ 880,000	2
Short-term bills payable (Note 21)	254,753	1	134,842	1	-	-
Contract liabilities (Note 26)	33,531	-	23,704	-	15,750	-
Notes payable to unrelated parties (Note 22)	2,273	-	3,351	-	2,099	-
Trade payables to unrelated parties (Note 22)	65,571	-	118,141	-	74,374	-
Trade payables to related parties (Note 35)	84,229	-	124,010	-	94,096	-
Other payables to unrelated parties (Notes 23 and 32)	193,931	1	227,742	1	300,779	1
Other payables to related parties (Note 35)	7	-	72	-	2	-
Current tax liabilities	127,875	-	121,492	-	133,501	1
Lease liabilities - current (Note 17)	140,966	-	132,442	-	124,942	1
Advance receipts (Note 23)	7,111	-	8,820	-	10,177	-
Current portion of long-term borrowings (Notes 21 and 36)	939,839	2	947,847	3	523,462	1
Guarantee deposits - current (Note 35)	29,622	-	29,995	-	23,243	-
Other current liabilities (Note 23)	3,894	-	2,870	-	9,310	-
Total current liabilities	2,858,602	7	2,789,328	7	2,191,735	6
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 21 and 36)	7,842,505	19	7,908,939	20	8,516,223	21
Deferred tax liabilities (Note 4)	1,584,008	4	1,583,897	4	1,560,472	4
Lease liabilities - non-current (Note 17)	1,587,406	4	1,599,272	4	1,696,724	4
Deferred revenue - non-current (Notes 23 and 31)	356,283	1	367,431	1	404,232	1
Net defined benefit liabilities - non-current (Note 4)	-	-	-	-	993	-
Guarantee deposits - non-current (Note 35)	88,440	-	88,551	-	89,430	-
Total non-current liabilities	11,458,642	28	11,548,090	29	12,268,074	30
Total liabilities	14,317,244	35	14,337,418	36	14,459,809	36
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 25)						
Share capital						
Ordinary shares	7,747,805	19	7,747,805	19	7,747,805	19
Capital surplus	1,143,892	3	1,139,296	3	961,578	2
Retained earnings						
Legal reserve	2,503,173	6	2,503,173	6	2,319,663	6
Special reserve	2,257,996	5	2,257,996	6	2,275,704	6
Unappropriated earnings	6,395,294	16	6,475,930	16	6,931,280	17
Total retained earnings	11,156,463	27	11,237,099	28	11,526,647	29
Other equity	6,615,592	16	5,979,118	15	5,951,590	15
Treasury shares	(1,077,950)	(2)	(1,077,950)	(3)	(1,108,495)	(3)
Total equity attributable to owners of the Company	25,585,802	63	25,025,368	62	25,079,125	62
NON-CONTROLLING INTERESTS (Note 25)	917,488	2	884,865	2	884,610	2
Total equity	26,503,290	65	25,910,233	64	25,963,735	64
TOTAL	\$ 40,820,534	100	\$ 40,247,651	100	\$ 40,423,544	100

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

(With Deloitte & Touche review report dated May 3, 2022)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Loss Per Share)

(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 26 and 35)	\$ 512,577	100	\$ 544,526	100
OPERATING COSTS (Notes 12, 27 and 35)	<u>(497,255)</u>	<u>(97)</u>	<u>(554,747)</u>	<u>(102)</u>
GROSS PROFIT (LOSS)	<u>15,322</u>	<u>3</u>	<u>(10,221)</u>	<u>(2)</u>
OPERATING EXPENSES (Notes 9, 10, 27 and 35)				
Selling and marketing expenses	(9,652)	(2)	(8,070)	(1)
General and administrative expenses	(105,987)	(21)	(117,049)	(22)
Expected credit loss reversed	<u>39</u>	<u>-</u>	<u>70</u>	<u>-</u>
Total operating expenses	<u>(115,600)</u>	<u>(23)</u>	<u>(125,049)</u>	<u>(23)</u>
LOSS FROM OPERATIONS	<u>(100,278)</u>	<u>(20)</u>	<u>(135,270)</u>	<u>(25)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 15, 27 and 35)				
Interest income	11,302	2	15,044	3
Other income	18,294	4	14,647	3
Other gains and losses	52,925	10	76,871	14
Finance costs	(39,314)	(7)	(42,244)	(8)
Share of profit or loss of associates and joint ventures	<u>5,814</u>	<u>1</u>	<u>(39,878)</u>	<u>(7)</u>
Total non-operating income and expenses	<u>49,021</u>	<u>10</u>	<u>24,440</u>	<u>5</u>
LOSS BEFORE INCOME TAX FROM CONTINUING OPERATIONS	(51,257)	(10)	(110,830)	(20)
INCOME TAX EXPENSE (Notes 4 and 28)	<u>(25,993)</u>	<u>(5)</u>	<u>(9,475)</u>	<u>(2)</u>
NET LOSS FROM CONTINUING OPERATIONS	<u>(77,250)</u>	<u>(15)</u>	<u>(120,305)</u>	<u>(22)</u>

(Continued)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Loss Per Share)

(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (Notes 4, 25 and 28)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain or loss on investments in equity instruments at fair value through other comprehensive income	\$ 559,139	109	\$ 1,099,651	202
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	<u>14,466</u>	<u>3</u>	<u>39,294</u>	<u>7</u>
	<u>573,605</u>	<u>112</u>	<u>1,138,945</u>	<u>209</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	117,681	23	(122,770)	(22)
Share of the other comprehensive loss of associates and joint ventures accounted for using the equity method	1,638	-	(258)	-
Income tax related to items that may be reclassified subsequently to profit or loss	<u>(27,213)</u>	<u>(5)</u>	<u>39,070</u>	<u>7</u>
	<u>92,106</u>	<u>18</u>	<u>(83,958)</u>	<u>(15)</u>
Other comprehensive income for the period, net of income tax	<u>665,711</u>	<u>130</u>	<u>1,054,987</u>	<u>194</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 588,461</u>	<u>115</u>	<u>\$ 934,682</u>	<u>172</u>
NET (LOSS) INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ (80,636)	(16)	\$ (127,102)	(23)
Non-controlling interests	<u>3,386</u>	<u>1</u>	<u>6,797</u>	<u>1</u>
	<u>\$ (77,250)</u>	<u>(15)</u>	<u>\$ (120,305)</u>	<u>(22)</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 555,838	109	\$ 885,274	163
Non-controlling interests	<u>32,623</u>	<u>6</u>	<u>49,408</u>	<u>9</u>
	<u>\$ 588,461</u>	<u>115</u>	<u>\$ 934,682</u>	<u>172</u>

(Continued)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Loss Per Share)

(Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2022		2021	
	Amount	%	Amount	%
LOSS PER SHARE (Note 29)				
From continuing operations				
Basic	\$ (0.12)		\$ (0.20)	
Diluted	\$ (0.12)		\$ (0.20)	

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

(With Deloitte & Touche review report dated May 3, 2022)

(Concluded)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company										
	Retained Earnings					Other Equity		Treasury Shares	Total	Non-controlling Interests	Total Equity
						Exchange Differences on Translation of Foreign Operations	Unrealized Gain on Financial Assets at Fair Value Through Other Comprehensive Income				
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings						
BALANCE, JANUARY 1, 2021	\$ 7,747,805	\$ 960,402	\$ 2,319,663	\$ 2,275,704	\$ 7,058,382	\$ (404,225)	\$ 5,343,439	\$ (1,119,023)	\$ 24,182,147	\$ 835,202	\$ 25,017,349
Net (loss) profit for the three months ended March 31, 2021	-	-	-	-	(127,102)	-	-	-	(127,102)	6,797	(120,305)
Other comprehensive income (loss) for the three months ended March 31, 2021	-	-	-	-	-	(82,869)	1,095,245	-	1,012,376	42,611	1,054,987
Total comprehensive income (loss) for the three months ended March 31, 2021	-	-	-	-	(127,102)	(82,869)	1,095,245	-	885,274	49,408	934,682
Share-based payments (Notes 25 and 30)	-	1,200	-	-	-	-	-	-	1,200	-	1,200
Reissuance of treasury shares (Note 25)	-	(24)	-	-	-	-	-	10,528	10,504	-	10,504
BALANCE, MARCH 31, 2021	<u>\$ 7,747,805</u>	<u>\$ 961,578</u>	<u>\$ 2,319,663</u>	<u>\$ 2,275,704</u>	<u>\$ 6,931,280</u>	<u>\$ (487,094)</u>	<u>\$ 6,438,684</u>	<u>\$ (1,108,495)</u>	<u>\$ 25,079,125</u>	<u>\$ 884,610</u>	<u>\$ 25,963,735</u>
BALANCE, JANUARY 1, 2022	\$ 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
Changes in equity of associates accounted for using the equity method (Note 25)	-	4,616	-	-	-	-	-	-	4,616	-	4,616
Net (loss) profit for the three months ended March 31, 2022	-	-	-	-	(80,636)	-	-	-	(80,636)	3,386	(77,250)
Other comprehensive income (loss) for the three months ended March 31, 2022	-	-	-	-	-	85,772	550,702	-	636,474	29,237	665,711
Total comprehensive income (loss) for the three months ended March 31, 2022	-	-	-	-	(80,636)	85,772	550,702	-	555,838	32,623	588,461
Unclaimed dividends extinguished by prescription (Note 25)	-	(20)	-	-	-	-	-	-	(20)	-	(20)
BALANCE, MARCH 31, 2022	<u>\$ 7,747,805</u>	<u>\$ 1,143,892</u>	<u>\$ 2,503,173</u>	<u>\$ 2,257,996</u>	<u>\$ 6,395,294</u>	<u>\$ (714,464)</u>	<u>\$ 7,330,056</u>	<u>\$ (1,077,950)</u>	<u>\$ 25,585,802</u>	<u>\$ 917,488</u>	<u>\$ 26,503,290</u>

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

(With Deloitte & Touche review report dated May 3, 2022)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	\$ (51,257)	\$ (110,830)
Adjustments for:		
Depreciation expense	127,737	133,285
Amortization expense	627	686
Expected credit loss reversed	(39)	(70)
Net gain on fair value changes of financial assets at fair value through profit or loss	(32,776)	(85,652)
Finance costs	39,314	42,244
Interest income	(11,302)	(15,044)
Compensation costs arising from share-based payments	-	1,200
Share of (profit) loss of associates and joint ventures	(5,814)	39,878
Loss on disposal of property, plant and equipment	66	-
Realized on deferred revenue	(3,281)	(3,645)
Net (gain) loss on foreign currency exchange	(19,300)	14,990
Changes in operating assets and liabilities:		
Financial assets mandatorily classified as at fair value through profit or loss	(15,710)	(146,574)
Notes receivable from unrelated parties	20,308	16,306
Trade receivables from unrelated parties	(13,253)	9,489
Trade receivables from related parties	5,697	513
Other receivables from unrelated parties	4,200	9,252
Inventories	29,159	32,855
Prepayments	10,546	(21,879)
Other current assets	(1,604)	-
Notes payable to unrelated parties	(1,078)	(912)
Trade payables to unrelated parties	(52,529)	(2,017)
Trade payables to related parties	(39,781)	20,964
Other payables to unrelated parties	(32,363)	(33,311)
Other payables to related parties	65	(87)
Contract liabilities	9,813	2,708
Advance receipts	(1,924)	(1,612)
Other current liabilities	1,054	1,725
Net defined benefit liabilities	(42)	(14)
Cash used in operations	(33,467)	(95,552)
Interest paid	(31,889)	(34,324)
Income tax paid	(1,242)	(5,639)
Net cash used in operating activities	(66,598)	(135,515)

(Continued)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ (91,485)	\$ -
Purchase of financial assets at amortized cost	(673,233)	(127,729)
Proceeds from sale of financial assets at amortized cost	74,744	51,366
Payments for property, plant and equipment	(16,415)	(53,581)
Proceeds from disposal of property, plant and equipment	4	-
Decrease (increase) in refundable deposits	85	(12)
Increase in other receivables from related parties	-	(67)
Payments for investment properties	(11,219)	(545)
Decrease in finance lease receivables	707	635
Decrease in other non-current assets	387	936
Increase in prepayments for equipment	(986)	(442)
Interest received	<u>3,056</u>	<u>5,771</u>
Net cash used in investing activities	<u>(714,355)</u>	<u>(123,668)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	61,000	-
Repayments of short-term borrowings	-	(684,000)
Proceeds from short-term bills payable	120,000	-
Repayments of short-term bills payable	-	(137,000)
Refunds of guarantee deposits received	(557)	(1,142)
Repayments of the principal portion of lease liabilities	(24,420)	(25,022)
Proceeds from reissuance of treasury shares	-	10,504
Return of unclaimed dividends extinguished by prescription	<u>(20)</u>	<u>-</u>
Net cash generated from (used in) financing activities	<u>156,003</u>	<u>(836,660)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>65,088</u>	<u>(39,801)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(559,862)</u>	<u>(1,135,644)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>3,685,347</u>	<u>3,375,981</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 3,125,485</u>	<u>\$ 2,240,337</u>

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

(With Deloitte & Touche review report dated May 3, 2022)

(Concluded)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

Chia Hsin Cement Corporation (the “Company”; the Company and the entities controlled by the Company are referred to as the “Group”) was incorporated in the Republic of China (ROC) with capital of \$24,000 thousand in December 1954. Over the years, the Company has increased its capital through capital contributions in cash, undistributed earnings, and asset revaluation increments. As of March 31, 2022, 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.

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on May 3, 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 Group’s accounting policies.

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

New IFRSs	Effective Date Announced by IASB (Note 1)
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

(Continued)

New IFRSs	Effective Date Announced by IASB (Note 1)
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)

(Concluded)

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 are recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments are 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

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

b. Basis of preparation

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

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

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

c. Basis of consolidation

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

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

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

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

See Note 14 and Tables 5 and 7 in Note 40 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other significant accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2021.

1) Retirement benefits

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

2) Taxation

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions 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 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.

Refer to the consolidated financial statements for the year ended December 31, 2021 for the critical accounting judgments and key sources of estimation uncertainty.

6. CASH AND CASH EQUIVALENTS

	March 31, 2022	December 31, 2021	March 31, 2021
Cash on hand	\$ 3,224	\$ 4,169	\$ 3,835
Checking accounts and demand deposits	1,578,422	1,528,380	1,044,219
Cash equivalents			
Commercial paper	143,945	118,867	262,825
Time deposits with original maturities of 3 months or less	1,370,983	2,006,243	835,990
Repurchase agreements collateralized by bonds	<u>28,911</u>	<u>27,688</u>	<u>93,468</u>
	<u>\$ 3,125,485</u>	<u>\$ 3,685,347</u>	<u>\$ 2,240,337</u>

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

	March 31, 2022	December 31, 2021	March 31, 2021
Commercial paper	0.23%-0.40%	0.23%-0.25%	0.16%-0.21%
Cash in the bank	0.001%-2.03%	0.001%-2.55%	0.001%-2.03%
Repurchase agreements collateralized by bonds	0.25%	0.33%	0.30%-0.45%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Financial assets mandatorily classified as at fair value through profit or loss (FVTPL) - current</u>			
Non-derivative financial assets			
Domestic listed shares	\$ 1,064,471	\$ 1,023,941	\$ 998,804
Overseas listed shares	53,607	50,340	67,533
Overseas mutual funds - beneficiary certificates	<u>359,236</u>	<u>313,027</u>	<u>256,966</u>
	<u>\$ 1,477,314</u>	<u>\$ 1,387,308</u>	<u>\$ 1,323,303</u>

As of March 31, 2022, the Group held 324,150,795 shares of Taiwan Cement Corporation accounted for as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income at carrying amount of \$1,064,468 thousand and \$15,110,656 thousand, respectively. Information for other price risk and sensitivity analysis are provided in Note 34.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Investments in equity instruments - current</u>			
Domestic investments			
Listed shares and emerging market shares	<u>\$ 3,102,453</u>	<u>\$ 2,982,413</u>	<u>\$ 2,917,818</u>
<u>Investments in equity instruments - non-current</u>			
Domestic investments			
Listed shares and emerging market shares	\$ 12,223,544	\$ 11,758,119	\$ 11,464,167
Unlisted shares	<u>458,894</u>	<u>394,326</u>	<u>320,773</u>
	<u>\$ 12,682,438</u>	<u>\$ 12,152,445</u>	<u>\$ 11,784,940</u>

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

The Group purchased ordinary shares of Gping Wellness Co., Ltd. with the amount of \$91,485 thousand in January 2022. 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

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 118,624	\$ 138,812	\$ 132,576
Less: Allowance for impairment loss	<u>(1,141)</u>	<u>(1,375)</u>	<u>(1,306)</u>
	<u>\$ 117,483</u>	<u>\$ 137,437</u>	<u>\$ 131,270</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 91,744	\$ 78,619	\$ 98,760
Less: Allowance for impairment loss	<u>(504)</u>	<u>(311)</u>	<u>(537)</u>
	<u>\$ 91,240</u>	<u>\$ 78,308</u>	<u>\$ 98,223</u>
<u>Overdue receivables (Note)</u>			
At amortized cost			
Gross carrying amount	\$ 13,453	\$ 12,952	\$ 13,089
Less: Allowance for impairment loss	<u>(13,453)</u>	<u>(12,952)</u>	<u>(13,089)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: The overdue receivables are classified to other assets. Please refer to Note 20.

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 note receivables at an amount equal to lifetime expected credit losses (ECLs). The expected credit losses on note 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:

March 31, 2022

	Not Overdue	Overdue within 90 Days	Overdue 91-360 Days	Overdue 1 Year or More	Total
Expected credit loss rate	0.76%	1.03%	-	100%	
Gross carrying amount	\$ 214,472	\$ 1,063	\$ -	\$ 13,453	\$ 228,988
Loss allowance (Lifetime ECLs)	<u>(1,634)</u>	<u>(11)</u>	<u>-</u>	<u>(13,453)</u>	<u>(15,098)</u>
Amortized cost	<u>\$ 212,838</u>	<u>\$ 1,052</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 213,890</u>

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)	<u>(1,679)</u>	<u>(7)</u>	<u>-</u>	<u>(12,952)</u>	<u>(14,638)</u>
Amortized cost	<u>\$ 225,868</u>	<u>\$ 741</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 226,609</u>

March 31, 2021

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

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

	For the Three Months Ended March 31	
	2022	2021
Balance at January 1	\$ 14,638	\$ 15,076
Add: Net remeasurement of loss allowance	195	94
Less: Net remeasurement of loss allowance reversed	(234)	(164)
Foreign exchange gains and losses	<u>499</u>	<u>(74)</u>
Balance at March 31	<u>\$ 15,098</u>	<u>\$ 14,932</u>

10. OTHER RECEIVABLES

	March 31, 2022	December 31, 2021	March 31, 2021
Interest receivables	\$ 23,527	\$ 14,569	\$ 24,158
Government grants receivable (Note 31)	-	1,950	-
Others	11,925	13,908	10,285
Less: Allowance of impairment loss	<u>(1,954)</u>	<u>(1,881)</u>	<u>(1,882)</u>
	<u>\$ 33,498</u>	<u>\$ 28,546</u>	<u>\$ 32,561</u>

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

	For the Three Months Ended March 31	
	2022	2021
Balance at January 1	\$ 1,881	\$ 1,891
Foreign exchange gains and losses	<u>73</u>	<u>(9)</u>
Balance at March 31	<u>\$ 1,954</u>	<u>\$ 1,882</u>

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

March 31, 2022

	Not Overdue	Overdue within 90 Days	Overdue 91-360 Days	Overdue 1 Year or More	Total
Expected credit loss rate	0%	0%	-	100%	
Gross carrying amount	\$ 31,923	\$ 1,575	\$ -	\$ 1,954	\$ 35,452
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,954)</u>	<u>(1,954)</u>
Amortized cost	<u>\$ 31,923</u>	<u>\$ 1,575</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,498</u>

December 31, 2021

	Not Overdue	Overdue within 90 Days	Overdue 91-360 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)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,881)</u>	<u>(1,881)</u>
Amortized cost	<u>\$ 28,546</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,546</u>

March 31, 2021

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

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

11. FINANCE LEASE RECEIVABLES

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Undiscounted lease payments</u>			
Year 1	\$ 2,972	\$ 2,972	\$ 2,857
Year 2	2,972	2,972	2,972
Year 3	371	1,114	2,972
Year 4	<u>-</u>	<u>-</u>	<u>371</u>
	6,315	7,058	9,172
Less: Unearned finance income	<u>(143)</u>	<u>(179)</u>	<u>(310)</u>
Lease payments receivable	<u>6,172</u>	<u>6,879</u>	<u>8,862</u>
Net investment in leases presented as finance lease receivables	<u>\$ 6,172</u>	<u>\$ 6,879</u>	<u>\$ 8,862</u>
<u>Lease payments receivable</u>			
Not more than 1 year	\$ 2,868	\$ 2,852	\$ 2,690
More than 1 year but not more than 5 years	<u>3,304</u>	<u>4,027</u>	<u>6,172</u>
	<u>\$ 6,172</u>	<u>\$ 6,879</u>	<u>\$ 8,862</u>

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

The interest rates inherent in the leases are fixed at the contract dates for the entire term of the lease. As of March 31, 2022, December 31, 2021 and March 31, 2021, the interest rate inherent in the finance leases was approximately 2.25% per annum.

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

The Group measures the loss allowance for finance lease receivables at an amount equal to lifetime ECLs. As of March 31, 2022, December 31, 2021 and March 31, 2021, no finance lease receivables were past due. The Group has not recognized a loss allowance for finance lease receivables after taking into consideration the historical default experience and the future prospects of the industries in which the lessee operates, together with the value of collateral held over these finance lease receivables.

12. INVENTORIES

	March 31, 2022	December 31, 2021	March 31, 2021
Finished goods	\$ 21,468	\$ 50,526	\$ 23,343
Raw materials	251	278	246
Supplies	<u>1,265</u>	<u>1,350</u>	<u>1,702</u>
	<u>22,984</u>	<u>52,154</u>	<u>25,291</u>
Land held for construction	<u>3,166</u>	<u>3,166</u>	<u>3,166</u>
	<u>\$ 26,150</u>	<u>\$ 55,320</u>	<u>\$ 28,457</u>

The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2022 and 2021 was \$229,551 thousand and \$276,587 thousand, respectively.

13. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Current</u>			
Principal protected investments (Note)	\$ -	\$ -	\$ 492,425
Time deposits with original maturities of more than 3 months	<u>3,306,091</u>	<u>2,638,297</u>	<u>3,636,781</u>
	<u>\$ 3,306,091</u>	<u>\$ 2,638,297</u>	<u>\$ 4,129,206</u>
<u>Non-current</u>			
Restricted deposits	<u>\$ 27,356</u>	<u>\$ 25,856</u>	<u>\$ 25,794</u>

(Continued)

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Interest rate range</u>			
Principal protected investments	-	-	2.05%-2.70%
Time deposits with original maturities of more than 3 months	0.05%-2.30%	0.12%-2.30%	0.80%-2.33%
Restricted deposits	0.09%-1.065%	0.09%-0.815%	0.09%-0.815% (Concluded)

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 March 31, 2022, December 31, 2021 and March 31, 2021, the Group assessed the expected credit loss rate as 0%.
- b. Refer to Note 36 for the carrying amounts of financial assets pledged by the Group to secure obligations.

14. SUBSIDIARIES

- a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			March 31, 2022	December 31, 2021	March 31, 2021	
Chia Hsin Cement Corporation	Tong Yang Chia Hsin International Corporation	General international trade (all business items that are not prohibited or restricted by law, except those that are subject to special approval)	87.18	87.18	87.18	-
Chia Hsin Cement Corporation	Chia Hsin Property Management & Development Corporation	Wholesale and retail business of machinery; residence, factory buildings and office buildings leasing and selling; PPE leasing and selling	100.00	100.00	100.00	-
Chia Hsin Cement Corporation	Chia Pei International Corporation	Mining; wholesale of building materials; nonmetallic mining; retail sale of building materials; international trade; rental and leasing business; retail sale of other machinery and equipment	100.00	100.00	100.00	-
Chia Hsin Cement Corporation	Chia Hsin Pacific Limited	Holding company	74.16	74.16	74.16	Exchange rate risk
Chia Hsin Cement Corporation	BlueSky. Co., Ltd.	International trade; real estate trading; real estate leasing	100.00	100.00	100.00	-
Chia Hsin Cement Corporation	YJ International Corporation	Real estate rental and leasing; real estate management; realtor agent	100.00	100.00	100.00	-
Chia Hsin Cement Corporation	Jaho Life Plus+ Management Corp., Ltd.	Management consulting service	100.00	100.00	100.00	-
YJ International Corporation	CHC Ryukyu Development GK	Real estate rental and leasing; management consulting service	100.00	100.00	100.00	Exchange rate risk
YJ International Corporation	CHC Ryukyu COLLECTIVE KK	Hotel management	100.00	100.00	100.00	Exchange rate risk
Tong Yang Chia Hsin International Corporation	Tong Yang Chia Hsin Marine Corp.	Shipping service	100.00	100.00	100.00	Exchange rate risk
Tong Yang Chia Hsin International Corporation	Chia Hsin Pacific Limited	Holding company	24.18	24.18	24.18	Exchange rate risk
Tong Yang Chia Hsin Marine Corp.	Jiangsu Jiaguo Construction Material Storage Co., Ltd.	Engaging in overland delivery of ordinary goods and the processing, manufacturing and selling of cement and other construction material	100.00	100.00	100.00	Exchange rate risk and political risk arising from Cross-Strait relations

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			March 31, 2022	December 31, 2021	March 31, 2021	
Jiangsu Jiaguo Construction Material Storage Co., Ltd.	Jiangsu Chia Hsin Real Estate Co., Ltd.	Developing and operating real estate and providing property management service	100.00	100.00	100.00	Exchange rate risk and political risk arising from Cross-Strait relations
Chia Hsin Property Management & Development Corporation	Chia Sheng Construction Corp.	Wholesale and retail business of machinery; residence, factory buildings and office buildings leasing and selling; PPE leasing and selling	100.00	100.00	100.00	-
Chia Hsin Pacific Limited	Effervesce Investment Pte. Ltd.	Investment and holding company	100.00	100.00	100.00	Exchange rate risk
Effervesce Investment Pte. Ltd.	Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Consulting for developing information system for business and finance purpose	100.00	100.00	100.00	Exchange rate risk and political risk arising from Cross-Strait relations
Effervesce Investment Pte. Ltd.	Shanghai Chia Hsin Ganghui Co., Ltd.	Warehousing and packaging of bulk cement and formulating and delivering high-strength cement	100.00	100.00	100.00	Exchange rate risk and political risk arising from Cross-Strait relations
Effervesce Investment Pte. Ltd.	Shanghai Jia Huan Concrete Co., Ltd.	Processing, manufacturing and selling of cement, concrete and other related products	68.00	68.00	68.00	Exchange rate risk and political risk arising from Cross-Strait relations
Chia Hsin Pacific Limited	Yonica Pte Ltd. (Note 1)	Investment and holding company	-	-	100.00	Exchange rate risk
Chia Hsin Pacific Limited	Sparkview Pte. Ltd.	Investment and holding company	100.00	100.00	100.00	Exchange rate risk
Sparkview Pte. Ltd.	Shanghai Jia Huan Concrete Co., Ltd.	Processing, manufacturing and selling of cement, concrete and other related products	32.00	32.00	32.00	Exchange rate risk and political risk arising from Cross-Strait relations
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. (Note 2)	Consulting for management of healthcare and hotel business	100.00	100.00	100.00	Exchange rate risk and political risk arising from Cross-Strait relations
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd. (Note 3)	Maternity and infant health care; sales of mother & baby supplies; life & beauty services	100.00	100.00	100.00	Exchange rate risk and political risk arising from Cross-Strait relations
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Jiapeng Gemcare Maternity (Suzhou) Co., Ltd. (Note 4)	Maternity and infant health care; sales of mother & baby supplies; life & beauty services	100.00	100.00	100.00	Exchange rate risk and political risk arising from Cross-Strait relations

(Concluded)

Note 1: 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.

Note 2: On February 16, 2022, January 26, 2021, and May 28, 2021, Chia Hsin Business Consulting (Shanghai) Co., Ltd. increased its investment in Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. by RMB13,000 thousand, RMB8,000 thousand and RMB4,000 thousand, respectively.

Note 3: On February 16, 2022 and January 27, 2021, Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. increased its investment in Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd. by RMB5,000 thousand and RMB14,000 thousand, respectively.

Note 4: On February 16, 2022 and May 28, 2021, Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. increased its investment in Jiapeng Gemcare Maternity (Suzhou) Co., Ltd. by RMB5,000 thousand and RMB4,000 thousand, respectively.

Note 5: Except for Chia Hsin Property Management & Development Corporation, Tong Yang Chia Hsin International Corporation, and Chia Pei International Corporation, the significant subsidiary, which are reviewed by the independent auditors, the other non-significant subsidiaries included in the consolidated financial report for the three months ended March 31, 2022 and 2021 are presented using unreviewed financial statements from each entity. As of March 31, 2022 and 2021, combined total assets of these non-significant subsidiaries were \$11,530,280 thousand and \$12,112,507 thousand, respectively, representing 28.25% and 29.96%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were \$4,720,887 thousand and \$4,838,139 thousand, respectively, representing 32.97% and 33.46%, respectively, of the consolidated total liabilities; for the three-month periods ended March 31, 2022 and 2021, the amounts of combined comprehensive income (loss) of these subsidiaries were \$(71,827) thousand and \$(123,855) thousand, respectively, representing (12.21)% and (13.25)%, respectively, of the consolidated total comprehensive income.

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

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

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-Controlling Interests		
	December 31,		
	March 31, 2022	2021	March 31, 2021
Tong Yang Chia Hsin International Corporation	12.82%	12.82%	12.82%

Refer to Note 40, Tables 5 “Information on Investees” for the nature of activities, principal places of business and countries of incorporation of the subsidiaries and associates.

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests For the Three Months Ended		Accumulated Non-controlling Interests		
	March 31		March 31,	December 31,	March 31,
	2022	2021	2022	2021	2021
Tong Yang Chia Hsin International Corporation	\$ 3,574	\$ 6,712	\$1,020,243	\$ 989,243	\$ 987,831

The summarized financial information below represents amounts before intragroup eliminations.

Tong Yang Chia Hsin International Corporation

	March 31, 2022	December 31, 2021	March 31, 2021
Current assets	\$ 2,454,314	\$ 2,365,470	\$ 2,416,063
Non-current assets	5,713,860	5,569,774	5,510,619
Current liabilities	(44,983)	(48,071)	(45,161)
Non-current liabilities	(166,562)	(172,349)	(177,521)
Equity	\$ 7,956,629	\$ 7,714,824	\$ 7,704,000

(Continued)

	March 31, 2022	December 31, 2021	March 31, 2021
Equity attributable to:			
Owners of the Group	\$ 6,936,386	\$ 6,725,581	\$ 6,716,169
Non-controlling interests of Tong Yang Chia Hsin International Corporation	<u>1,020,243</u>	<u>989,243</u>	<u>987,831</u>
	<u>\$ 7,956,629</u>	<u>\$ 7,714,824</u>	<u>\$ 7,704,000</u> (Concluded)

	For the Three Months Ended March 31	
	2022	2021
Operating revenue	<u>\$ 26,475</u>	<u>\$ 27,229</u>
Net profit for the year	\$ 27,883	\$ 52,357
Other comprehensive income	<u>239,395</u>	<u>564,491</u>
Total comprehensive income for the year	<u>\$ 267,278</u>	<u>\$ 616,848</u>
Profit attributable to:		
Owners of Group	\$ 24,309	\$ 45,645
Non-controlling interests of Tong Yang Chia Hsin International Corporation	<u>3,574</u>	<u>6,712</u>
	<u>\$ 27,883</u>	<u>\$ 52,357</u>
Total comprehensive income attributable to:		
Owners of Group	\$ 233,013	\$ 537,768
Non-controlling interests of Tong Yang Chia Hsin International Corporation	<u>34,265</u>	<u>79,080</u>
	<u>\$ 267,278</u>	<u>\$ 616,848</u>
Net cash inflow (outflow) from:		
Operating activities	\$ 6,910	\$ 5,571
Investing activities	68	167
Financing activities	<u>(5,687)</u>	<u>(5,721)</u>
Net cash inflow	<u>\$ 1,291</u>	<u>\$ 17</u>

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2022	December 31, 2021	March 31, 2021
Investments in associates	<u>\$ 3,477,299</u>	<u>\$ 3,445,290</u>	<u>\$ 3,616,945</u>

a. Investments in associates

	March 31, 2022	December 31, 2021	March 31, 2021
Material associates			
LDC ROME HOTELS S.R.L.	\$ 272,446	\$ 289,131	\$ 335,093
L'Hotel De Chine Corporation	1,050,458	1,032,448	1,117,801
Chia Hsin Construction & Development Corp.	1,899,435	1,870,402	1,850,846
Associates that are not individually material	<u>254,960</u>	<u>253,309</u>	<u>313,205</u>
	<u>\$ 3,477,299</u>	<u>\$ 3,445,290</u>	<u>\$ 3,616,945</u>

1) Material associates

	<u>Proportion of Ownership and Voting Rights</u>		
	March 31, 2022	December 31, 2021	March 31, 2021
LDC ROME HOTELS S.R.L.	40.00%	40.00%	40.00%
Chia Hsin Construction & Development Corp. (Note)	46.18%	43.87%	43.87%
L'Hotel De Chine Corporation	23.10%	23.10%	23.10%

Note: Chia Hsin Construction & Development Corp. repurchased 3,585 thousand shares in February 2022, increasing the Group's shareholding ratio from 43.87% to 46.18%.

Refer to Note 40, Table 5 "Information on Investees" for the nature of activities, principal places of business and countries of incorporation of the associates.

All the associates were accounted for using the equity method.

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

LDC ROME HOTELS S.R.L.

	March 31, 2022	December 31, 2021	March 31, 2021
Current assets	\$ 188,116	\$ 200,036	\$ 221,205
Non-current assets	1,567,141	1,560,215	1,735,786
Current liabilities	(192,970)	(134,259)	(944,908)
Non-current liabilities	<u>(881,171)</u>	<u>(903,164)</u>	<u>(174,351)</u>
Equity	<u>\$ 681,116</u>	<u>\$ 722,828</u>	<u>\$ 837,732</u>
Proportion of the Group's ownership	40.00%	40.00%	40.00%
Equity attributable to the Group	<u>\$ 272,446</u>	<u>\$ 289,131</u>	<u>\$ 335,093</u>
Carrying amount	<u>\$ 272,446</u>	<u>\$ 289,131</u>	<u>\$ 335,093</u>

	For the Three Months Ended March 31	
	2022	2021
Operating revenue	\$ <u>28,046</u>	\$ <u>8,000</u>
Net loss for the year	\$ (54,742)	\$ (41,085)
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive loss for the year	\$ <u>(54,742)</u>	\$ <u>(41,085)</u>

Chia Hsin Construction & Development Corp.

	March 31, 2022	December 31, 2021	March 31, 2021
Current assets	\$ 1,606,590	\$ 2,006,649	\$ 2,075,701
Non-current assets	2,763,177	2,628,645	2,618,922
Current liabilities	(38,798)	(296,726)	(359,350)
Non-current liabilities	<u>(245,740)</u>	<u>(104,405)</u>	<u>(145,689)</u>
Equity	\$ <u>4,085,229</u>	\$ <u>4,234,163</u>	\$ <u>4,189,584</u>
Proportion of the Group's ownership	46.18%	43.87%	43.87%
Equity attributable to the Group	\$ 1,886,560	\$ 1,857,527	\$ 1,837,971
Premium representing the difference between fair value and carrying amount of remaining equity investments	<u>12,875</u>	<u>12,875</u>	<u>12,875</u>
Carrying amount	\$ <u>1,899,435</u>	\$ <u>1,870,402</u>	\$ <u>1,850,846</u>

	For the Three Months Ended March 31	
	2022	2021
Operating revenue	\$ <u>25,152</u>	\$ <u>24,799</u>
Net profit for the year	\$ 26,570	\$ 55,423
Other comprehensive income	<u>28,124</u>	<u>77,132</u>
Total comprehensive income for the year	\$ <u>54,694</u>	\$ <u>132,555</u>

L'Hotel De Chine Corporation

	March 31, 2022	December 31, 2021	March 31, 2021
Current assets	\$ 1,318,298	\$ 598,400	\$ 1,094,154
Non-current assets	6,425,165	7,065,130	6,738,286
Current liabilities	(1,605,219)	(1,555,061)	(1,295,137)
Non-current liabilities	<u>(1,590,807)</u>	<u>(1,638,997)</u>	<u>(1,698,339)</u>
Equity	\$ <u>4,547,437</u>	\$ <u>4,469,472</u>	\$ <u>4,838,964</u>

(Continued)

	March 31, 2022	December 31, 2021	March 31, 2021
Proportion of the Group's ownership	23.10%	23.10%	23.10%
Equity attributable to the Group	<u>\$ 1,050,458</u>	<u>\$ 1,032,448</u>	<u>\$ 1,117,801</u>
Carrying amount	<u>\$ 1,050,458</u>	<u>\$ 1,032,448</u>	<u>\$ 1,117,801</u> (Concluded)

	For the Three Months Ended March 31	
	2022	2021
Operating revenue	<u>\$ 304,047</u>	<u>\$ 332,286</u>
Net profit (loss) for the year	\$ 77,965	\$ (201,082)
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income (loss) for the year	<u>\$ 77,965</u>	<u>\$ (201,082)</u>

Acquisition of associates

On December 1, 2020, the Group acquired 67,998,915 shares of L'Hotel De Chine Corporation for \$1,107,340 thousand in cash and \$50,000 thousand of contingent consideration agreement, which represented a shareholding of 23.10%. The Group 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)	<u>50,000</u>
	<u>\$ 1,157,340</u>

Note: According to the contingent consideration agreement, if the earnings per share of L'Hotel De Chine Corporation in 2020 did not meet the contractual agreement, the Group is not obligated to pay the contingent consideration. 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 Three Months Ended March 31	
	2022	2021
The Group's share of:		
Loss from continuing operations	\$ (2,160)	\$ (1,308)
Other comprehensive income	<u>3,222</u>	<u>5,249</u>
Total comprehensive income for the year	<u>\$ 1,062</u>	<u>\$ 3,941</u>

- b. The investment accounted for using the equity method and the Group's share of profit or loss from such investment are calculated by using each entity's unreviewed financial report.

16. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2022	December 31, 2021	March 31, 2021
Assets used by the Group	\$ 5,056,251	\$ 5,216,443	\$ 5,746,333
Assets leased under operating leases	<u>67,527</u>	<u>65,659</u>	<u>67,640</u>
	<u>\$ 5,123,778</u>	<u>\$ 5,282,102</u>	<u>\$ 5,813,973</u>

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, 2021	\$ 1,049,179	\$ 3,664,218	\$ 810,215	\$ 18,722	\$ 2,871,645	\$ 649,990	\$ 29,612	\$ 9,093,581
Additions	-	4,258	-	1,330	-	3,423	44,232	53,243
Disposals	-	-	(368)	-	-	-	-	(368)
Effect of foreign currency exchange differences	(70,315)	(247,049)	(12,441)	(23)	49	(27,551)	(958)	(358,288)
Balance at March 31, 2021	<u>\$ 978,864</u>	<u>\$ 3,421,427</u>	<u>\$ 797,406</u>	<u>\$ 20,029</u>	<u>\$ 2,871,694</u>	<u>\$ 625,862</u>	<u>\$ 72,886</u>	<u>\$ 8,788,168</u>
Revaluation								
Balance at January 1, 2021	\$ -	\$ -	\$ 15,806	\$ -	\$ -	\$ 357	\$ -	\$ 16,163
Effect of foreign currency exchange differences	-	-	-	-	-	-	-	-
Balance at March 31, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,806</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 357</u>	<u>\$ -</u>	<u>\$ 16,163</u>
Accumulated depreciation								
Balance at January 1, 2021	\$ -	\$ 154,485	\$ 573,788	\$ 13,217	\$ 1,759,806	\$ 256,385	\$ -	\$ 2,757,681
Depreciation expense	-	34,823	6,951	458	29,310	24,548	-	96,090
Disposals	-	-	(368)	-	-	-	-	(368)
Effect of foreign currency exchange differences	-	(11,880)	(1,929)	(8)	(3)	(6,802)	-	(20,622)
Balance at March 31, 2021	<u>\$ -</u>	<u>\$ 177,428</u>	<u>\$ 578,442</u>	<u>\$ 13,667</u>	<u>\$ 1,789,113</u>	<u>\$ 274,131</u>	<u>\$ -</u>	<u>\$ 2,832,781</u>
Accumulated impairment								
Balance at January 1, 2021	\$ -	\$ -	\$ 55,987	\$ -	\$ 169,292	\$ -	\$ -	\$ 225,279
Effect of foreign currency exchange differences	-	-	(46)	-	(16)	-	-	(62)
Balance at March 31, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,941</u>	<u>\$ -</u>	<u>\$ 169,276</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 225,217</u>
Carrying amount at January 1, 2021	<u>\$ 1,049,179</u>	<u>\$ 3,509,733</u>	<u>\$ 196,246</u>	<u>\$ 5,505</u>	<u>\$ 942,547</u>	<u>\$ 393,962</u>	<u>\$ 29,612</u>	<u>\$ 6,126,784</u>
Carrying amount at March 31, 2021	<u>\$ 978,864</u>	<u>\$ 3,243,999</u>	<u>\$ 178,829</u>	<u>\$ 6,362</u>	<u>\$ 913,305</u>	<u>\$ 352,088</u>	<u>\$ 72,886</u>	<u>\$ 5,746,333</u>
Cost								
Balance at January 1, 2022	\$ 913,842	\$ 3,192,852	\$ 791,304	\$ 17,094	\$ 2,873,727	\$ 628,619	\$ 86,208	\$ 8,503,646
Additions	-	20	5,986	-	-	6,297	4,092	16,395
Disposals	-	-	-	-	-	(237)	-	(237)
Reclassified from property under construction	-	-	-	-	-	187	(187)	-
Effect of foreign currency exchange differences	(19,658)	(69,093)	(1,332)	162	929	(7,062)	3,450	(92,604)
Balance at March 31, 2022	<u>\$ 894,184</u>	<u>\$ 3,123,779</u>	<u>\$ 795,958</u>	<u>\$ 17,256</u>	<u>\$ 2,874,656</u>	<u>\$ 627,804</u>	<u>\$ 93,563</u>	<u>\$ 8,427,200</u>
Revaluation								
Balance at January 1, 2022	\$ -	\$ -	\$ 15,806	\$ -	\$ -	\$ 230	\$ -	\$ 16,036
Effect of foreign currency exchange differences	-	-	-	-	-	-	-	-
Balance at March 31, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,806</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 230</u>	<u>\$ -</u>	<u>\$ 16,036</u>

(Continued)

	Land	Building	Machinery and Equipment	Transportation Equipment	Leasehold Improvement	Other Equipment	Property under Construction	Total
<u>Accumulated depreciation</u>								
Balance at January 1, 2022	\$ -	\$ 259,129	\$ 591,590	\$ 12,178	\$ 1,877,105	\$ 338,023	\$ -	\$ 3,078,025
Depreciation expense	-	31,322	6,472	373	29,210	24,470	-	91,847
Disposals	-	-	-	-	-	(167)	-	(167)
Effect of foreign currency exchange differences	-	(6,499)	953	63	455	(3,376)	-	(8,404)
Balance at March 31, 2022	<u>\$ -</u>	<u>\$ 283,952</u>	<u>\$ 599,015</u>	<u>\$ 12,614</u>	<u>\$ 1,906,770</u>	<u>\$ 358,950</u>	<u>\$ -</u>	<u>\$ 3,161,301</u>
<u>Accumulated impairment</u>								
Balance at January 1, 2022	\$ -	\$ -	\$ 55,939	\$ -	\$ 169,275	\$ -	\$ -	\$ 225,214
Effect of foreign currency exchange differences	-	-	348	-	122	-	-	470
Balance at March 31, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,287</u>	<u>\$ -</u>	<u>\$ 169,397</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 225,684</u>
Carrying amount at January 1, 2022	<u>\$ 913,842</u>	<u>\$ 2,933,723</u>	<u>\$ 159,581</u>	<u>\$ 4,916</u>	<u>\$ 827,347</u>	<u>\$ 290,826</u>	<u>\$ 86,208</u>	<u>\$ 5,216,443</u>
Carrying amount at March 31, 2022	<u>\$ 894,184</u>	<u>\$ 2,839,827</u>	<u>\$ 156,462</u>	<u>\$ 4,642</u>	<u>\$ 798,489</u>	<u>\$ 269,084</u>	<u>\$ 93,563</u>	<u>\$ 5,056,251</u>

(Concluded)

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

Buildings	
Office building	20 years
Storage and plant	20 years
Others	6-47 years
Machinery and equipment	2-20 years
Transportation equipment	3-8 years
Leasehold improvement	
Office building	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
<u>Cost</u>				
Balance at January 1, 2021	\$ 239,590	\$ 82,797	\$ 2,779	\$ 325,166
Effect of foreign currency exchange differences	(1,233)	(426)	(15)	(1,674)
Balance at March 31, 2021	<u>\$ 238,357</u>	<u>\$ 82,371</u>	<u>\$ 2,764</u>	<u>\$ 323,492</u>
<u>Accumulated depreciation</u>				
Balance at January 1, 2021	\$ 206,250	\$ 39,998	\$ 2,452	\$ 248,700
Depreciation expense	325	320	15	660
Effect of foreign currency exchange differences	(1,064)	(208)	(13)	(1,285)
Balance at March 31, 2021	<u>\$ 205,511</u>	<u>\$ 40,110</u>	<u>\$ 2,454</u>	<u>\$ 248,075</u>

(Continued)

	Machinery and Equipment	Leasehold Improvement	Other Equipment	Total
<u>Accumulated impairment</u>				
Balance at January 1, 2021	\$ -	\$ 7,817	\$ -	\$ 7,817
Effect of foreign currency exchange differences	-	(40)	-	(40)
Balance at March 31, 2021	<u>\$ -</u>	<u>\$ 7,777</u>	<u>\$ -</u>	<u>\$ 7,777</u>
Carrying amount at January 1, 2021	<u>\$ 33,340</u>	<u>\$ 34,982</u>	<u>\$ 327</u>	<u>\$ 68,649</u>
Carrying amount at March 31, 2021	<u>\$ 32,846</u>	<u>\$ 34,484</u>	<u>\$ 310</u>	<u>\$ 67,640</u>
<u>Cost</u>				
Balance at January 1, 2022	\$ 238,309	\$ 82,355	\$ 2,764	\$ 323,428
Effect of foreign currency exchange differences	<u>9,203</u>	<u>3,180</u>	<u>107</u>	<u>12,490</u>
Balance at March 31, 2022	<u>\$ 247,512</u>	<u>\$ 85,535</u>	<u>\$ 2,871</u>	<u>\$ 335,918</u>
<u>Accumulated depreciation</u>				
Balance at January 1, 2022	\$ 206,306	\$ 41,225	\$ 2,463	\$ 249,994
Depreciation expense	283	366	3	652
Effect of foreign currency exchange differences	<u>7,974</u>	<u>1,600</u>	<u>95</u>	<u>9,669</u>
Balance at March 31, 2022	<u>\$ 214,563</u>	<u>\$ 43,191</u>	<u>\$ 2,561</u>	<u>\$ 260,315</u>
<u>Accumulated impairment</u>				
Balance at January 1, 2022	\$ -	\$ 7,775	\$ -	\$ 7,775
Effect of foreign currency exchange differences	-	301	-	301
Balance at March 31, 2022	<u>\$ -</u>	<u>\$ 8,076</u>	<u>\$ -</u>	<u>\$ 8,076</u>
Carrying amount at January 1, 2022	<u>\$ 32,003</u>	<u>\$ 33,355</u>	<u>\$ 301</u>	<u>\$ 65,659</u>
Carrying amount at March 31, 2022	<u>\$ 32,949</u>	<u>\$ 34,268</u>	<u>\$ 310</u>	<u>\$ 67,527</u>
				(Concluded)

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

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

	March 31, 2022	December 31, 2021	March 31, 2021
Year 1	\$ 29,776	\$ 29,305	\$ 29,563
Year 2	22,371	29,382	29,650
Year 3	<u>-</u>	<u>-</u>	<u>22,279</u>
	<u>\$ 52,147</u>	<u>\$ 58,687</u>	<u>\$ 81,492</u>

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

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

- c. Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 36.

17. LEASE ARRANGEMENTS

- a. Right-of-use assets

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Carrying amount</u>			
Land use rights	\$ 556,612	\$ 559,926	\$ 595,804
Land improvement	769,589	778,637	774,196
Building	311,684	311,632	377,266
Machinery and equipment	44	60	112
Transportation equipment	<u>2,149</u>	<u>2,487</u>	<u>3,527</u>
	<u>\$ 1,640,078</u>	<u>\$ 1,652,742</u>	<u>\$ 1,750,905</u>
		For the Three Months Ended March 31	
		2022	2021
Additions to right-of-use assets		<u>\$ 12,084</u>	<u>\$ 1,589</u>
Depreciation charge for right-of-use assets			
Land use rights		\$ 6,502	\$ 6,493
Land improvement		9,048	8,891
Building		17,183	18,567
Machinery and equipment		15	17
Transportation equipment		<u>326</u>	<u>334</u>
		<u>\$ 33,074</u>	<u>\$ 34,302</u>

b. Lease liabilities

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Carrying amount</u>			
Current	\$ 140,966	\$ 132,442	\$ 124,942
Non-current	\$ 1,587,406	\$ 1,599,272	\$ 1,696,724

Ranges of discount rates for lease liabilities were as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
Land use rights	1.38%-5.46%	1.38%-5.46%	1.38%-5.46%
Land improvement	1.38%-1.58%	1.38%-1.58%	1.38%-1.58%
Building	1.30%-5.59%	1.30%-5.59%	1.30%-5.59%
Machinery and equipment	5.20%	5.20%	5.20%
Transportation equipment	2.00%-6.12%	2.00%-6.12%	2.00%-6.12%

c. Material leasing activities and terms as lessee

1) Warehousing and storage service at the wharves

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

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

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

Joint Operating Agreement

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

2) Healthcare business

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

d. Other lease information

The Group’s leases as lessor of property, plant and equipment and investment properties under operating leases are set out in Notes 16 and 18, respectively; finance leases of assets are set out in Note 11.

	For the Three Months Ended March 31	
	2022	2021
Expenses relating to short-term leases	<u>\$ 1,234</u>	<u>\$ 1,426</u>
Expenses relating to low-value asset leases	<u>\$ 257</u>	<u>\$ 323</u>
Total cash outflow for leases	<u>\$ (34,891)</u>	<u>\$ (36,411)</u>

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

18. INVESTMENT PROPERTIES

	Land	Building	Investment Property under Construction	Total
<u>Cost</u>				
Balance at January 1, 2021	\$ 2,168,581	\$ 305,852	\$ 127,139	\$ 2,601,572
Additions	-	-	1,590	1,590
Effect of foreign currency exchange differences	<u>(27,657)</u>	<u>(327)</u>	<u>(8,619)</u>	<u>(36,603)</u>
Balance at March 31, 2021	<u>\$ 2,140,924</u>	<u>\$ 305,525</u>	<u>\$ 120,110</u>	<u>\$ 2,566,559</u>

(Continued)

	Land	Building	Investment Property under Construction	Total
<u>Revaluation</u>				
Balance at January 1, 2021	\$ 3,739,647	\$ 151,645	\$ -	\$ 3,891,292
Effect of foreign currency exchange differences	-	-	-	-
Balance at March 31, 2021	<u>\$ 3,739,647</u>	<u>\$ 151,645</u>	<u>\$ -</u>	<u>\$ 3,891,292</u>
<u>Accumulated depreciation</u>				
Balance at January 1, 2021	\$ -	\$ 342,514	\$ -	\$ 342,514
Depreciation expenses	-	2,233	-	2,233
Effect of foreign currency exchange differences	-	(139)	-	(139)
Balance at March 31, 2021	<u>\$ -</u>	<u>\$ 344,608</u>	<u>\$ -</u>	<u>\$ 344,608</u>
<u>Accumulated impairment</u>				
Balance at January 1, 2021	\$ -	\$ 11,649	\$ -	\$ 11,649
Effect of foreign currency exchange differences	-	(59)	-	(59)
Balance at March 31, 2021	<u>\$ -</u>	<u>\$ 11,590</u>	<u>\$ -</u>	<u>\$ 11,590</u>
Carrying amount at January 1, 2021	<u>\$ 5,908,228</u>	<u>\$ 103,334</u>	<u>\$ 127,139</u>	<u>\$ 6,138,701</u>
Carrying amount at March 31, 2021	<u>\$ 5,880,571</u>	<u>\$ 100,972</u>	<u>\$ 120,110</u>	<u>\$ 6,101,653</u>
<u>Cost</u>				
Balance at January 1, 2022	\$ 2,163,359	\$ 296,540	\$ 182,533	\$ 2,642,432
Additions	-	-	12,245	12,245
Effect of foreign currency exchange differences	(7,732)	2,443	(4,166)	(9,455)
Balance at March 31, 2022	<u>\$ 2,155,627</u>	<u>\$ 298,983</u>	<u>\$ 190,612</u>	<u>\$ 2,645,222</u>
<u>Revaluation</u>				
Balance at January 1, 2022	<u>\$ 3,691,636</u>	<u>\$ 151,010</u>	<u>\$ -</u>	<u>\$ 3,842,646</u>
Balance at March 31, 2022	<u>\$ 3,691,636</u>	<u>\$ 151,010</u>	<u>\$ -</u>	<u>\$ 3,842,646</u>

(Continued)

	Land	Building	Investment Property under Construction	Total
<u>Accumulated depreciation</u>				
Balance at January 1, 2022	\$ -	\$ 343,073	\$ -	\$ 343,073
Depreciation expenses	-	2,164	-	2,164
Effect of foreign currency exchange differences	-	1,078	-	1,078
Balance at March 31, 2022	<u>\$ -</u>	<u>\$ 346,315</u>	<u>\$ -</u>	<u>\$ 346,315</u>
<u>Accumulated impairment</u>				
Balance at January 1, 2022	\$ -	\$ 11,588	\$ -	\$ 11,588
Effect of foreign currency exchange differences	-	446	-	446
Balance at March 31, 2022	<u>\$ -</u>	<u>\$ 12,034</u>	<u>\$ -</u>	<u>\$ 12,034</u>
Carrying amount at January 1, 2022	<u>\$ 5,854,995</u>	<u>\$ 92,889</u>	<u>\$ 182,533</u>	<u>\$ 6,130,417</u>
Carrying amount at March 31, 2022	<u>\$ 5,847,263</u>	<u>\$ 91,644</u>	<u>\$ 190,612</u>	<u>\$ 6,129,519</u>
				(Concluded)

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

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

	March 31, 2022	December 31, 2021	March 31, 2021
The fair values of investment properties	\$ 12,845,159	\$ 12,793,999	\$ 13,401,006
Discount rate	6.8458%	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 36.

19. INTANGIBLE ASSETS

	March 31, 2022	December 31, 2021	March 31, 2021
Computer software	\$ <u>6,808</u>	\$ <u>7,580</u>	\$ <u>9,923</u>

Except for amortization recognized, the Group did not have significant addition, disposal, or impairment of intangible assets during the three months ended March 31, 2022 and 2021.

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

Computer software	5 years
-------------------	---------

	For the Three Months Ended March 31	
	2022	2021
An analysis of amortization by function		
General and administrative expenses	\$ <u>627</u>	\$ <u>686</u>

20. OTHER ASSETS

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Current</u>			
Prepayments			
Prepaid guarantee for freight	\$ 48,140	\$ 56,452	\$ 40,776
Overpaid sales tax	23,854	29,723	33,644
Office supplies	6,190	5,282	8,337
Prepayment for purchase	302	354	149
Prepaid rents	698	778	2,334
Prepayment for investments	-	41,520	22,828
Others	<u>18,174</u>	<u>14,938</u>	<u>12,601</u>
	\$ <u>97,358</u>	\$ <u>149,047</u>	\$ <u>120,669</u>
Other current assets			
Others	\$ <u>1,681</u>	\$ <u>117</u>	\$ <u>-</u>
<u>Non-current</u>			
Other non-current assets			
Prepayments for equipment	\$ 18,342	\$ 17,339	\$ 18,019
Others	3,287	3,743	4,734
Overdue receivables (Note 9)	<u>-</u>	<u>-</u>	<u>-</u>
	\$ <u>21,629</u>	\$ <u>21,082</u>	\$ <u>22,753</u>

21. BORROWINGS

a. Short-term borrowings

	March 31, 2022	December 31, 2021	March 31, 2021
Secured borrowings	\$ -	\$ 209,000	\$ 80,000
Unsecured borrowings	<u>975,000</u>	<u>705,000</u>	<u>800,000</u>
	<u>\$ 975,000</u>	<u>\$ 914,000</u>	<u>\$ 880,000</u>

1) The ranges of interest rates on bank loans were 0.85%-1.10%, 0.85%-0.90% and 0.85%-0.95% per annum as of March 31, 2022, December 31, 2021 and March 31, 2021, respectively.

2) Refer to Note 36 for information on collaterals for the abovementioned borrowings.

b. Short-term bills payable

	March 31, 2022	December 31, 2021	March 31, 2021
Commercial paper	\$ 255,000	\$ 135,000	\$ -
Less: Unamortized discounts on bills payable	<u>(247)</u>	<u>(158)</u>	<u>-</u>
	<u>\$ 254,753</u>	<u>\$ 134,842</u>	<u>\$ -</u>

Outstanding short-term bills payable were as follows:

March 31, 2022

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate Range	Collateral
<u>Commercial paper</u>					
International Bills	\$ 135,000	\$ (111)	\$ 134,889	1.068%	None
China Bills	<u>120,000</u>	<u>(136)</u>	<u>119,864</u>	0.898%	None
	<u>\$ 255,000</u>	<u>\$ (247)</u>	<u>\$ 254,753</u>		

December 31, 2021

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate Range	Collateral
<u>Commercial paper</u>					
International Bills	<u>\$ 135,000</u>	<u>\$ (158)</u>	<u>\$ 134,842</u>	0.888%	None

c. Long-term borrowings

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Secured borrowings</u>			
Bank loans (1)	\$ 5,185,638	\$ 5,190,984	\$ 5,566,166
Loans from governments (2)	2,131,966	2,170,902	2,365,409
<u>Unsecured borrowings</u>			
Bank loans (3)	<u>1,464,740</u>	<u>1,494,900</u>	<u>1,108,110</u>
	8,782,344	8,856,786	9,039,685
Less: Current portion	<u>(939,839)</u>	<u>(947,847)</u>	<u>(523,462)</u>
Long-term borrowings	<u>\$ 7,842,505</u>	<u>\$ 7,908,939</u>	<u>\$ 8,516,223</u>

- 1) The Group signed medium-term secured loan contracts with First Commercial Bank, Cathay United Bank, Bank SinoPac, China Trust Commercial Bank and Taiwan Cooperative Bank, respectively. The bank loans are to be repaid at once or in instalments according to the agreement. The facilities allow drawdown on a revolving basis. For the three months ended March 31, 2022 and 2021, the Group has not drawn any new bank loan, and the annual interest rates were 1.05%-1.48%, 1.05%-1.29% and 1.05%-1.29%, respectively. The loan is repayable in 5 to 7 years, and the final maturity date of the loan is May 28, 2027.
- 2) The Group entered into a secured government loan facility contract with Okinawa Development Finance Corporation. The loan is to be repaid in installments according to the repayment schedule in the contract. For the three months ended March 31, 2022 and 2021, the Group has not drawn any new loan, and the annual interest rate 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 Bank SinoPac, Taishin Bank and China Trust Commercial Bank. The bank loan is to be repaid at once or in instalments according to the agreement. The facility allows drawdown on a revolving basis. For the three months ended March 31, 2022 and 2021, the Group has not drawn any new bank loan, and the annual interest rates are 1.05%-1.42%, 1.05%-1.41% and 1.28%-1.29%, 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 36 for information on collaterals for the abovementioned borrowings.

22. NOTES PAYABLE AND TRADE PAYABLES

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Notes payable</u>			
Operating	<u>\$ 2,273</u>	<u>\$ 3,351</u>	<u>\$ 2,099</u>
<u>Trade payables</u>			
Operating	<u>\$ 65,571</u>	<u>\$ 118,141</u>	<u>\$ 74,374</u>

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

23. OTHER LIABILITIES

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Current</u>			
Other payables			
Payables for salaries and bonuses	\$ 60,821	\$ 93,678	\$ 70,686
Payables for machinery and equipment and construction in progress (Note 32)	221	235	697
Payables for VAT	89,463	82,645	140,371
Payables for interests	1,728	1,397	2,135
Payables for professional fees	4,967	7,453	2,726
Payables for insurance	4,575	4,474	4,137
Payables for contingent consideration (Note 15)	-	-	50,000
Others	<u>32,156</u>	<u>37,860</u>	<u>30,027</u>
	<u>\$ 193,931</u>	<u>\$ 227,742</u>	<u>\$ 300,779</u>
Advanced receipts			
Advanced rental receipts	<u>\$ 7,111</u>	<u>\$ 8,820</u>	<u>\$ 10,177</u>
Other liabilities			
Receipts under custody	<u>\$ 3,894</u>	<u>\$ 2,870</u>	<u>\$ 9,310</u>
<u>Non-current</u>			
Deferred revenue			
Government grants (Note 31)	<u>\$ 356,283</u>	<u>\$ 367,431</u>	<u>\$ 404,232</u>

24. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

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

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

For the three months ended on March 31, 2022 and 2021, the amounts included in the consolidated statements of comprehensive income in respect of the Group's defined contribution plan were \$3,219 thousand and \$2,994 thousand, respectively.

b. Defined benefit plan

For the three months ended March 31, 2022 and 2021, the pension expenses of defined benefit plans were \$446 thousand and \$584 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2021 and 2020, respectively.

25. EQUITY

a. Share capital

Ordinary shares

	March 31, 2022	December 31, 2021	March 31, 2021
Shares authorized (in thousands of shares)	1,500,000	1,500,000	1,500,000
Amount of shares authorized	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000
Shares issued and fully paid (in thousands of shares)	774,781	774,781	774,781
Amount of shares issued and fully paid	\$ 7,747,805	\$ 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

	March 31, 2022	December 31, 2021	March 31, 2021
<u>May only be used to offset a deficit (1)</u>			
Treasury share transactions	\$ 367,772	\$ 367,772	\$ 367,772
Unclaimed dividends extinguished by prescription	12,034	12,054	11,908
Unclaimed dividends extinguished by prescription of subsidiaries	198	198	-
Changes in equity of associates accounted for using the equity method	8,077	3,461	-
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (2)</u>			
Treasury share transaction			
Dividends paid to subsidiaries	710,800	710,800	555,790
Disposal of treasury shares	24,829	24,829	24,901
Share-based payment	15,428	15,428	1,200

(Continued)

	March 31, 2022	December 31, 2021	March 31, 2021
Share-based payment of subsidiaries and second - tier subsidiaries	\$ 4,747	\$ 4,747	\$ -
Difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal	<u>7</u>	<u>7</u>	<u>7</u>
	<u>\$ 1,143,892</u>	<u>\$ 1,139,296</u>	<u>\$ 961,578</u> (Concluded)

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

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the 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 27(g).

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 appropriation of earnings for 2021 proposed in the board of directors' meeting on May 3, 2022 and the appropriation of earnings for 2020 approved in the shareholders' regular meeting on August 18, 2021 were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2021	2020
Legal reserve	\$ 68,062	\$ 183,510
Cash dividends	\$ 502,675	\$ 1,079,560
Cash dividends per share (NT\$)	\$ 0.65	\$ 1.4

The appropriation of earnings for 2021 is subject to the resolution of the shareholders in the shareholders' regular meeting to be held on June 14, 2022.

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 March 31, 2022, December 31, 2021 and March 31, 2021 were as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
Appropriation in respect of the Articles of Incorporation of the Company	\$ 295,756	\$ 295,756	\$ 295,756
First application of Rule issued by the FSC			
Revaluation of investment properties (Note)	1,793,450	1,793,450	1,811,158
Exchange differences on translation of the financial statements of foreign operations	<u>168,790</u>	<u>168,790</u>	<u>168,790</u>
	<u>\$ 2,257,996</u>	<u>\$ 2,257,996</u>	<u>\$ 2,275,704</u>

Note: In the first half of 2021, the Group reversed \$17,708 thousand of revaluation of investment properties originated from the first application of rule issued by the FSC due to the completion of subsequent disposal transactions.

e. Other equity items

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

	For the Three Months Ended March 31	
	2022	2021
Balance at January 1	<u>\$ (800,236)</u>	<u>\$ (404,225)</u>
Recognized for the period		
Exchange differences on translation of the financial statements of foreign operations	110,217	(121,534)
Shares from associates accounted for using the equity method	1,638	(258)
Related income tax	<u>(26,083)</u>	<u>38,923</u>
Other comprehensive income recognized for the period	<u>85,772</u>	<u>(82,869)</u>
Balance at March 31	<u>\$ (714,464)</u>	<u>\$ (487,094)</u>

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

	For the Three Months Ended March 31	
	2022	2021
Balance at January 1	\$ 6,779,354	\$ 5,343,439
Recognized for the period		
Unrealized gain on financial instrument at FVTOCI	536,447	1,056,294
Unrealized gain on financial assets at FVTOCI held by associates accounted for using the equity method	<u>14,255</u>	<u>38,951</u>
Other comprehensive income recognized for the period	<u>550,702</u>	<u>1,095,245</u>
Balance at March 31	<u>\$ 7,330,056</u>	<u>\$ 6,438,684</u>

f. Non-controlling interests

	For the Three Months Ended March 31	
	2022	2021
Balance at January 1	\$ 884,865	\$ 835,202
Share in profit for the period	3,386	6,797
Other comprehensive income during the period		
Exchange differences on translation of the financial statements of foreign entities	7,464	(1,236)
Related income tax	(1,130)	147
Unrealized gain on financial assets at FVTOCI	22,692	43,357
Unrealized gain on financial assets at FVTOCI held by associates accounted for using the equity method	<u>211</u>	<u>343</u>
Balance at March 31	<u>\$ 917,488</u>	<u>\$ 884,610</u>

g. Treasury shares

Purpose of Buy-back	Shares Transferred to Employees (In Thousands of Shares)	Shares Held by Subsidiaries (In Thousands of Shares)	Total (In Thousands of Shares)
Number of shares at January 1, 2021	4,435	127,371	131,806
Increase during the period	-	-	-
Decrease during the period	<u>(769)</u>	<u>-</u>	<u>(769)</u>
Number of shares at March 31, 2021	<u>3,666</u>	<u>127,371</u>	<u>131,037</u>
Number of shares at January 1, 2022	1,435	127,371	128,806
Increase during the period	-	-	-
Decrease during the period	<u>-</u>	<u>-</u>	<u>-</u>
Number of shares at March 31, 2022	<u>1,435</u>	<u>127,371</u>	<u>128,806</u>

To motivate employees and enhance the internal cohesion in the company, the Company adopts “The First Rules on Transfer Repurchased Shares to Employees” in accordance with Article 28.2.1.1 of R.O.C. Securities and Exchange Law and “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies” enacted by Financial Supervisory Commission. The repurchased shares transferred to employees by the Company, in addition to complying with competent laws and regulations, shall be processed subject to the Rules.

In the first quarter of 2021, the Company transferred 769 thousand treasury shares to its employees at the price of \$13.7 per share; the treasury shares were repurchased in 2018 under the first repurchase plan. The Company recognized \$1,200 thousand of compensation costs on the grant date, and recognized a deduction of \$24 thousand of capital surplus-treasury shares transaction on the shares settlement date. Refer to Note 30 for information on share-based payment arrangements.

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

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
<u>March 31, 2022</u>			
<u>By direct investment</u>			
Tong Yang Chia Hsin International Corporation	127,371	<u>\$ 1,055,710</u>	<u>\$ 2,326,318</u> (Continued)

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
<u>December 31, 2021</u>			
<u>By direct investment</u>			
Tong Yang Chia Hsin International Corporation	127,371	<u>\$ 1,055,710</u>	<u>\$ 2,304,110</u>
<u>March 31, 2021</u>			
<u>By direct investment</u>			
Tong Yang Chia Hsin International Corporation	127,371	<u>\$ 1,055,710</u>	<u>\$ 2,315,214</u> (Concluded)

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to 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.

26. REVENUE

	For the Three Months Ended March 31	
	2022	2021
Revenue from contracts with customers		
Revenue from the sale of goods	\$ 237,681	\$ 275,960
Revenue from rent	69,680	62,316
Revenue from rendering of services	160,541	163,004
Revenue from catering and hospitality	<u>44,675</u>	<u>43,246</u>
	<u>\$ 512,577</u>	<u>\$ 544,526</u>

a. Contract information

Revenue from the sale of goods

The main operating revenue of the Group is from the sales of cement and other 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 services

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

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

b. Contract balances

	March 31, 2022	December 31, 2021	March 31, 2021	January 1, 2021
Notes receivable and trade receivables from unrelated parties (Note 9)	<u>\$ 208,723</u>	<u>\$ 215,745</u>	<u>\$ 229,493</u>	<u>\$ 256,134</u>
Trade receivables from related parties (Note 35)	<u>\$ 5,167</u>	<u>\$ 10,864</u>	<u>\$ 3,528</u>	<u>\$ 4,041</u>
Contract liabilities - current	<u>\$ 33,531</u>	<u>\$ 23,704</u>	<u>\$ 15,750</u>	<u>\$ 13,154</u>

c. Disaggregation of revenue

For information on disaggregation of revenue, please refer to Note 41.

27. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations was attributable to:

a. Interest income

	For the Three Months Ended March 31	
	2022	2021
Bank deposits	\$ 11,302	\$ 14,977
Loans to related parties (Note 35)	<u>-</u>	<u>67</u>
	<u>\$ 11,302</u>	<u>\$ 15,044</u>

b. Other income

	For the Three Months Ended March 31	
	2022	2021
Rental income	\$ 8,134	\$ 7,998
Government grants (Note 31)	6,283	4,832
Others	<u>3,877</u>	<u>1,817</u>
	<u>\$ 18,294</u>	<u>\$ 14,647</u>

c. Other gains and losses

	For the Three Months Ended March 31	
	2022	2021
Loss on disposal of property, plant and equipment	\$ (66)	\$ -
Net foreign exchange gain (loss) (h)	20,434	(7,229)
Gain on fair value changes of financial assets at FVTPL	32,776	85,652
Others	<u>(219)</u>	<u>(1,552)</u>
	<u>\$ 52,925</u>	<u>\$ 76,871</u>

d. Finance costs

	For the Three Months Ended March 31	
	2022	2021
Interest on bank loans	\$ 31,360	\$ 33,649
Interest on lease liabilities	8,980	9,640
Less: Capitalized interest amount	<u>(1,026)</u>	<u>(1,045)</u>
	<u>\$ 39,314</u>	<u>\$ 42,244</u>

Information on capitalized interest is as follows:

	For the Three Months Ended March 31	
	2022	2021
Capitalized interest amount	\$ 1,026	\$ 1,045
Capitalization rate	0.96%-1.29%	1.29%

e. Depreciation and amortization

	For the Three Months Ended March 31	
	2022	2021
Property, plant and equipment	\$ 92,499	\$ 96,750
Investment properties	2,164	2,233
Right-of-use assets	33,074	34,302
Intangible assets	<u>627</u>	<u>686</u>
	<u>\$ 128,364</u>	<u>\$ 133,971</u>
An analysis of depreciation by function		
Operating costs	\$ 107,050	\$ 104,564
Operating expenses	<u>20,687</u>	<u>28,721</u>
	<u>\$ 127,737</u>	<u>\$ 133,285</u>
An analysis of amortization by function		
Operating expenses	<u>\$ 627</u>	<u>\$ 686</u>

f. Employee benefits expense

	For the Three Months Ended March 31	
	2022	2021
Short-term benefits	\$ 93,934	\$ 101,329
Post-employment benefits (Note 24)		
Defined contribution plans	3,219	2,994
Defined benefit plans	446	584
Share-based payments		
Equity-settled	-	1,200
Other employee benefits	<u>3,967</u>	<u>3,793</u>
	<u>\$ 101,566</u>	<u>\$ 109,900</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 40,944	\$ 48,489
Operating expenses	<u>60,622</u>	<u>61,411</u>
	<u>\$ 101,566</u>	<u>\$ 109,900</u>

g. Compensation of employees and remuneration of directors

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

The Company had loss before income tax for the three months ended March 31, 2022 and 2021. Therefore, no compensation of employees and remuneration of directors was accrued for the relevant period.

The compensation of employees and remuneration of directors 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:

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 amounts of compensation of employees and remuneration of directors resolved by the board of directors on March 22, 2022 and the amounts recognized in the consolidated financial statements for the years ended December 31, 2021.

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the financial statements for the year ended December 31, 2020.

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

h. Gains and losses on foreign currency exchange

	For the Three Months Ended March 31	
	2022	2021
Foreign exchange gains	\$ 27,512	\$ 16,259
Foreign exchange losses	<u>(7,078)</u>	<u>(23,488)</u>
Net foreign exchange gains (losses)	<u>\$ 20,434</u>	<u>\$ (7,229)</u>

28. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended March 31	
	2022	2021
Current tax		
In respect of the current period	\$ 4,093	\$ 2,380
Deferred tax		
In respect of the current period	<u>21,900</u>	<u>7,095</u>
Income tax expense recognized in profit or loss	<u>\$ 25,993</u>	<u>\$ 9,475</u>

b. Income tax recognized in other comprehensive income

	For the Three Months Ended March 31	
	2022	2021
<u>Deferred tax</u>		
In respect of the current period		
Translation of foreign operations	<u>\$ (27,213)</u>	<u>\$ 39,070</u>
Total income tax recognized in other comprehensive income	<u>\$ (27,213)</u>	<u>\$ 39,070</u>

c. 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., Jaho Life Plus+ Management Corp., Ltd., 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 entities in the Group do not involve in any material pending action in regard of taxation.

29. LOSS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended March 31	
	2022	2021
Basic loss per share	\$ (0.12)	\$ (0.20)
Diluted loss per share	\$ (0.12)	\$ (0.20)

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

Net Loss for the Year

	For the Three Months Ended March 31	
	2022	2021
Loss for the period attributable to owners of the Company	\$ (80,636)	\$ (127,102)
Effect of potentially dilutive ordinary shares		
Compensation of employees	-	-
Loss used in the computation of diluted loss per share	\$ (80,636)	\$ (127,102)

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

	For the Three Months Ended March 31	
	2022	2021
Weighted average number of ordinary shares used in the computation of basic loss per share	645,975	643,139
Effect of potentially dilutive ordinary shares:		
Compensation of employees (Note)	-	-
Weighted average number of ordinary shares used in the computation of diluted loss per share	645,975	643,139

Note: The balance for the three months ended March 31, 2022 and 2021 was anti-dilutive and excluded from the computation of diluted earnings per share.

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares 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.

30. SHARE-BASED PAYMENT ARRANGEMENTS

Transaction of Treasury Shares Granted to Employees

To motivate employees and enhance the internal cohesion in the group, in the first quarter of 2021 the Group registered to transfer to its employees who met specific criteria a total of 769,000 shares; the shares were repurchased in 2018 under the first repurchase plan. The related information was as follows:

	For the Three Months Ended March 31, 2021	
	Granted on January 19, 2021	
	Number of Shares (In Thousands of Shares)	Weighted- average Exercise Price (\$)
Treasury Shares Granted to Employees		
Balance at January 1	-	\$13.7
Shares granted	769	
Shares exercised	(769)	
Shares expired	<u>-</u>	
Balance at March 31	<u>-</u>	
Shares exercisable, end of the period	<u>-</u>	
Weighted-average fair value of shares granted (\$)	<u>\$ 1.56</u>	

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

	Granted on January 19, 2021
Exercise price (\$)	\$13.7
Fair value (\$)	\$1.56
Expected rate of volatility	22.12%
Duration	39 days
Risk-free rate of interest	0.17%

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

31. 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 March 31, 2022, December 31, 2021, and March 31 2021, the amount of deferred revenue was JPY1,514,167 thousand, JPY1,527,779 thousand, and JPY1,568,615 thousand (equivalent to \$356,283 thousand, \$367,431 thousand and \$404,232 thousand), respectively. The deferred revenue will be reclassified to other revenue gradually along with the depreciation recognized over the estimated useful lives of buildings acquired. For the three months ended March 31, 2022 and 2021, a total of JPY13,612 thousand and JPY13,612 thousand (equivalent to \$3,281 thousand and \$3,645 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 three months ended March 31, 2022 and 2021, the Group has recognized JPY12,456 thousand and JPY4,434 thousand (equivalent to \$3,002 thousand and \$1,187 thousand) in total under other income, respectively.

32. CASH FLOW INFORMATION

- a. Non-cash transactions

For the three months ended March 31, 2022 and 2021, the Group entered into the following non-cash investing and financing activities which were not reflected in the statements of cash flows:

- 1) As of March 31, 2022, December 31, 2021 and March 31, 2021, the payables for equipment - property, plant and equipment were \$221 thousand, \$235 thousand and \$697 thousand, respectively.
- 2) As of March 31, 2021, the related contingent consideration of \$50,000 thousand of acquisition of associates has not yet been paid and was recognized under other payables.
- 3) The Group transferred \$41,520 thousand of prepayment for investments into financial assets at FVTPL for the three months ended March 31, 2022.

- b. Changes in liabilities arising from financing activities

For the three months ended March 31, 2022

	Opening Balance	Cash Flows	Non-cash Changes				Closing Balance
			New Leases	Amortization of Interest Expense	Change in Exchange Rate	Others	
Short-term borrowings	\$ 914,000	\$ 61,000	\$ -	\$ -	\$ -	\$ -	\$ 975,000
Short-term bills payable	134,842	120,000	-	(89)	-	-	254,753
Long-term borrowings	8,856,786	-	-	8,197	(82,639)	-	8,782,344
Guarantee deposits received	118,546	(557)	-	-	73	-	118,062
Lease liabilities	1,731,714	(24,420)	12,084	8,980	8,994	(8,980)	1,728,372
	<u>\$ 11,755,888</u>	<u>\$ 156,023</u>	<u>\$ 12,084</u>	<u>\$ 17,088</u>	<u>\$ (73,572)</u>	<u>\$ (8,980)</u>	<u>\$ 11,858,531</u>

For the three months ended March 31, 2021

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

33. CAPITAL MANAGEMENT

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

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

The management of the Group periodically reviews its capital structure. As part of the review, the management considers the cost of capital, financial ratios required by loans and related risks in determining the proper structure for its capital. 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.

34. 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

March 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares in domestic market	\$ 1,064,471	\$ -	\$ -	\$ 1,064,471
Listed shares in foreign market	53,607	-	-	53,607
Mutual funds	<u>45,833</u>	<u>313,403</u>	<u>-</u>	<u>359,236</u>
	<u>\$ 1,163,911</u>	<u>\$ 313,403</u>	<u>\$ -</u>	<u>\$ 1,477,314</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Listed shares in domestic market	\$ 15,325,997	\$ -	\$ -	\$ 15,325,997
Unlisted shares in domestic market	<u>-</u>	<u>-</u>	<u>458,894</u>	<u>458,894</u>
	<u>\$ 15,325,997</u>	<u>\$ -</u>	<u>\$ 458,894</u>	<u>\$ 15,784,891</u> (Concluded)

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	<u>61,766</u>	<u>251,261</u>	<u>-</u>	<u>313,027</u>
	<u>\$ 1,136,047</u>	<u>\$ 251,261</u>	<u>\$ -</u>	<u>\$ 1,387,308</u>

Financial assets at FVTOCI				
Listed shares in domestic market	\$ 14,740,532	\$ -	\$ -	\$ 14,740,532
Unlisted shares in domestic market	<u>-</u>	<u>-</u>	<u>394,326</u>	<u>394,326</u>
	<u>\$ 14,740,532</u>	<u>\$ -</u>	<u>\$ 394,326</u>	<u>\$ 15,134,858</u>

March 31, 2021

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

Financial assets at FVTOCI				
Listed shares in domestic market	\$ 14,381,985	\$ -	\$ -	\$ 14,381,985
Unlisted shares in domestic market	<u>-</u>	<u>-</u>	<u>320,773</u>	<u>320,773</u>
	<u>\$ 14,381,985</u>	<u>\$ -</u>	<u>\$ 320,773</u>	<u>\$ 14,702,758</u>

There were no transfers between Levels 1 and 2 in the three months ended March 31, 2022 and 2021.

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

For the three months ended March 31, 2022

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2022	\$ 394,326
Purchase	91,485
Recognized in other comprehensive income	<u>(26,917)</u>
Balance at March 31, 2022	<u>\$ 458,894</u>

For the three months ended March 31, 2021

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

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

The Group holds unlisted shares. The significant unobservable input in the measurement of such investments is liquidity discount. The fair value of unlisted shares is determined using market approach where the fair value of the shares of similar or peer companies is used as reference. As of March 31, 2022, December 31, 2021 and March 31, 2021, the ranges of liquidity discount used were 20.00%-44.22%, 20.00%-30.00% and 18.46%-30.00%, respectively

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

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

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

c. Categories of financial instrument

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	\$ 1,477,314	\$ 1,387,308	\$ 1,323,303
Financial assets measured at amortized cost			
(1)	6,738,416	6,636,531	6,714,012
Financial assets at FVTOCI			
Equity instruments	15,784,891	15,134,858	14,702,758
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (2)	10,321,311	10,316,693	10,238,514
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 from unrelated parties, trade receivables from unrelated parties, trade receivables from related parties, other receivables from unrelated parties, other receivables from related parties, financial assets at amortized cost, and refundable deposits.
- 2) The balances include financial liabilities measured at amortized cost, which comprise short-term loans, short-term bills payable, notes payable to unrelated parties, trade payables to unrelated parties, trade payables to 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 payable, long-term borrowings, and guarantee deposits.
- 3) Refer to Note 15 for information on the contingent consideration of acquisition of associates.

d. Financial risk management objectives and policies

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

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

1) Market risk

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

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

a) Foreign currency risk

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

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

The carrying amounts of the Group's foreign-currency-denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 38.

Sensitivity analysis

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 Three Months Ended		For the Three Months Ended	
	March 31		March 31	
	2022	2021	2022	2021
Profit or loss	\$ 49,547 (i)	\$ 87,525 (i)	\$ 89 (ii)	\$ 16,625 (ii)

	EUR Impact		JPY Impact	
	For the Three Months Ended		For the Three Months Ended	
	March 31		March 31	
	2022	2021	2022	2021
Profit or loss	\$ 8,703 (iii)	\$ 9,199 (iii)	\$ 38,348 (iv)	\$ 17,596 (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 period.
- 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 period.
- 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 period.
- 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 period.

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 changes in EUR did not change materially compared with the previous accounting period.

b) Interest rate risk

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

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

	March 31, 2022	December 31, 2021	March 31, 2021
Fair value interest rate risk			
Financial assets	\$ 4,772,158	\$ 4,714,030	\$ 4,840,333
Financial liabilities	4,640,091	4,451,458	4,567,075
Cash flow interest rate risk			
Financial assets	1,588,143	1,559,205	1,483,281
Financial liabilities	7,100,378	7,185,884	7,174,276

Sensitivity analysis

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

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2022 and 2021 would have decreased/increased by \$3,445 thousand and \$3,557 thousand, respectively.

For the three months ended March 31, 2022, the Group's sensitivity to interest rate did not change materially compared with the previous accounting period.

c) Other price risk

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

Sensitivity analysis

The sensitivity analysis below is based on the exposure to equity price risk at the end of the period.

If equity prices (except for equity securities of Taiwan Cement Corporation) had been 1% higher/lower, the pre-tax profit or loss for the three months ended March 31, 2022 would have increased/decreased by \$4,128 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for three months ended March 31, 2022 would have increased/decreased by \$6,742 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 three months ended March 31, 2022 would have increased/decreased by \$10,645 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the three months ended March 31, 2022 would have increased/decreased by \$151,107 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 three months ended March 31, 2021 would have increased/decreased by \$3,250 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for three months ended March 31, 2021 would have increased/decreased by \$5,308 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 three months ended March 31, 2021 would have increased/decreased by \$9,983 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the three months ended March 31, 2021 would have increased/decreased by \$141,719 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 of the financial assets 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. At the end of the accounting period, the Group's maximum exposure to credit risk which would cause a financial loss to the Group due to failure of counterparties to discharge their obligations and due to the financial guarantees provided by the Group, could be equal to the carrying amount of the respective recognized financial assets as stated in the balance sheets and the amount that could arise as liabilities on financial guarantees provided by the Group.

The Group adopted a policy of only dealing with creditworthy counterparties and 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 March 31, 2022, December 31, 2021 and March 31, 2021, trade receivables from the top 10 customers were 73%, 67% and 84%, respectively, of total trade receivables.

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

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

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2022, December 31, 2021 and March 31, 2021, 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.

March 31, 2022

	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	\$ 91,355	\$ 108,115	\$ 21,304	\$ 38,402	\$ 50,038
Fixed interest rate liabilities	465,408	376,057	61,403	499,992	1,838,224
Lease liabilities	27,095	12,806	135,298	524,910	1,356,145
Variable interest rate liabilities	<u>207,294</u>	<u>442,839</u>	<u>699,322</u>	<u>5,508,550</u>	<u>461,135</u>
	<u>\$ 791,152</u>	<u>\$ 939,817</u>	<u>\$ 917,327</u>	<u>\$ 6,571,854</u>	<u>\$ 3,705,542</u>

Additional information on the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 175,199</u>	<u>\$ 524,910</u>	<u>\$ 442,761</u>	<u>\$ 382,379</u>	<u>\$ 329,603</u>	<u>\$ 201,402</u>

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	<u>508,396</u>	<u>13,437</u>	<u>883,781</u>	<u>5,547,758</u>	<u>462,358</u>
	<u>\$ 1,118,248</u>	<u>\$ 296,107</u>	<u>\$ 1,144,680</u>	<u>\$ 6,623,979</u>	<u>\$ 3,769,498</u>

Additional information on the maturity analysis of lease liabilities:

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

March 31, 2021

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

Additional information on the maturity analysis for lease liabilities:

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

b) Financing facilities

	March 31, 2022	December 31, 2021	March 31, 2021
Unsecured bank overdraft facilities, reviewed annually and payable on demand:			
Amount used	\$ 2,694,740	\$ 2,334,900	\$ 1,938,110
Amount unused	<u>4,079,420</u>	<u>4,176,700</u>	<u>4,581,540</u>
	<u>\$ 6,774,160</u>	<u>\$ 6,511,600</u>	<u>\$ 6,519,650</u>
Secured bank overdraft facilities:			
Amount used	\$ 7,596,059	\$ 7,863,674	\$ 8,322,016
Amount unused	<u>940,000</u>	<u>831,000</u>	<u>690,000</u>
	<u>\$ 8,536,059</u>	<u>\$ 8,694,674</u>	<u>\$ 9,012,016</u>

35. 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
Shanghai Chang Hsin Shipping Co., Ltd. (Note)	Associate
FDC International Hotels Corporation	Associate
Chia Hsin Winn Corp.	Substantive related party
Sung Ju Investment Corp.	Substantive related party
La Trinite Naturelle Corp.	Substantive related party
Chia Hsin Foundation	Substantive related party
Taiwan Transport & Storage Corp.	The Company acts as a member of the B.O.D. of its ultimate parent company

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

b. Revenue

Line Item	Related Party Category/Name	For the Three Months Ended March 31	
		2022	2021
Rental revenue	Associates	\$ 5,236	\$ 3,996
	Substantive related parties	1,911	1,911
	The Company acts as a member of the B.O.D. of its ultimate parent company	<u>617</u>	<u>611</u>
		<u>\$ 7,764</u>	<u>\$ 6,518</u>
Service revenue	The Company acts as a member of the B.O.D.	<u>\$ 7,973</u>	<u>\$ 6,767</u>

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

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

c. Cost of goods sold

Line Item	Related Party Category/Name	For the Three Months Ended March 31	
		2022	2021
Purchases of goods	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	\$ 125,950	\$ 119,400
	Substantive related parties	\$ 211	\$ 176

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

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

Line Item	Related Party Category	March 31, 2022	December 31, 2021	March 31, 2021
Trade receivables	Associates			
	FDC International Hotels Corporation	\$ 1,650	\$ 780	\$ 1,003
	Others	13	15	13
	The Company acts as a member of the B.O.D.			
	Taiwan Cement Corporation	3,499	10,064	2,507
	Substantive related parties	<u>5</u>	<u>5</u>	<u>5</u>
		<u>\$ 5,167</u>	<u>\$ 10,864</u>	<u>\$ 3,528</u>
Other receivables	Associates	<u>\$ 317</u>	<u>\$ 317</u>	<u>\$ 594</u>

The outstanding trade and other receivables from related parties are unsecured. For the three months ended March 31, 2022 and 2021, no impairment loss was recognized for trade and other receivables from related parties.

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

Line Item	Related Party Category	March 31, 2022	December 31, 2021	March 31, 2021
Trade payables	The Company acts as a member of the B.O.D.			
	Taiwan Cement Corporation	\$ 84,158	\$ 123,932	\$ 94,027
	Substantive related parties	<u>71</u>	<u>78</u>	<u>69</u>
		<u>\$ 84,229</u>	<u>\$ 124,010</u>	<u>\$ 94,096</u>
Other payables	Substantive related parties	<u>\$ 7</u>	<u>\$ 72</u>	<u>\$ 2</u>

The outstanding trade payables to related parties are unsecured.

f. Lease arrangements

The Group is lessor under operating leases

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

Future lease payment receivables are as follows:

Related Party Category/Name	March 31, 2022	December 31, 2021	March 31, 2021
Associates	\$ 2,723	\$ 1,000	\$ 2,723
Substantive related parties	9,770	11,776	396
The Company acts as a member of the B.O.D. of its ultimate parent company	<u>6,254</u>	<u>6,619</u>	<u>8,754</u>
	<u>\$ 18,747</u>	<u>\$ 19,395</u>	<u>\$ 11,873</u>

g. Loans to related parties

Line Item	Related Party Category/Name	March 31, 2022	December 31, 2021	March 31, 2021
Other receivables	Associates			
	LDC ROME HOTELS S.R.L.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,856</u>
Other receivables - interest receivables	Associates			
	LDC ROME HOTELS S.R.L.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 223</u>

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

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

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

h. Others

Line Item	Related Party Category/Name	March 31, 2022	December 31, 2021	March 31, 2021
Refundable deposits	Substantive related parties	\$ 168	\$ 168	\$ 168
	Associates	971	971	971
	The Company acts as a member of the B.O.D. of its ultimate parent company	<u>423</u>	<u>423</u>	<u>423</u>
		<u>\$ 1,562</u>	<u>\$ 1,562</u>	<u>\$ 1,562</u>

Line Item	Related Party Category/Name	For the Three Months Ended March 31	
		2022	2021
General and administrative expenses	Substantive related parties	\$ <u>2,263</u>	\$ <u>1,877</u>

i. Endorsements and guarantees

Endorsements and guarantees provided by the Group

	March 31, 2022		December 31, 2021		March 31, 2021	
	Amount Utilized	Amount Endorsed	Amount Utilized	Amount Endorsed	Amount Utilized	Amount Endorsed
Associates						
LDC ROME						
HOTELS S.R.L.	\$ <u>306,432</u>	\$ <u>340,000</u>	\$ <u>300,672</u>	\$ <u>340,000</u>	\$ <u>321,408</u>	\$ <u>447,600</u>

j. Remuneration of key management personnel

The remuneration of key management personnel are as follows:

	For the Three Months Ended March 31	
	2022	2021
Short-term employee benefits	\$ 6,018	\$ 6,068
Share-based payments	<u>-</u>	<u>236</u>
	\$ <u>6,018</u>	\$ <u>6,304</u>

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

36. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	March 31, 2022	December 31, 2021	March 31, 2021
Financial assets at amortized cost - non-current	\$ 27,356	\$ 25,856	\$ 25,794
Carrying amount of property, plant and equipment	<u>2,939,575</u>	<u>3,019,056</u>	<u>3,281,640</u>
Land	889,516	909,174	974,196
Buildings	2,050,059	2,109,882	2,307,444
Carrying amount of investment properties	<u>3,188,473</u>	<u>3,197,494</u>	<u>3,226,350</u>
Land - after revaluation	3,149,366	3,157,098	3,182,674
Buildings - after revaluation	<u>39,107</u>	<u>40,396</u>	<u>43,676</u>
	\$ <u>6,155,404</u>	\$ <u>6,242,406</u>	\$ <u>6,533,784</u>

37. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

- a. As of March 31, 2022, December 31, 2021 and March 31, 2021, the Group had bank guarantees of \$153,034 thousand issued under its name for the operations in the ports.
- b. Unrecognized commitments were as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
Property under construction	\$ 187,621	\$ 194,447	\$ 201,741
Purchase intangible assets	<u>100</u>	<u>100</u>	<u>-</u>
	<u>\$ 187,721</u>	<u>\$ 194,547</u>	<u>\$ 201,741</u>

As of March 31, 2022, December 31, 2021 and March 31, 2021, the abovementioned unrecognized commitments also include contractual commitments signed by CHC Ryukyu Development GK for Tomigusuku development project in the amounts of \$154,913 thousand, \$159,358 thousand and \$193,561 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.

38. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

March 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
<u>Financial assets</u>			
Monetary items			
USD	\$ 31,172	28.625 (USD:NTD)	\$ 892,300
USD	3,446	1.3548 (USD:SGD)	98,632
EUR	5,453	31.92 (EUR:NTD)	174,061
JPY	3,259,481	0.2353 (JPY:NTD)	766,956
RMB	395	0.1575 (RMB:USD)	1,780
Non-monetary items			
Investments accounted for using the equity method			
EUR	\$ 8,535	31.92 (EUR:NTD)	\$ 272,446
Financial assets at FVTPL			
USD	12,550	28.625 (USD:NTD)	359,236
HKD	14,669	3.6544 (HKD:NTD)	53,607

December 31, 2021

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
<u>Financial assets</u>			
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

March 31, 2021

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
<u>Financial assets</u>			
Monetary items			
USD	\$ 44,208	28.535 (USD:NTD)	\$ 1,261,478
USD	17,046	1.345 (USD:SGD)	486,416
USD	88	110.7295 (USD:JPY)	2,506
USD	3	6.5713 (USD:RMB)	92
HKD	785	3.6702 (HKD:NTD)	2,881
HKD	134	0.1286 (HKD:USD)	493
EUR	5,495	33.48 (EUR:NTD)	183,984
JPY	1,365,606	0.2577 (JPY:NTD)	351,917
RMB	4	4.3424 (RMB:NTD)	19
RMB	76,567	0.2047 (RMB:SGD)	332,481
Non-monetary items			
Investments accounted for using the equity method			
EUR	10,009	33.48 (EUR:NTD)	335,093
RMB	15,483	0.2047 (RMB:SGD)	67,234
Financial assets at FVTPL			
USD	8,996	28.535 (USD:NTD)	256,966
HKD	18,400	3.6702 (HKD:NTD)	67,533

For the three months ended March 31, 2022 and 2021, realized and unrealized net foreign exchange gains (losses) were \$20,434 thousand and \$(7,229) 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.

39. OTHERS

a. Important contracts

The Group as lessee leased the East Wharf Nos. 13, 14 and 15 in the Port of Taipei from Taiwan International Ports Co., Ltd. and committed to construct East Wharf No. 16 and its related office, silos and transportation equipment. The leased land is 65,000 square meters and used in operation of the subsidiary, Chia Pei International Corporation, to load and unload coal, sandstone, 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 sandstone.

The Group reached a settlement with Taiwan International Ports Co., Ltd. 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 countries 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 March 31, 2022, the unutilized bank financing line of the Group is NT\$5,019,420 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.

40. SEPARATELY DISCLOSED ITEMS

- a. Information on significant transactions and b. investees:

- 1) Financing provided to others (None)
- 2) Endorsements/guarantees provided (Table 1)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 2)
- 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 3)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
- 9) Trading in derivative instruments (None)
- 10) Other: Business relationships and inter-company transactions between the parent company and the subsidiaries (Table 6)
- 11) Information on investees (Table 5)

- 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 7)

- 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 8)

41. 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 childcare 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.

The segment information reported on the following pages:

a. Segment revenue and results

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

	Segment Revenue		Segment Profit or Loss	
	For the Three Months Ended March 31		For the Three Months Ended March 31	
	2022	2021	2022	2021
Cement segment	\$ 237,430	\$ 275,679	\$ (2,705)	\$ (10,461)
Real estate segment	67,866	60,515	36,721	27,829
Warehousing and storage segment	144,468	149,313	15,153	16,738
Hospitality and catering services segment	62,813	59,019	(111,440)	(132,295)
Other segment	<u>-</u>	<u>-</u>	(5,129)	(5,291)
Revenue from continuing operation	<u>\$ 512,577</u>	<u>\$ 544,526</u>		
Interest income			11,302	15,044
Other income			18,294	14,647
Other gains and losses			52,925	76,871
Finance costs			(39,314)	(42,244)
Share of profit or loss of associates and joint ventures accounted for using the equity method			5,814	(39,878)
General and administrative expenses and remuneration of director			<u>(32,878)</u>	<u>(31,790)</u>
Loss before income tax from continuing operation			<u>\$ (51,257)</u>	<u>\$ (110,830)</u>

The abovementioned revenue was the transactions between entities in the Group and the third parties. All inter-segment transactions for the three months ended March 31, 2022 and 2021 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.

TABLE 1**CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES****ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2022****(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 (Note 2)	LDC ROME HOTELS S.R.L.	f.	\$ 7,747,805 (Paid-in capital)	\$ 340,000	\$ 340,000	\$ 306,432	\$ -	1.33%	\$ 25,585,802	No	No	No
0	Chia Hsin Cement Corporation (Notes 2 and 6)	CHC Ryukyu Development GK	b.	7,747,805 (Paid-in capital)	413,440	400,010	188,240	-	1.56%	25,585,802	Yes	No	No
		CHC Ryukyu COLLECTIVE KK	b.	7,747,805 (Paid-in capital)	1,337,600	1,294,150	1,176,500	-	5.06%	25,585,802	Yes	No	No
1	Chia Hsin Property Management & Development Corporation (Notes 3 and 6)	Chia Hsin Cement Corporation	c.	25,585,802	6,640,000	6,440,000	4,843,750	6,440,000	25.17%	25,585,802	No	Yes	No
2	Jaho Life Plus+ Management Corp., Ltd. (Note 4)	Gemcare Maternity Center	a.	200,000	2,500	2,500	2,500	2,500	-	400,000	No	No	No
		Gemcare Dunhua Maternity Center	a.	200,000	1,000	1,000	1,000	1,000	-	400,000	No	No	No

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

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

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

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

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

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

Note 6: The listed amounts were eliminated upon consolidation.

TABLE 2

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
MARCH 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2022				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Chia Hsin Cement Corporation	<u>Shares</u> Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTPL - current	7,740,307	\$ 386,241	0.12	\$ 386,241	
	Asia Cement Corporation		Financial assets at FVTPL - current	71	3	-	3	
	<u>Foreign shares</u> Anhui Conch Cement Co., Ltd.		Financial assets at FVTPL - current	364,000	53,607	0.01	53,607	
	<u>Foreign fund</u> Greenwoods Golden China Fund - Unrestricted Class A (0518)		Financial assets at FVTPL - current	3,340	33,469	-	33,469	
	JPMorgan Funds - Russia		Financial assets at FVTPL - current	81,593	23,893	-	23,893	
	JPMorgan Funds - ASEAN Fund		Financial assets at FVTPL - current	2,697	11,847	-	11,847	
	JPMorgan Funds - Pacific Technology Fund		Financial assets at FVTPL - current	3,769	10,093	-	10,093	
	The Partners Fund - Class N-N (Series 27)		Financial assets at FVTPL - current	2,453	94,627	-	94,627	
	Blackstone Real Estate Income Trust iCapital Offshore Access Fund SPC-Class A ACC- (Series 14)		Financial assets at FVTPL - current	1,420	60,823	-	60,823	
	Haitong Freedom Multi-Tranche Bond Fund - P3M		Financial assets at FVTPL - current	11,572	33,627	-	33,627	
	Gopher US Venture Fund III		Financial assets at FVTPL - current	-	57,230	-	57,230	
	<u>Shares</u> Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - current	25,400,783	1,267,499	0.40	1,267,499	
	CHC Resources Corporation		Financial assets at FVTOCI - current	4,285,694	204,428	1.72	204,428	
	Chien Kuo Construction Co., Ltd.		Financial assets at FVTOCI - current	771,256	10,913	0.30	10,913	
	<u>Shares</u> Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	184,718,366	9,217,446	2.92	9,217,446	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2022				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Tong Yang Chia Hsin International Corporation	<u>Shares</u> B Current Impact Investment Fund 3 Pan Asian (Engineers & Constructors) Corporation Chia Hsin Ready-Mixed Concrete Corporation Overseas Investment & Development Corp. Smart Ageing Tech Co., Ltd. Gping Wellness Co. Ltd. Asia Pacific Gongshanglian Corporation Limited Chia Hsin Livestock Corp. Huatung Heping River Mining Industry Development Co., Ltd.		Financial assets at FVTOCI - non-current	1,000,000	\$ 10,000	10.00	\$ 10,000	
			Financial assets at FVTOCI - non-current	2,718,217	23,023	2.38	23,023	
			Financial assets at FVTOCI - non-current	12,718,440	251,444	13.71	251,444	
			Financial assets at FVTOCI - non-current	2,000,000	15,720	2.22	15,720	
			Financial assets at FVTOCI - non-current	3,600,000	59,616	11.17	59,616	
			Financial assets at FVTOCI - non-current	494,512	91,485	18.00	91,485	
			Financial assets at FVTOCI - non-current	21,090	-	0.03	-	
			Financial assets at FVTOCI - non-current	6,600,000	-	1.17	-	
			Financial assets at FVTOCI - non-current	9,350	-	1.87	-	
	<u>Shares</u> Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTPL - current	13,591,719	678,227	0.21	678,227	
	<u>Foreign fund</u> Haitong Freedom Multi-Tranche Bond Fund - P3M	The Company acts as a member of the B.O.D. Parent company	Financial assets at FVTPL - current	11,572	33,627	-	33,627	
	<u>Shares</u> Taiwan Cement Corporation		Financial assets at FVTOCI - current	32,457,173	1,619,613	0.51	1,619,613	
	Chia Hsin Cement Corporation		Financial assets at FVTOCI - non-current	127,370,320	2,668,408	16.44	2,668,408	
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	60,242,447	3,006,098	0.95	3,006,098	
	IBT Second Venture Capital Co., Ltd. Kaohsiung Tug and Port Service Corp.		Financial assets at FVTOCI - non-current	725,493	4,550	2.30	4,550	
			Financial assets at FVTOCI - non-current	350,000	3,056	0.88	3,056	

Note: For the information on subsidiaries, associates and joint ventures, refer to Table 5 and Table 7.

(Concluded)

TABLE 3

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2022
(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	\$ 125,950	64	60 days from the purchase day	N/A (equal to the price for other clients)	N/A (same as the term for other clients)	\$ (84,158)	(61)	

TABLE 4

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2022
(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	\$ 1,276,165 (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 May 3, 2022.

Note 3: The transaction has been eliminated upon consolidation.

TABLE 5

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31, 2022
(In Thousands of New Taiwan Dollars, or Otherwise Stated)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2022			Net Income/(Loss) of the Investee	Share of Profit/(Loss) of Investee	Remark
				March 31, 2022	December 31, 2021	Number of Shares	%	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	46.18	\$ 1,899,435	\$ 26,570	\$ 11,861	(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	5,880,676	27,883	24,309	Subsidiary (Notes 3 and 5)
	Chia Hsin Property Management & Development Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Wholesale and retail business of machinery; warehousing; residence, factory buildings and office buildings leasing and selling; PPE leasing and selling	1,000,000	1,000,000	100,000,000	100.00	3,995,791	31,985	31,985	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	222,894	2,480	2,480	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	84,327	254	254	Subsidiary (Note 3)
	Chia Hsin Pacific Limited	Cayman Islands	Holding company	969,104	969,104	19,186,070	74.16	2,352,806	(11,328)	(8,400)	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	772,076	(102,221)	(102,221)	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	181,854	(6,289)	(6,289)	Subsidiary (Note 3)
	LDC ROME HOTELS S.R.L.	Rome, Italy	Hospitality industry	NT\$ 544,896 (EUR 17,070,667)	NT\$ 544,896 (EUR 17,070,667)	-	40.00	272,446	(54,742)	(21,897)	(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	1,050,458	77,965	18,010	(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	118,610	(5,467)	(1,057)	
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	255,111	3,617	3,617	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\$ 230,494 (JPY 979,575,335)	NT\$ 230,494 (JPY 979,575,335)	-	100.00	131,397	(830)	(830)	Second-tier subsidiary (Note 3)
	CHC Ryukyu COLLECTIVE KK	2 Chome-1-12 Matsuyama, Naha, Okinawa, Japan	Hospitality industry	NT\$ 1,651,906 (JPY 7,020,424,665)	NT\$ 1,651,906 (JPY 7,020,424,665)	-	100.00	567,534	(100,620)	(100,620)	Second-tier subsidiary (Note 3)
Chia Hsin Pacific Limited	Effervesce Investment Pte. Ltd.	Singapore	Investment and holding company	NT\$ 889,627 (US\$ 31,078,656)	NT\$ 889,627 (US\$ 31,078,656)	53,274,892	100.00	NT\$ 1,411,863 (US\$ 49,322,731)	NT\$ (11,064) (US\$ -395,244)	NT\$ (11,064) (US\$ -395,244)	Second-tier subsidiary (Note 3)
	Sparksview Pte. Ltd.	Singapore	Investment and holding company	NT\$ 82,220 (US\$ 2,872,328)	NT\$ 82,220 (US\$ 2,872,328)	3,763,350	100.00	NT\$ 181,757 (US\$ 6,349,605)	NT\$ 842 (US\$ 30,081)	NT\$ 842 (US\$ 30,081)	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	136,350	(5,467)	(1,103)	Second-tier subsidiary (Note 3)
	Tong Yang Chia Hsin Marine Corp.	Panama	Shipping service	NT\$ 77,288 (US\$ 2,700,000)	NT\$ 77,288 (US\$ 2,700,000)	2,700	100.00	466,832	1,479	1,479	
	Chia Hsin Pacific Limited	Cayman Islands	Holding company	626,119	626,119	6,257,179	24.18	767,324	(11,328)	(2,740)	Subsidiary (Note 3)

Note 1: For information on investments in mainland China, refer to Table 7.

Note 2: The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of March 31, 2022: US\$1=NT\$28.625, JPY1=NT\$0.2353, EUR1=NT\$31.92; net income items denominated in foreign currencies are translated using the average exchange rate for the three months ended March 31, 2022: US\$1=NT\$27.994, JPY1=NT\$0.2410, EUR1=NT\$31.45.

Note 3: The investment has been eliminated upon consolidation.

Note 4: Material associates.

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

TABLE 6

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

**PARENT-SUBSIDIARY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2022
(Amounts in Thousands of New Taiwan Dollars)**

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount (Note 5)	Payment Terms	% of Total Sales or Assets (Note 3)
0	<u>For the three months ended March 31, 2021</u> Chia Hsin Cement Corporation	Chia Pei International Corporation	a.	Warehousing and storage service revenue	\$ 26,705	The fee is billed monthly and paid quarterly with receipts issued in the same month when the fee is billed. Every May (Linked tax payments)	5.21
		Chia Pei International Corporation	a.	Finance lease receivables	1,276,165		3.13
		Chia Pei International Corporation	a.	Trade receivables	11,346		0.03
		CHC Ryukyu Development GK	a.	Endorsement or guarantee	400,010		0.98
		CHC Ryukyu COLLECTIVE KK	a.	Endorsement or guarantee	1,294,150		3.17
		Chia Hsin Property Management & Development Corporation	a.	Other receivables	42,606		0.10
1	Tong Yang Chia Hsin International Corporation	Chia Hsin Cement Corporation	b.	Service revenue	14,303	The fee is billed monthly and collected in the next month.	2.79
2	Chia Hsin Property Management & Development Corporation	Chia Hsin Cement Corporation	b.	Endorsement or guarantee	6,440,000		15.78
3	Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	c.	Investment accounted for using the equity method	58,619	Cash injection	0.14
4	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd.	c.	Investment accounted for using the equity method	22,546	Cash injection	0.06
		Jiapeng Gemcare Maternity (Suzhou) Co., Ltd.	c.	Investment accounted for using the equity method	22,546	Cash injection	0.06

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

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

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

(Continued)

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

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

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

Note 4: The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of March 31, 2022: US\$1=NT\$28.625, JPY1=NT\$0.2353, RMB1=NT\$4.509154; net income items denominated in foreign currencies are translated using the average exchange rate for the three months ended March 31, 2022: US\$1=NT\$27.994, JPY1=NT\$0.2410, RMB1= NT\$4.408157.

Note 5: The transaction has been eliminated upon consolidation.

(Concluded)

TABLE 7

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

FOR THE THREE MONTHS ENDED MARCH 31, 2022

(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, 2022 (Note 1 (a.))	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2022 (Note 1 (a.))	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1 (a.) and Note 6)	Carrying Amount as of March 31, 2022 (Note 1 (a.))	Accumulated Repatriation of Investment Income as of March 31, 2022	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	\$ 242,168 (US\$ 8,460)	b. and c.	\$ 364,167 (US\$ 12,722)	\$ - (US\$ -)	\$ - (US\$ -)	\$ 364,167 (US\$ 12,722)	\$ 2,601 (US\$ 93)	95.23	\$ 2,601 (US\$ 93)	\$ 543,724 (US\$ 18,995)	\$ - (US\$ -)	Note 1 (b.) (3) and Note 5
Shanghai Chia Hsin Ganghui Co., Ltd.	Warehousing and packing bulk cement and formulating and delivering high-strength cement	300,563 (US\$ 10,500)	b.	459,889 (US\$ 16,066)	- (US\$ -)	- (US\$ -)	459,889 (US\$ 16,066)	1,930 (US\$ 69)	95.23	1,930 (US\$ 69)	448,644 (US\$ 15,673)	- (US\$ -)	Note 1 (b.) (3) and Note 5
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Consulting for developing information system for business and finance purpose	495,499 (US\$ 17,310)	b.	758,477 (US\$ 26,497)	- (US\$ -)	- (US\$ -)	758,477 (US\$ 26,497)	(15,330) (US\$ -548)	95.23	(15,171) (US\$ -542)	497,147 (US\$ 17,368)	- (US\$ -)	Note 1 (b.) (3) and Note 5
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Consulting for management of healthcare and hospitality business	320,150 (RMB 71,000)	e. Investor: Chia Hsin Business Consulting (Shanghai) Co., Ltd.	- (US\$ -)	- (US\$ -)	- (US\$ -)	- (US\$ -)	(15,372) (US\$ -549)	95.23	(15,372) (US\$ -549)	186,132 (US\$ 6,502)	- (US\$ -)	Note 1 (b.) (3) and Note 5
Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd.	Maternity and infant health care; Sales of mother & baby supplies; Life & beauty services	211,930 (RMB 47,000)	e. Investor: Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	- (US\$ -)	- (US\$ -)	- (US\$ -)	- (US\$ -)	(7,774) (US\$ -278)	95.23	(7,774) (US\$ -278)	147,533 (US\$ 5,154)	- (US\$ -)	Note 1 (b.) (3) and Note 5
Jiapeng Gemcare Maternity (Suzhou) Co., Ltd.	Maternity and infant health care; Sales of mother & baby supplies; Life & beauty services	67,637 (RMB 15,000)	e. Investor: Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	- (US\$ -)	- (US\$ -)	- (US\$ -)	- (US\$ -)	(7,050) (US\$ -252)	95.23	(7,050) (US\$ -252)	19,214 (US\$ 671)	- (US\$ -)	Note 1 (b.) (3) and Note 5

(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, 2022 (Note 1 (a.))	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2022 (Note 1 (a.))	Net Income/(Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1 (a.))	Carrying Amount as of March 31, 2022 (Note 1 (a.))	Accumulated Repatriation of Investment Income as of March 31, 2022	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	\$ 377,850 (US\$ 13,200)	d.	\$ 396,370 (US\$ 13,847)	\$ - (US\$ -)	\$ - (US\$ -)	\$ 396,370 (US\$ 13,847)	\$ 1,500 (US\$ 54)	87.18	\$ 1,500 (US\$ 54)	\$ 460,219 (US\$ 16,078)	\$ - (US\$ -)	Note 1 (b.) (3) and Note 5
Jiangsu Chia Hsin Real Estate Co., Ltd.	Developing and selling real estate and providing property management service	90,183 (RMB 20,000)	e. Investor: Jiangsu Jiaguo Construction Material Storage Co., Ltd.	- (US\$ -)	- (US\$ -)	- (US\$ -)	- (US\$ -)	105 (US\$ 4)	87.18	105 (US\$ 4)	52,714 (US\$ 1,842)	- (US\$ -)	Note 1 (b.) (3) and Note 5

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

Accumulated Outward Remittance for Investments in Mainland China as of March 31, 2022	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)
\$ 6,574,247 (US\$ 229,668)	\$ 6,644,550 (US\$ 232,124)	\$ 15,901,974

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

Note 1: a. The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of March 31, 2022: US\$1=NT\$28.625, RMB1=NT\$4.509154; net income items denominated in foreign currencies are translated using the average exchange rate for the three months ended March 31, 2022: US\$1=NT\$27.994, RMB1= NT\$4.408157.

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

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

Note 2: The method of investment includes the following:

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

(Continued)

- Note 3: Calculated by the 60% of consolidated net worth of Chia Hsin Cement Corporation according to the letter No. 09704604680 issued by Ministry of Economic Affairs.
- Note 4: The Company conducted a stock-for-stock transaction with Taiwan Cement Corporation to get rid of the investment via TCC International Holdings Ltd in mainland China. The result of the stock-for-stock transaction will be a decrease in investment in mainland China. On May 17, 2018, the aforementioned write-off of the amount and the ratio of investment was approved by the Investment Commission, Ministry of Economic Affairs.
- Note 5: The transaction has been eliminated upon consolidation.
- Note 6: Including the gains and losses recognized by using the equity method and the gains and losses on internal unrealized transactions.

(Concluded)

TABLE 8**CHIA HSIN CEMENT CORPORATION****INFORMATION OF MAJOR SHAREHOLDERS****MARCH 31, 2022**

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 special shares registered as dematerialized security (including treasury shares) in the centralized securities depository enterprise as of the last business day of the reporting period. Based on different calculation method, the number of shares recorded in the consolidated financial statements could be different from that registered as dematerialized security.