

**Chia Hsin Cement Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2020 and 2019 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 September 30, 2020 and 2019, the related consolidated statements of comprehensive income for the three months ended September 30, 2020 and 2019 and for the nine months ended September 30, 2020 and 2019, and the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Note 15 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of September 30, 2020 and 2019, combined total assets of these non-significant subsidiaries were NT\$11,798,251 thousand and NT\$10,980,120 thousand, respectively, representing 31.30% and 30.50%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT\$4,773,757 thousand and NT\$3,867,161 thousand, respectively, representing 32.67% and 29.08%, respectively, of the consolidated total liabilities; for the three months ended September 30, 2020 and 2019 and for the nine months ended September 30, 2020 and 2019, the amounts of combined comprehensive income (loss) of these subsidiaries were NT\$(82,970) thousand, NT\$(135,398) thousand, NT\$(135,869) thousand and NT\$(106,514) thousand, respectively, representing (9.78)%, 58.09%, (64.54)% and (2.98)%, respectively, of the consolidated total comprehensive income (loss). As disclosed in Note 16 to the consolidated financial statements, as of September 30, 2020 and 2019, the amounts of investments

accounted for using equity method were NT\$2,485,113 thousand and NT\$2,597,763 thousand; for the three months ended September 30, 2020 and 2019 and for the nine months ended September 30, 2020 and 2019, the amounts of the share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method were NT\$(6,842) thousand, NT\$13,404 thousand, NT\$(76,444) thousand and NT\$81,805 thousand, respectively. Such investments and share of other comprehensive income (loss) and other relevant information of the non-significant consolidated subsidiaries and investees were based on unreviewed financial statements.

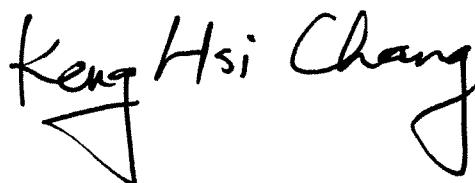
Qualified Conclusion

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and investees 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 September 30, 2020 and 2019, its consolidated financial performance for the three months ended September 30, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2020 and 2019 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 Cheng Chuan Yu and Keng Hsi Chang.



Deloitte & Touche
Taipei, Taiwan
Republic of China



November 11, 2020

Notice to Readers

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

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

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2020 (Reviewed)		December 31, 2019 (Audited)		September 30, 2019 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 2,189,326	6	\$ 2,066,897	6	\$ 1,980,047	6
Financial assets at fair value through profit or loss - current (Note 7)	1,460,308	4	1,619,603	4	1,563,377	4
Financial assets at fair value through other comprehensive income - current (Note 8)	2,594,744	7	2,631,817	7	2,413,004	7
Notes receivable from unrelated parties (Notes 9 and 27)	118,976	-	165,280	1	143,161	-
Trade receivables from unrelated parties (Notes 9 and 27)	111,510	-	61,142	-	81,732	-
Trade receivables from related parties (Notes 27 and 37)	2,916	-	2,680	-	4,714	-
Finance lease receivables (Notes 4 and 11)	2,546	-	2,504	-	2,490	-
Other receivables from unrelated parties (Note 10)	26,128	-	403,004	1	73,598	-
Other receivables from related parties (Note 37)	63,994	-	125,707	-	126,233	-
Current tax assets (Note 4)	2,685	-	775	-	5,461	-
Inventories (Note 12)	66,672	-	44,910	-	52,817	-
Prepayments (Note 21)	139,079	1	72,733	-	304,419	1
Disposal groups held for sale (Note 13)	-	-	42,537	-	43,439	-
Other financial assets - current (Note 14)	3,405,222	9	3,418,015	9	3,814,251	11
Refundable deposits - current	-	-	-	-	48	-
Other current assets (Note 21)	521	-	-	-	455	-
Total current assets	10,184,627	27	10,657,604	28	10,609,246	29
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 8)	10,430,176	28	10,548,178	27	9,584,602	27
Investments accounted for using the equity method (Note 16)	2,485,113	6	2,649,668	7	2,597,763	7
Property, plant and equipment (Notes 17 and 38)	6,257,397	17	6,535,574	17	4,798,054	13
Right-of-use assets (Notes 4 and 18)	1,771,272	5	1,840,905	5	1,859,835	5
Investment properties (Notes 19 and 38)	6,275,339	17	6,230,263	16	6,262,493	18
Intangible assets (Note 20)	12,024	-	5,518	-	-	-
Deferred tax assets (Note 4)	187,830	-	160,635	-	121,091	1
Refundable deposits - non-current	33,304	-	30,195	-	31,540	-
Finance lease receivables - non-current (Notes 4 and 11)	7,581	-	9,496	-	10,128	-
Other financial assets - non-current (Notes 14 and 38)	25,770	-	23,588	-	23,559	-
Other non-current assets (Notes 21)	26,856	-	29,010	-	100,286	-
Total non-current assets	27,512,662	73	28,063,030	72	25,389,351	71
TOTAL	\$ 37,697,289	100	\$ 38,720,634	100	\$ 35,998,597	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 22)	\$ 1,592,660	4	\$ 800,600	2	\$ 772,340	2
Short-term bills payable (Note 22)	21,980	-	269,758	1	199,681	1
Contract liabilities - current (Note 27)	15,789	-	9,479	-	8,294	-
Notes payable to unrelated parties (Note 23)	3,004	-	2,906	-	2,979	-
Trade payables to unrelated parties (Note 24)	75,129	-	110,538	1	106,638	-
Trade payables to related parties (Note 37)	83,580	-	83,580	-	89,222	-
Other payables to unrelated parties (Notes 24 and 34)	179,546	1	830,712	2	144,487	1
Current tax liabilities (Note 4)	128,156	-	53,677	-	32,780	-
Liabilities directly associated with disposal group held for sale (Note 13)	-	-	380,771	1	388,844	1
Lease liabilities - current (Notes 4 and 18)	120,382	-	107,050	-	105,899	-
Advance receipts (Note 24)	15,285	-	41,359	-	81	-
Current portion of long-term borrowings (Notes 22 and 38)	517,500	2	983,678	3	1,059,907	3
Guarantee deposits - current (Note 37)	20,650	-	25,202	-	29,804	-
Other current liabilities (Note 24)	5,126	-	1,150	-	1,926	-
Total current liabilities	2,778,787	7	3,700,460	10	2,942,882	8
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 22 and 38)	8,035,679	22	7,553,594	20	6,611,595	19
Deferred tax liabilities (Note 4)	1,583,286	4	1,511,484	4	1,503,846	4
Lease liabilities - non-current (Notes 4 and 18)	1,681,146	5	1,737,410	4	1,762,074	5
Deferred revenue - non-current (Notes 24 and 31)	431,487	1	441,549	1	377,097	1
Net defined benefit liabilities - non-current (Note 4)	3,220	-	3,208	-	5,107	-
Guarantee deposits - non-current (Note 37)	96,424	-	96,704	-	96,508	-
Total non-current liabilities	11,831,242	32	11,343,949	29	10,356,227	29
Total liabilities	14,610,029	39	15,044,409	39	13,299,109	37
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 26)						
Share capital						
Ordinary shares	7,747,805	21	7,747,805	20	7,747,805	22
Capital surplus	958,087	2	847,377	2	846,032	2
Retained earnings						
Legal reserve	2,319,663	6	2,143,611	6	2,143,611	6
Special reserve	2,346,051	6	2,346,051	6	2,346,051	6
Unappropriated earnings	5,746,783	16	6,171,113	16	6,357,643	18
Total retained earnings	10,412,497	28	10,660,775	28	10,847,305	30
Other equity	4,283,313	11	4,654,268	12	3,535,723	10
Treasury shares	(1,119,023)	(3)	(1,096,783)	(3)	(1,096,783)	(3)
Total equity attributable to owners of the Company	22,282,679	59	22,813,442	59	21,880,082	61
NON-CONTROLLING INTERESTS (Note 26)	804,581	2	862,783	2	819,406	2
Total equity	23,087,260	61	23,676,225	61	22,699,488	63
TOTAL	\$ 37,697,289	100	\$ 38,720,634	100	\$ 35,998,597	100

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

(With Deloitte & Touche review report dated November 11, 2020)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

(Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2020		2019		2020		2019	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 27 and 37)	\$ 489,170	100	\$ 472,584	100	\$ 1,481,489	100	\$ 1,362,993	100
OPERATING COSTS (Notes 12, 28 and 37)	(507,476)	(104)	(431,030)	(91)	(1,522,378)	(103)	(1,202,807)	(88)
GROSS (LOSS) PROFIT	(18,306)	(4)	41,554	9	(40,889)	(3)	160,186	12
OPERATING EXPENSES (Note 28)								
Selling and marketing expenses	(6,560)	(2)	(2,821)	(1)	(22,969)	(1)	(9,081)	-
General and administrative expenses	(153,236)	(31)	(149,679)	(32)	(432,104)	(29)	(377,992)	(28)
Expected credit gain (loss) (Note 9)	(54)	-	(409)	-	335	-	836	-
Total operating expenses	(159,850)	(33)	(152,909)	(33)	(454,738)	(30)	(386,237)	(28)
LOSS FROM OPERATIONS	(178,156)	(37)	(111,355)	(24)	(495,627)	(33)	(226,051)	(16)
NON-OPERATING INCOME AND EXPENSES								
Interest income (Notes 28 and 37)	20,513	4	33,967	7	71,206	5	89,110	7
Other income (Notes 28 and 37)	825,232	169	1,007,950	213	896,561	60	1,053,648	77
Other gains and losses (Notes 28 and 32)	9,736	2	(100,112)	(21)	420,170	28	236,245	17
Finance costs (Note 28)	(40,179)	(8)	(30,502)	(6)	(122,297)	(8)	(93,533)	(7)
Share of profit of associates and joint ventures (Note 16)	14,511	3	18,607	4	23,681	2	64,116	5
Total non-operating income and expenses	829,813	170	929,910	197	1,289,321	87	1,349,586	99
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	651,657	133	818,555	173	793,694	54	1,123,535	83
INCOME TAX EXPENSE (Notes 4 and 29)	(6,365)	(1)	(10,701)	(2)	(201,648)	(14)	(131,005)	(10)
NET PROFIT FROM CONTINUING OPERATIONS	645,292	132	807,854	171	592,046	40	992,530	73
NET PROFIT FROM DISCONTINUED OPERATIONS (Note 13)	-	-	334	-	1,499	-	603,989	44
NET PROFIT FOR THE PERIOD	645,292	132	808,188	171	593,545	40	1,596,519	117

(Continued)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2020		2019		2020		2019	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (Note 26)	\$ 190,299	39	\$ (964,348)	(204)	\$ (184,724)	(12)	\$ 1,981,000	146
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method (Note 26)	<u>(21,353)</u>	<u>(5)</u>	<u>(5,203)</u>	<u>(1)</u>	<u>(100,125)</u>	<u>(7)</u>	<u>17,689</u>	<u>1</u>
	<u>168,946</u>	<u>34</u>	<u>(969,551)</u>	<u>(205)</u>	<u>(284,849)</u>	<u>(19)</u>	<u>1,998,689</u>	<u>147</u>
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations (Note 26)	42,520	9	(89,046)	(19)	(122,177)	(8)	(25,657)	(2)
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4, 26 and 29)	<u>(8,325)</u>	<u>(2)</u>	<u>17,344</u>	<u>4</u>	<u>23,989</u>	<u>1</u>	<u>4,795</u>	<u>-</u>
	<u>34,195</u>	<u>7</u>	<u>(71,702)</u>	<u>(15)</u>	<u>(98,188)</u>	<u>(7)</u>	<u>(20,862)</u>	<u>(2)</u>
Other comprehensive (loss) income for the period, net of income tax	<u>203,141</u>	<u>41</u>	<u>(1,041,253)</u>	<u>(220)</u>	<u>(383,037)</u>	<u>(26)</u>	<u>1,977,827</u>	<u>145</u>
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD	<u>\$ 848,433</u>	<u>173</u>	<u>\$ (233,065)</u>	<u>(49)</u>	<u>\$ 210,508</u>	<u>14</u>	<u>\$ 3,574,346</u>	<u>262</u>
NET (LOSS) INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 595,462	122	\$ 756,768	160	\$ 525,249	35	\$ 1,485,119	109
Non-controlling interests	<u>49,830</u>	<u>10</u>	<u>51,420</u>	<u>11</u>	<u>68,296</u>	<u>5</u>	<u>111,400</u>	<u>8</u>
	<u>\$ 645,292</u>	<u>132</u>	<u>\$ 808,188</u>	<u>171</u>	<u>\$ 593,545</u>	<u>40</u>	<u>\$ 1,596,519</u>	<u>117</u>
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 789,372	161	\$ (238,188)	(50)	\$ 154,294	10	\$ 3,394,470	249
Non-controlling interests	<u>59,061</u>	<u>12</u>	<u>5,123</u>	<u>1</u>	<u>56,214</u>	<u>4</u>	<u>179,876</u>	<u>13</u>
	<u>\$ 848,433</u>	<u>173</u>	<u>\$ (233,065)</u>	<u>(49)</u>	<u>\$ 210,508</u>	<u>14</u>	<u>\$ 3,574,346</u>	<u>262</u>

(Continued)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

(Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2020		2019		2020		2019	
	Amount	%	Amount	%	Amount	%	Amount	%
EARNINGS PER SHARE								
(Note 30)								
From continuing and discontinued operations								
Basic	<u>\$ 0.93</u>		<u>\$ 1.18</u>		<u>\$ 0.82</u>		<u>\$ 2.31</u>	
Diluted	<u>\$ 0.93</u>		<u>\$ 1.17</u>		<u>\$ 0.82</u>		<u>\$ 2.30</u>	
From continuing operations								
Basic	<u>\$ 0.93</u>		<u>\$ 1.18</u>		<u>\$ 0.82</u>		<u>\$ 1.37</u>	
Diluted	<u>\$ 0.93</u>		<u>\$ 1.17</u>		<u>\$ 0.82</u>		<u>\$ 1.36</u>	

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

(With Deloitte & Touche review report dated November 11, 2020)

(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										Total Equity
	Share Capital	Capital Surplus	Retained Earnings			Unappropriated Earnings	Other Equity			Non-controlling Interests	
			Legal Reserve	Special Reserve	Unappropriated Earnings		Exchange Differences on Translating Foreign Operations	Unrealized Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares		
BALANCE AT JANUARY 1, 2019	\$ 7,747,805	\$ 703,931	\$ 2,073,636	\$ 2,346,051	\$ 5,255,303	\$ (226,835)	\$ 2,309,414	\$ (1,186,544)	\$ 1,900,007	\$ 20,922,768	
Appropriation of 2018 earnings (Note 26)	-	-	69,975	-	(69,975)	-	-	-	-	-	
Legal reserve	-	-	-	-	(771,781)	-	-	-	-	(771,781)	
Cash dividends	-	-	-	-	1,485,119	-	-	-	111,400	1,596,519	
Net profit for the nine months ended September 30, 2019	-	-	-	-	-	(17,775)	1,927,126	-	68,476	1,977,827	
Other comprehensive income (loss) for the nine months ended September 30, 2019	-	-	-	-	-	-	-	-	-	-	
Changes in capital surplus due to cash dividends of the Company paid to subsidiaries (Note 26)	-	111,041	-	-	-	-	-	-	-	111,041	
Changes in percentage of ownership interests in subsidiaries (Notes 26 and 32)	-	24,925	-	-	121,046	2,770	(121,046)	93,716	(1,187,795)	(1,066,384)	
Decrease in non-controlling interests (Note 26)	-	-	-	-	-	-	-	-	(75,574)	(75,574)	
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 26)	-	-	-	-	337,931	-	(337,931)	-	2,892	2,892	
Buy-back of ordinary shares (Note 26)	-	-	-	-	-	-	-	(3,955)	-	(3,955)	
Unclaimed dividends extinguished by prescription (Note 26)	-	6,135	-	-	-	-	-	-	-	6,135	
BALANCE, SEPTEMBER 30, 2019	\$ 7,747,805	\$ 846,032	\$ 2,143,611	\$ 2,346,051	\$ 6,357,643	\$ (241,840)	\$ 3,777,563	\$ (1,096,783)	\$ 819,406	\$ 22,699,488	
BALANCE AT JANUARY 1, 2020	\$ 7,747,805	\$ 847,377	\$ 2,143,611	\$ 2,346,051	\$ 6,171,113	\$ (343,071)	\$ 4,997,339	\$ (1,096,783)	\$ 862,783	\$ 23,676,225	
Appropriation of 2019 earnings (Note 26)	-	-	176,052	-	(176,052)	-	-	-	-	-	
Legal reserve	-	-	-	-	(771,781)	-	-	-	-	(771,781)	
Cash dividends	-	-	-	-	525,249	-	-	-	68,296	593,545	
Net profit for the nine months ended September 30, 2020	-	-	-	-	-	(92,440)	(278,515)	-	(12,082)	(383,037)	
Other comprehensive loss for the nine months ended September 30, 2020	-	-	-	-	-	-	-	-	-	-	
Changes in capital surplus due to cash dividends of the Company paid to subsidiaries (Note 26)	-	111,248	-	-	-	-	-	-	-	111,248	
Changes in percentage of ownership interests in subsidiaries (Notes 15 and 33)	-	(538)	-	-	(1,746)	-	-	-	(19,947)	(22,231)	
Decrease in non-controlling interests (Note 26)	-	-	-	-	-	-	-	-	(94,469)	(94,469)	
Buy-back of ordinary shares (Note 26)	-	-	-	-	-	-	-	(22,240)	-	(22,240)	
BALANCE AT SEPTEMBER 30, 2020	\$ 7,747,805	\$ 958,087	\$ 2,319,663	\$ 2,346,051	\$ 5,746,783	\$ (415,511)	\$ 4,718,824	\$ (1,119,023)	\$ 804,581	\$ 23,087,260	

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

(With Deloitte & Touche review report dated November 11, 2020)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax from continuing operations	\$ 793,694	\$ 1,123,535
Income before income tax from discontinued operations	<u>1,499</u>	<u>603,989</u>
Income before income tax	795,193	1,727,524
Adjustments for:		
Depreciation expenses	425,326	222,568
Amortization expenses	1,801	-
Net loss (gain) on fair value changes of financial assets at fair value through profit or loss	39,567	(212,736)
Expected credit loss reversed on trade receivables	(335)	(836)
Finance costs	122,297	93,985
Interest income	(71,206)	(89,110)
Dividend income	(807,947)	(1,011,110)
Share of profit of associates and joint ventures	(23,681)	(64,116)
Gain on disposal of property, plant and equipment	(62,811)	(176)
Property, plant and equipment transferred to expenses	1,360	-
Gain on disposal of investment properties	-	(3,228)
Gain on lease modification	(102)	(31)
Gain on disposal of assets held for sale	(335,919)	(597,422)
Realized gain on deferred revenue	(9,483)	-
Gain on disposal of partial interests in subsidiaries	-	(11,227)
Gain on liquidation of subsidiary	(92,073)	-
Net loss (gain) on foreign currency exchange	14,022	(10,913)
Changes in operating assets and liabilities:		
Financial assets mandatorily classified as at fair value through profit or loss	163,442	259,810
Notes receivable	46,747	52,385
Trade receivables	(50,501)	23,195
Trade receivables from related parties	(236)	1,129
Other receivables	332,535	1,008
Inventories	(21,760)	(36,139)
Prepayments	(75,625)	(138,577)
Disposal of assets held for sale	-	(22,664)
Other current assets	(540)	(454)
Contract liabilities	6,318	1,107
Notes payable	98	828
Trade payables	(35,409)	(3,944)
Trade payables to related parties	-	(627)
Other payables	(10,705)	(33,462)

(Continued)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2020	2019
Advance receipts	\$ 1,383	\$ (2,080)
Other current liabilities	4,093	630
Net defined benefit liabilities	<u>12</u>	<u>(806)</u>
Cash generated from operations	355,861	144,511
Interest paid	(99,154)	(112,064)
Income tax paid	<u>(54,700)</u>	<u>(52,807)</u>
Net cash generated from (used in) operating activities	<u>202,007</u>	<u>(20,360)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(10,000)	-
Proceeds from sale of financial assets at fair value through other comprehensive income	-	316,167
Net cash outflow on disposal of subsidiaries	-	(89,443)
Refund from liquidation of investments accounted for using the equity method	24,829	-
Proceeds from disposal groups held for sale	-	759,229
Payments for property, plant and equipment	(723,525)	(1,753,065)
Proceeds from disposal of property, plant and equipment	41,163	178
Increase in refundable deposits	(3,171)	(2,835)
Decrease in other receivables from related parties	61,051	33,766
Payments for intangible assets	(8,357)	-
Payments for investment properties	(19,195)	(42,332)
Proceeds from disposal of investment properties	-	(11,430)
Decrease in finance lease receivables	1,873	17,467
Increase in other financial assets	(11,959)	(438,161)
Increase in other non-current assets	(8,375)	(1,868)
Decrease (increase) in prepayments for equipment	10,422	(88,620)
Interest received	73,166	85,805
Other dividends received	855,136	1,042,569
Deferred revenue	<u>-</u>	<u>169,884</u>
Net cash generated from (used in) investing activities	<u>283,058</u>	<u>(2,689)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds (repayments) from short-term borrowings	795,450	(52,470)
Repayments of short-term bills payable	(248,020)	(105,000)
(Repayments) proceeds of long-term loans	(4,928)	1,005,160
(Refunds) proceeds of guarantee deposits received	(4,825)	1,787
Repayment of the principal portion of lease liabilities	(68,591)	(93,002)
Dividends paid to owners of the Company	(660,533)	(660,740)

(Continued)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2020	2019
Payments for buy-back of ordinary shares	\$ (22,240)	\$ (3,955)
Acquisition of subsidiaries	(22,231)	-
Dividends paid to non-controlling interests	<u>(94,469)</u>	<u>(75,576)</u>
Net cash (used in) generated from financing activities	<u>(330,387)</u>	<u>16,204</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(32,249)</u>	<u>17,229</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	122,429	10,384
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>2,066,897</u>	<u>1,969,663</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 2,189,326</u>	<u>\$ 1,980,047</u>

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

(With Deloitte & Touche review report dated November 11, 2020)

(Concluded)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

- a. Chia Hsin Cement Corporation (the “Company”) 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 issuance of ordinary shares for cash, unappropriated earnings, and asset revaluation increments. Currently, 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 related to urban renewal area and warehousing and storage; healthcare; fitness and training; manufacture of beverages and bakery products.
- b. On December 30, 2016, the Company’s subsidiary, Jiangsu Union Cement Co., Ltd., went into liquidation under the resolution of the subsidiary’s board of directors. Several disposal agreements have been reached and the subsidiary has been included within a disposal group classified as held for sale, and presented on the consolidated financial statements as “discontinued operation”. The subsidiary has completed the cancellation registration on April 1, 2020.

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on November 11, 2020.

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)

Amendment to IFRS 16 “Covid-19 - Related Rent Concessions”

The Group elected to apply the practical expedient provided in the amendment to IFRS 16 with respect to rent concessions negotiated with the lessor as a direct consequence of the COVID-19. The related accounting policies are stated in Note 4. Before the application of the amendment, the Group shall determine whether the abovementioned rent concessions shall be accounted for as lease modifications.

The Group applied the amendment from January 1, 2020. Retrospective application of the amendment has no impact on the retained earnings as of January 1, 2020.

Except for abovementioned amendment, 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 by IASB but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 2)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 3)
Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”	Effective immediately upon promulgation by the IASB
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform - Phase 2”	January 1, 2021
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 4)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 5)

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

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

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Statement of compliance

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

b. Basis of preparation

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

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

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

c. Basis of consolidation

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

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

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

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

See Note 15 and Table 7 and Table 9 in Note 43 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other significant accounting policies

Except for the following, refer to the consolidated financial statements for the year ended December 31, 2019.

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.

3) Lease

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

The Group as lessor

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

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

Under finance leases, the lease payments comprise fixed payments. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Group's net investment outstanding in respect of leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms. Lease modification that resulted from a negotiation with a lessee is accounted for as a new lease from the effective date of modification.

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

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

The Group as lessee

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

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

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decrease the scope of the lease, and recognizes in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the consolidated balance sheets.

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The Group considers the economic implications of the COVID-19 when making its critical accounting estimates. 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, 2019 for the critical accounting judgments and key sources of estimation uncertainty.

6. CASH AND CASH EQUIVALENTS

	September 30, 2020	December 31, 2019	September 30, 2019
Cash on hand	\$ 3,947	\$ 3,437	\$ 2,825
Checking accounts and demand deposits	736,266	1,308,034	1,046,284
Cash equivalents			
Commercial paper	231,383	118,923	54,957
Bank deposits (with original maturities of less than 3 months)	1,122,710	509,583	745,014
Repurchase agreements collateralized by bonds	<u>95,020</u>	<u>126,920</u>	<u>130,967</u>
	<u>\$ 2,189,326</u>	<u>\$ 2,066,897</u>	<u>\$ 1,980,047</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:

	September 30, 2020	December 31, 2019	September 30, 2019
Commercial paper	0.25%-0.29%	0.50%-0.51%	0.50%
Demand deposits and time deposits	0.001%-2.51%	0.001%-2.76%	0.01%-2.35%
Repurchase agreements collateralized by bonds	0.60%-0.75%	2.25%-2.40%	2.40%-2.43%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Financial assets mandatorily measured at fair value through profit or loss (FVTPL) - current</u>			
Non-derivative financial assets			
Domestic listed shares	\$ 1,047,850	\$ 1,169,272	\$ 1,070,538
Overseas listed shares	72,852	101,423	141,197
Overseas mutual funds - beneficiary certificates	<u>339,606</u>	<u>348,908</u>	<u>351,642</u>
	<u>\$ 1,460,308</u>	<u>\$ 1,619,603</u>	<u>\$ 1,563,377</u>

The Group has investments in shares of Taiwan Cement Corporation. As of September 30, 2020, the Group held 21,332,026 shares (book value of \$883,146 thousand) accounted for as financial instruments at FVTPL and 302,818,769 shares (book value of \$12,536,696 thousand) accounted for as financial instruments at fair value through other comprehensive income (FVTOCI). Refer to Note 36 for other price risk due to market fluctuation and the related sensitivity analysis.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Investments in equity instruments - current</u>			
Domestic investments			
Listed shares	<u>\$ 2,594,744</u>	<u>\$ 2,631,817</u>	<u>\$ 2,413,004</u>
<u>Investments in equity instruments - non-current</u>			
Domestic investments			
Listed shares	\$ 10,141,377	\$ 10,194,877	\$ 9,250,042
Unlisted shares	<u>288,799</u>	<u>353,301</u>	<u>334,560</u>
	<u>\$ 10,430,176</u>	<u>\$ 10,548,178</u>	<u>\$ 9,584,602</u>

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

9. NOTES RECEIVABLE, TRADE RECEIVABLES AND OVERDUE RECEIVABLES

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 120,160	\$ 166,923	\$ 144,583
Less: Allowance for impairment loss	<u>(1,184)</u>	<u>(1,643)</u>	<u>(1,422)</u>
	<u>\$ 118,976</u>	<u>\$ 165,280</u>	<u>\$ 143,161</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 111,954	\$ 61,462	\$ 82,160
Less: Allowance for impairment loss	<u>(444)</u>	<u>(320)</u>	<u>(428)</u>
	<u>\$ 111,510</u>	<u>\$ 61,142</u>	<u>\$ 81,732</u>
<u>Overdue receivables (Note)</u>			
At amortized cost			
Gross carrying amount	\$ 12,748	\$ 12,821	\$ 13,093
Less: Allowance for impairment loss	<u>(12,748)</u>	<u>(12,821)</u>	<u>(13,093)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Notes Receivable

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

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

Trade Receivables

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

Before accepting a new customer, the Group assesses the credit quality of the potential customer based on the policies on credit limit, and sets up the credits limit for each customer. The supervisors then would assess the credit rating and provide an ultimate credit limit to customers.

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 by using a provision matrix and by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as economic outlook. 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 information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation, or when the trade receivables are over 1 year past due. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

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

September 30, 2020

	Not Past Due	1 to 90 Days	91 to 360 Days	Over 360 Days	Total
Expected credit loss rate	0.69%	1.05%	0.98%	100%	
Gross carrying amount	\$ 234,425	\$ 95	\$ 510	\$ 12,748	\$ 247,778
Loss allowance (Lifetime ECLs)	<u>(1,622)</u>	<u>(1)</u>	<u>(5)</u>	<u>(12,748)</u>	<u>(14,376)</u>
Amortized cost	<u>\$ 232,803</u>	<u>\$ 94</u>	<u>\$ 505</u>	<u>\$ -</u>	<u>\$ 233,402</u>

December 31, 2019

	Not Past Due	1 to 90 Days	91 to 360 Days	Over 360 Days	Total
Expected credit loss rate	0.00%-1.00%	0.00%-1.00%	0.00%-1.00%	100%	
Gross carrying amount	\$ 229,607	\$ 1,166	\$ 292	\$ 12,821	\$ 243,886
Loss allowance (Lifetime ECLs)	<u>(1,955)</u>	<u>(6)</u>	<u>(2)</u>	<u>(12,821)</u>	<u>(14,784)</u>
Amortized cost	<u>\$ 227,652</u>	<u>\$ 1,160</u>	<u>\$ 290</u>	<u>\$ -</u>	<u>\$ 229,102</u>

September 30, 2019

	Not Past Due	1 to 90 Days	91 to 360 Days	Over 360 Days	Total
Expected credit loss rate	0.00%-1.00%	0.00%-1.00%	0%	100%	
Gross carrying amount	\$ 229,685	\$ 1,474	\$ 298	\$ 13,093	\$ 244,550
Loss allowance (Lifetime ECLs)	<u>(1,840)</u>	<u>(8)</u>	<u>(2)</u>	<u>(13,093)</u>	<u>(14,943)</u>
Amortized cost	<u>\$ 227,845</u>	<u>\$ 1,466</u>	<u>\$ 296</u>	<u>\$ -</u>	<u>\$ 229,607</u>

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

	For the Nine Months Ended September 30	
	2020	2019
Balance at January 1	\$ 14,784	\$ 16,038
Add: Net remeasurement of loss allowance	124	409
Less: Net remeasurement of loss allowance reversed	(459)	(1,245)
Foreign exchange gains and losses	<u>(73)</u>	<u>(259)</u>
Balance at September 30	<u>\$ 14,376</u>	<u>\$ 14,943</u>

10. OTHER RECEIVABLES

	September 30, 2020	December 31, 2019	September 30, 2019
Interest receivables	\$ 16,139	\$ 18,197	\$ 24,842
Other receivables from the disposal of investments (Note 34)	-	43,713	-
VAT refund receivables	-	330,403	-
Others	11,840	12,553	50,658
Less: Loss allowance	<u>(1,851)</u>	<u>(1,862)</u>	<u>(1,902)</u>
	<u>\$ 26,128</u>	<u>\$ 403,004</u>	<u>\$ 73,598</u>

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

	For the Nine Months Ended September 30	
	2020	2019
Balance at January 1	\$ 1,862	\$ 1,939
Foreign exchange gains and losses	<u>(11)</u>	<u>(37)</u>
Balance at September 30	<u>\$ 1,851</u>	<u>\$ 1,902</u>

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

September 30, 2020

	Not Past Due	1 to 90 Days	91 to 360 Days	Over 360 Days	Total
Expected credit loss rate	0.00%	0.00%	0.00%	100%	
Gross carrying amount	\$ 26,128	\$ -	\$ -	\$ 1,851	\$ 27,979
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,851)</u>	<u>(1,851)</u>
Amortized cost	<u>\$ 26,128</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,128</u>

December 31, 2019

	Not Past Due	1 to 90 Days	91 to 360 Days	Over 360 Days	Total
Expected credit loss rate	0.00%	0.00%	0.00%	100%	
Gross carrying amount	\$ 403,004	\$ -	\$ -	\$ 1,862	\$ 404,866
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,862)</u>	<u>(1,862)</u>
Amortized cost	<u>\$ 403,004</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 403,004</u>

September 30, 2019

	Not Past Due	1 to 90 Days	91 to 360 Days	Over 360 Days	Total
Expected credit loss rate	0%	0%	0%	100%	
Gross carrying amount	\$ 73,598	\$ -	\$ -	\$ 1,902	\$ 75,500
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,902)</u>	<u>(1,902)</u>
Amortized cost	<u>\$ 73,598</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,598</u>

Other receivables were mainly interest receivables, VAT refund receivables and proceeds from marketable securities disposed of. The Group only transacts with counterparts who have good credit ratings. The Group continues to monitor the conditions of the receivables, refer to the past default experience of the debtor, and evaluates the debtor's current financial position to determine whether the credit risk of the other receivables increased significantly since the initial recognition as well as to measure the expected credit losses.

11. FINANCE LEASE RECEIVABLES

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Undiscounted lease payments</u>			
Year 1	\$ 2,743	\$ 2,743	\$ 2,743
Year 2	2,971	2,800	2,743
Year 3	2,971	2,971	2,971
Year 4	1,857	2,971	2,971
Year 5	-	1,115	1,858
Year 6 onwards	<u>-</u>	<u>-</u>	<u>-</u>
	10,542	12,600	13,286
Less: Unearned finance income	<u>(415)</u>	<u>(600)</u>	<u>(668)</u>
Finance lease payments receivable	<u>10,127</u>	<u>12,000</u>	<u>12,618</u>
Net investment in leases presented as finance lease receivables	<u>\$ 10,127</u>	<u>\$ 12,000</u>	<u>\$ 12,618</u>

Because of the market conditions severely affected by COVID-19 in 2020, the Group agreed to provide unconditional 25% and 50% rent reduction from March 1 to March 31, 2020 and April 1 to June 30, 2020, respectively. As there was no contractual mechanism to adjust rent in the original lease contract, the rent concession was accounted for by adjusting the finance lease receivables and recognizing the resulting loss from lease modification of \$67 thousand in other gains and losses.

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Lease payments receivable</u>			
Not more than 1 year	\$ 2,546	\$ 2,504	\$ 2,490
More than 1 year but not more than 5 years	<u>7,581</u>	<u>9,496</u>	<u>10,128</u>
	<u>\$ 10,127</u>	<u>\$ 12,000</u>	<u>\$ 12,618</u>

The Group has been subleasing its building (the dormitory in National Taiwan University) to Gping Wellness Co., Ltd. since August 2015. As the Group subleases the building 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. The interest rate inherent in the finance leases is 2.25% per annum as of September 30, 2020, December 31, 2019 and September 30, 2019.

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 September 30, 2020, December 31, 2019 and September 30, 2019, no finance lease receivable was past due. The Group has not recognized a loss allowance for finance lease receivables after taking into consideration the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collateral held over these finance lease receivables.

12. INVENTORIES

	September 30, 2020	December 31, 2019	September 30, 2019
Finished goods	\$ 61,800	\$ 40,180	\$ 47,769
Raw materials	328	192	196
Supplies	<u>1,378</u>	<u>1,372</u>	<u>1,686</u>
	<u>63,506</u>	<u>41,744</u>	<u>49,651</u>
Land held for construction	<u>3,166</u>	<u>3,166</u>	<u>3,166</u>
	<u>\$ 66,672</u>	<u>\$ 44,910</u>	<u>\$ 52,817</u>

The cost of inventories recognized as cost of goods sold for the three months ended September 30, 2020 and 2019 and for the nine months ended September 30, 2020 and 2019 was \$260,055 thousand, \$276,878 thousand, \$765,469 thousand and \$736,996 thousand, respectively.

13. DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

a. Discontinued operations

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

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

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Operating revenue	\$ -	\$ -	\$ -	\$ -
Operating costs	-	-	-	-
Gross profit	-	-	-	-
Selling and marketing expenses	-	-	-	-
General and administrative expenses	-	-	-	-
Loss from operations	-	-	-	-
Other income	-	5,118	3,967	9,971
Other profit or loss	-	(4,784)	(2,468)	594,470
Finance costs	-	-	-	(452)
Profit before tax	-	334	1,499	603,989
Income tax expense	-	-	-	-
Net (loss) profit for the year	<u>\$ -</u>	<u>\$ 334</u>	<u>\$ 1,499</u>	<u>\$ 603,989</u>
Profit from discontinued operations attributable to:				
Owners of the Company	\$ -	\$ 334	\$ 1,499	\$ 603,989
Non-controlling interests	-	-	-	-
	<u>\$ -</u>	<u>\$ 334</u>	<u>\$ 1,499</u>	<u>\$ 603,989</u>
Cash flows				
Operating activities			\$ (9,383)	\$ (52,140)
Investing activities			3,967	163,418
Financing activities			(601,796)	-
Net cash (outflows) inflows			<u>\$ (607,212)</u>	<u>\$ 111,278</u>

b. Disposal groups held for sale

	September 30, 2020	December 31, 2019	September 30, 2019
Total amount of disposal group held for sale	\$ <u> -</u>	\$ <u> 42,537</u>	\$ <u> 43,439</u>
Liabilities directly associated with disposal groups classified as held for sale	\$ <u> -</u>	\$ <u> 380,771</u>	\$ <u> 388,844</u>

December 31, 2019

	Shanghai Jia Huan Concrete Co., Ltd.
Property, plant and equipment - machinery	\$ 11,499
Investment property - building	14,844
Right-of-use asset - land	<u>16,194</u>
Total amount of disposal group held for sale	<u>\$ 42,537</u>
Advance receipt	<u>\$ 380,771</u>
Liabilities directly associated with disposal groups classified as held for sale	<u>\$ 380,771</u>

September 30, 2019

	Shanghai Jia Huan Concrete Co., Ltd.
Property, plant and equipment - machinery	\$ 11,743
Investment property - building	15,159
Right-of-use asset - land	<u>16,537</u>
Total amount of disposal group held for sale	<u>\$ 43,439</u>
Advance receipt	<u>\$ 388,844</u>
Liabilities directly associated with disposal groups classified as held for sale	<u>\$ 388,844</u>

- 1) The operation of Union Cement was categorized as cement for segment presentation purposes, and was reclassified as a disposal group held for sale and presented separately in the consolidated balance sheets. The disposal transactions, demolition, and transfer of the aforementioned assets in the disposal group classified as held for sale were completed on June 15, 2019. The proceeds of the sale, which were fully received, amounted to \$1,033,722 thousand, and the cost of the assets in the disposal group classified as held for sale, including demolition cost and related taxes, was \$442,995 thousand; the gain on the disposal of the assets of \$597,422 thousand was recognized as gain on disposal of assets under other gains and losses.

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

- 2) On June 26, 2018, the board of directors of the Company resolved to authorize the subsidiary, Shanghai Jia Huan Concrete Co., Ltd., (hereafter referred to as “Shanghai Jia Huan”), to act in accordance with the land reserve plan for environmental improvement in Shanghai City, and to dispose of its plants located in the waterfront area of Xuhui District and the related land use rights. On July 12, 2018, the board of directors and the shareholders’ meeting of Shanghai Jia Huan resolved to enter into a compensation contract with Shanghai Xuhui District Land Reserve Center and Shanghai Xuhui Waterfront Development, Construction, and Investment Co., Ltd. The compensation contract was signed in August 2018, and the transfer of assets was completed in June 2020. The proceeds of the compensation contract, which were fully received, amounted to \$441,258 thousand, and the cost of the assets in the disposal group classified as held for sale, excluding demolition cost and related taxes, was \$41,426 thousand; the gain on the disposal of the assets of \$335,919 thousand was recognized as gain on disposal of assets under other gains and losses.

As of December 31, 2019 and September 30, 2019, Shanghai Jia Huan had received advance receipt of \$380,771 thousand and \$388,844 thousand for the disposal. The advance received was presented as liability directly associated with disposal groups classified as held for sale.

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

14. OTHER FINANCIAL ASSETS

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Current</u>			
Principal guaranteed investments (Note)	\$ 836,239	\$ 1,174,370	\$ 1,756,179
Time deposits (original maturities of more than 3 months)	<u>2,568,983</u>	<u>2,243,645</u>	<u>2,058,072</u>
	<u>\$ 3,405,222</u>	<u>\$ 3,418,015</u>	<u>\$ 3,814,251</u>
<u>Non-current</u>			
Restricted deposits	<u>\$ 25,770</u>	<u>\$ 23,588</u>	<u>\$ 23,559</u>

Note: Early redemption is not applicable to these investment products.

- a. The Group has tasked its credit management committee to develop a credit risk grading framework to determine whether the credit risk of the other financial assets increases significantly since the last period to the reporting date as well as to measure the expected credit losses. The credit rating information may be obtained from independent rating agencies where available and, if not available, the credit management committee uses other publicly available financial information to rate the debtors. In the consideration of an analysis of the debtor’s current financial position and the forecasted direction of economic conditions in the industry, the Group forecasts 12-month expected credit losses or lifetime expected credit losses of other financial assets. As of September 30, 2020, December 31, 2019 and September 30, 2019, the Group assessed the expected credit loss rate as 0%.

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

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Interest rate range</u>			
Principal guaranteed investments	2.10%-3.08%	3.05%-3.50%	3.05%-3.50%
Time deposits (original maturities of more than 3 months)	0.04%-2.25%	0.11%-2.70%	0.63%-3.12%
Restricted deposits	0.09%-1.065%	0.12%-1.065%	0.12%-1.065%

15. SUBSIDIARIES

- a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			September 30, 2020	December 31, 2019	September 30, 2019	
Chia Hsin Cement Corporation	Chia Hsin Construction & Development Corp.	Office buildings construction and lease and sale of public housings	(Note 6)	(Note 6)	(Note 6)	
	Tong Yang Chia Hsin International Corporation	General international trade (all business items that are not prohibited or restricted by law, except those that are subject to special approval)	87.18	87.18	87.18	
	Chia Hsin Property Management & Development Corporation	Wholesale and retail business of machinery; residence, factory buildings and office buildings leasing and selling; PPE leasing and selling	100.00	100.00	100.00	
	Chia Pei International Corporation	Mining; wholesale of building materials; nonmetallic mining; retail sale of building materials; international trade; rental and leasing business; retail sale of other machinery and equipment	100.00	100.00	100.00	
	Chia Hsin Pacific Limited	Holding company	74.16	74.16	74.16	Exchange rate risk
	BlueSky. Co., Ltd.	International trade; real estate trading; real estate leasing	100.00	100.00	100.00	
		YJ International Corporation (Note 1)	Real estate rental and leasing; real estate management; realtor agent	100.00	100.00	100.00
	Jaho Life Plus+ Management Corp., Ltd. (Note 2)	Management consulting service	100.00	100.00	100.00	
YJ International Corporation	CHC Ryukyu Development GK (Notes 3 and 4)	Real estate rental and leasing; management consulting service	100.00	100.00	100.00	Exchange rate risk
	CHC Ryukyu COLLECTIVE KK (Notes 4 and 5)	Hotel management	100.00	100.00	-	Exchange rate risk
Tong Yang Chia Hsin International Corporation	Tong Yang Chia Hsin Marine Corp.	Shipping service	100.00	100.00	100.00	Exchange rate risk
Tong Yang Chia Hsin Marine Corp.	Chia Hsin Pacific Limited	Holding company	24.18	24.18	24.18	Exchange rate risk
	Jiangsu Jiaguo Construction Material Storage Co., Ltd.	Engaging in overland delivery of ordinary goods and the processing, manufacturing and selling of cement and other construction material	100.00	100.00	100.00	Exchange rate risk and political risk arising from cross-strait relations
Jiangsu Jiaguo Construction Material Storage Co., Ltd.	Jiangsu Jiaxin Property Limited Company	Developing and selling real estate and providing property management service	100.00	100.00	100.00	Exchange rate risk and political risk arising from cross-strait relations
Chia Hsin Property Management & Development Corporation	Chia Sheng Construction Corp.	Wholesale and retail business of machinery; residence, factory buildings and office buildings leasing and selling; PPE leasing and selling	100.00	100.00	100.00	
Chia Hsin Pacific Limited	Effervesce Investment Pte. Ltd.	Investment and holding company	100.00	100.00	100.00	Exchange rate risk
Effervesce Investment Pte. Ltd.	Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Consulting for developing information system for business and finance purpose.	100.00	100.00	100.00	Exchange rate risk and political risk arising from cross-strait relations
	Shanghai Chia Hsin Ganghui Co., Ltd.	Warehousing and packing bulk cement and formulating and delivering high-strength cement.	100.00	100.00	100.00	Exchange rate risk and political risk arising from cross-strait relations
	Shanghai Jia Huan Concrete Co., Ltd.	Processing, manufacturing and selling of cement, concrete and other related products.	68.00	68.00	68.00	Exchange rate risk and political risk arising from cross-strait relations

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			September 30, 2020	December 31, 2019	September 30, 2019	
Chia Hsin Pacific Limited Yonica Pte Ltd	Yonica Pte Ltd Jiangsu Union Cement Co., Ltd. (Note 7)	Investment and holding company Processing, manufacturing and selling of cement.	100.00 -	100.00 100.00	100.00 100.00	Exchange rate risk Exchange rate risk and political risk arising from cross-strait relations
Chia Hsin Pacific Limited Sparksview Pte. Ltd.	Sparksview Pte. Ltd. Shanghai Jia Huan Concrete Co., Ltd.	Investment and holding company Processing, manufacturing and selling of cement, concrete and other related products.	100.00 32.00	100.00 32.00	100.00 32.00	Exchange rate risk Exchange rate risk and political risk arising from cross-strait relations
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. (Note 8)	Consulting for management of healthcare and hotel business.	100.00	70.00	70.00	Exchange rate risk and political risk arising from cross-strait relations
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Jiapeng Maternal and Child Care (Yangzhou) Co., Ltd. (Note 9)	Providing healthcare service to mothers in pregnancy, parturition and postpartum period.	100.00	100.00	100.00	Exchange rate risk and political risk arising from cross-strait relations

(Concluded)

Note 1: On March 18, 2019 and November 20, 2019, the Group increased its investments by \$680,000 thousand and \$700,000 thousand, respectively.

Note 2: On January 16, 2020, the Group increased its investment by \$50,000 thousand.

Note 3: On March 22, 2019, YJ International Corporation increased its investment in CHC Ryukyu Development GK by JPY2,400,000 thousand.

Note 4: On July 1, 2019, CHC Ryukyu Development GK underwent a spin-off and established a new company, CHC Ryukyu COLLECTIVE KK, with the share capital of JPY4,570,425 thousand, transferred to CHC Ryukyu COLLECTIVE KK.

Note 5: On November 27, 2019, YJ International Corporation increased its investment in CHC Ryukyu COLLECTIVE KK by JPY2,450,000 thousand.

Note 6: On February 20, 2019, the board of directors of the Company passed a resolution to enter into a sale agreement and the Company sold 4,300 thousand shares of Chia Hsin Construction & Development Corp. to strategic investors. Thereafter, the Company's shareholding ratio decreased from 49.87% to 43.87%. Considering the joint agreement made among the other shareholders of Chia Hsin Construction & Development Corp., the Company lost its control over Chia Hsin Construction & Development Corp., which is thereafter excluded from the consolidated financial report. For more details about the disposal of subsidiary, refer to Note 32.

Note 7: On April 1, 2020, the cancellation of registration was completed. Gain on liquidation of subsidiary of \$92,073 thousand, after deducting exchange differences from the translation to presentation currency, was recognized under other gains and losses.

Note 8: On September 3, 2020, the board of directors of the Company passed a resolution for Chia Hsin Business Consulting (Shanghai) Co., Ltd. to repurchase 30% interests of Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. from an unrelated party, China Chemical & Pharmaceutical Co., Ltd. The total transaction amount was \$22,231 thousand; therefore Chia Hsin Business Consulting (Shanghai) Co., Ltd. increased its continuing interest in Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. from 70% to 100%. The Group recognized capital surplus of \$(538) thousand and unappropriated earnings of \$(1,746) thousand. For detailed information, refer to Note 33. On September 16, 2020 after the abovementioned transaction, Chia Hsin Business Consulting (Shanghai) Co., Ltd. increased by RMB21,000 thousand its investment in Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.

Note 9: On January 7, 2019, Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. injected RMB10,000 thousand to establish Jiapeng Maternal and Child Care (Yangzhou) Co., Ltd., which is thereafter included into the consolidated financial report. On January 16, 2020, Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. increased investment by RMB10,000 thousand in Jiapeng Maternal and Child Care (Yangzhou) Co., Ltd.

Note 10: Except for Chia Hsin Property Management & Development Corporation, Tong Yang Chia Hsin International Corporation, Union Cement 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 nine months ended September 30, 2019 are presented using unreviewed financial statements from each entity. As of September 30, 2020 and 2019, combined total assets of these non-significant subsidiaries were \$11,798,251 thousand and \$10,980,120 thousand, respectively, representing 31.30% and 30.50% of the consolidated total assets, and combined total liabilities of these subsidiaries were \$4,773,757 thousand and \$3,867,161 thousand, respectively, representing 32.67% and 29.08% of the consolidated total liabilities; for the three months ended September 30, 2020 and 2019 and for the nine months ended September 30, 2020 and 2019, the amounts of combined comprehensive income (loss) of these subsidiaries were \$(82,970) thousand, \$(135,398) thousand, \$(135,869) thousand and \$(106,514) thousand, respectively, representing (9.78%), 58.09%, (64.54%) and (2.98%) of the consolidated total comprehensive income (loss), respectively.

All transactions, account balances, revenue and expenses between the entities in the Group were eliminated and not shown in the consolidated financial statements.

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

	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
	September 30, 2020	December 31, 2019	September 30, 2019
Tong Yang Chia Hsin International Corporation	12.82%	12.82%	12.82%

Note: In February 2019, the Group disposed of part of the shares and lost control over Chia Hsin Construction & Development Corp, which is no longer a subsidiary of the Group. Nonetheless, the Group still has significant influence over Chia Hsin Construction & Development Corp. For detailed information of associates that have material interests, refer to Note 16.

Refer to Note 43, Tables 7 and 9 “Information on Investees” for the nature of activities, principal places of business and countries of incorporation of the subsidiaries and associates.

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests		Accumulated Non-controlling Interests		
	For the Nine Months Ended		September 30,	December 31,	September 30,
	September 30	September 30	2020	2019	2019
Tong Yang Chia Hsin International Corporation	<u>\$ 65,934</u>	<u>\$ 92,997</u>	<u>\$ 907,661</u>	<u>\$ 945,777</u>	<u>\$ 899,023</u>

Summarized financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarized financial information below represents amounts before intercompany eliminations.

Tong Yang Chia Hsin International Corporation

	September 30, 2020	December 31, 2019	September 30, 2019	
Current assets	\$ 2,200,989	\$ 2,499,479	\$ 2,271,812	
Non-current assets	5,171,689	5,178,332	4,951,440	
Current liabilities	(92,704)	(81,737)	(30,912)	
Non-current liabilities	<u>(201,288)</u>	<u>(217,117)</u>	<u>(180,780)</u>	
Equity	<u>\$ 7,078,686</u>	<u>\$ 7,378,957</u>	<u>\$ 7,011,560</u>	
Equity attributable to:				
Owners of the Company	\$ 6,171,025	\$ 6,433,180	\$ 6,112,537	
Non-controlling interests of Tong Yang Chia Hsin International Corporation	<u>907,661</u>	<u>945,777</u>	<u>899,023</u>	
Carrying amount	<u>\$ 7,078,686</u>	<u>\$ 7,378,957</u>	<u>\$ 7,011,560</u>	
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Operating revenue	<u>\$ 25,498</u>	<u>\$ 23,487</u>	<u>\$ 78,373</u>	<u>\$ 73,289</u>
Net profit for the year	\$ 395,539	\$ 411,428	\$ 514,303	\$ 725,408
Other comprehensive income (loss)	<u>(183,326)</u>	<u>(200,795)</u>	<u>(923,862)</u>	<u>1,135,747</u>
Total comprehensive income (loss) for the year	<u>\$ 212,213</u>	<u>\$ 210,633</u>	<u>\$ (409,559)</u>	<u>\$ 1,861,155</u>
Profit attributable to:				
Owners of the Company	\$ 344,830	\$ 358,683	\$ 448,369	\$ 632,411
Non-controlling interests of Tong Yang Chia Hsin International Corporation	<u>50,709</u>	<u>52,745</u>	<u>65,934</u>	<u>92,997</u>
	<u>\$ 395,539</u>	<u>\$ 411,428</u>	<u>\$ 514,303</u>	<u>\$ 725,408</u>
Total comprehensive income (loss) attributable to:				
Owners of the Company	\$ 185,008	\$ 183,630	\$ (357,053)	\$ 1,622,555
Non-controlling interests of Tong Yang Chia Hsin International Corporation	<u>27,205</u>	<u>27,003</u>	<u>(52,506)</u>	<u>238,600</u>
	<u>\$ 212,213</u>	<u>\$ 210,633</u>	<u>\$ (409,559)</u>	<u>\$ 1,861,155</u>

	For the Nine Month Ended September 30	
	2020	2019
Net cash inflow/(outflow) from:		
Operating activities	\$ (19,334)	\$ 182,933
Investing activities	718,733	540,115
Financing activities	<u>(696,356)</u>	<u>(726,829)</u>
	<u>\$ 3,043</u>	<u>\$ (3,781)</u>

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30, 2020	December 31, 2019	September 30, 2019
Investments in associates	\$ 2,323,265	\$ 2,485,374	\$ 2,429,035
Investments in joint ventures	<u>161,848</u>	<u>164,294</u>	<u>168,728</u>
	<u>\$ 2,485,113</u>	<u>\$ 2,649,668</u>	<u>\$ 2,597,763</u>

a. Investments in associates

	September 30, 2020	December 31, 2019	September 30, 2019
Material associates			
LDC ROME HOTELS S.R.L.	\$ 341,951	\$ 390,640	\$ 403,341
Chia Hsin Construction & Development Corp.	1,730,987	1,783,114	1,729,568
Associates that are not individually material	<u>250,327</u>	<u>311,620</u>	<u>296,126</u>
	<u>\$ 2,323,265</u>	<u>\$ 2,485,374</u>	<u>\$ 2,429,035</u>

1) Material associates

	Proportion of Ownership and Voting Rights		
	September 30, 2020	December 31, 2019	September 30, 2019
LDC ROME HOTELS S.R.L.	40.00%	40.00%	40.00%
Chia Hsin Construction & Development Corp.	43.87%	43.87%	43.87%

Refer to Table 7 “Information on Investees” in Note 43 for the nature of activities, principal places of business and countries of incorporation of the associates.

The Group uses equity method to evaluate the associates mentioned above.

The financial information below was made according to the associates’ consolidated financial reports under the IFRSs and was adjusted by using the equity method.

LDC ROME HOTELS S.R.L.

	September 30, 2020	December 31, 2019	September 30, 2019
Current assets	\$ 246,328	\$ 254,372	\$ 701,504
Non-current assets	1,829,479	2,135,465	1,786,561
Current liabilities	(391,164)	(556,693)	(482,600)
Non-current liabilities	<u>(829,766)</u>	<u>(856,545)</u>	<u>(997,112)</u>
Equity	<u>\$ 854,877</u>	<u>\$ 976,599</u>	<u>\$ 1,008,353</u>
Proportion of the Group's ownership	40.00%	40.00%	40.00%
Equity attributable to the Group	<u>\$ 341,951</u>	<u>\$ 390,640</u>	<u>\$ 403,341</u>
Carrying amount	<u>\$ 341,951</u>	<u>\$ 390,640</u>	<u>\$ 403,341</u>

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2020	2019	2020	2019
Operating revenue	<u>\$ 46,261</u>	<u>\$ 166,389</u>	<u>\$ 132,719</u>	<u>\$ 477,184</u>
Net loss for the year	\$ (45,839)	\$ (4,489)	\$ (138,210)	\$ (12,453)
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive (loss) income for the year	<u>\$ (45,839)</u>	<u>\$ (4,489)</u>	<u>\$ (138,210)</u>	<u>\$ (12,453)</u>

Chia Hsin Construction & Development Corp.

	September 30, 2020	December 31, 2019	September 30, 2019
Current assets	\$ 1,865,342	\$ 1,718,219	\$ 1,502,642
Non-current assets	2,467,722	2,634,877	2,731,260
Current liabilities	(221,077)	(146,471)	(23,924)
Non-current liabilities	<u>(195,617)</u>	<u>(171,433)</u>	<u>(296,843)</u>
Equity	<u>\$ 3,916,370</u>	<u>\$ 4,035,192</u>	<u>\$ 3,913,135</u>
Proportion of the Group's ownership	43.87%	43.87%	43.87%
Equity attributable to the Group	\$ 1,718,112	\$ 1,770,239	\$ 1,716,693
Premium representing the difference between fair value and book value of remaining equity investments	<u>12,875</u>	<u>12,875</u>	<u>12,875</u>
Carrying amount	<u>\$ 1,730,987</u>	<u>\$ 1,783,114</u>	<u>\$ 1,729,568</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Operating revenue	\$ 24,832	\$ 25,743	\$ 303,363	\$ 78,233
Net profit for the year	\$ 59,653	\$ 25,997	\$ 175,109	\$ 170,611
Other comprehensive (loss) income	(33,771)	(135,673)	(186,307)	61,176
Total comprehensive (loss) income for the year	\$ 25,882	\$ (109,676)	\$ (11,198)	\$ 231,787

2) Aggregate information of associates that are not individually material

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
The Group's share of:				
(Loss) profit from continuing operations	\$ 9,398	\$ 6,811	\$ 3,655	\$ 6,178
Other comprehensive (loss) income	(6,127)	(5,120)	(19,395)	17,039
Total comprehensive (loss) income for the year	\$ 3,271	\$ 1,691	\$ (15,740)	\$ 23,217

b. Investments in joint ventures

	September 30, 2020	December 31, 2019	September 30, 2019
Joint ventures that are not individually material			
Jiangsu Union Mining Industry Ltd. (Note)	\$ 161,848	\$ 164,294	\$ 168,728

Note: On January 17, 2019, the board of directors resolved to liquidate the company.

Refer to Table 9 "Information of Investment in Mainland China" in Note 43 for the nature of activities, principal places of business and countries of incorporation of joint ventures.

The abovementioned investments in joint ventures were accounted for using the equity method.

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

17. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2020	December 31, 2019	September 30, 2019
Assets used by the Group	\$ 6,181,667	\$ 6,435,394	\$ 4,728,609
Assets leased under operating leases	<u>75,730</u>	<u>100,180</u>	<u>69,445</u>
	<u>\$ 6,257,397</u>	<u>\$ 6,535,574</u>	<u>\$ 4,798,054</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, 2019	\$ 1,047,829	\$ 59	\$ 967,576	\$ 40,762	\$ 2,839,608	\$ 181,478	\$ 1,284,561	\$ 6,361,873
Additions	-	-	1,655	1,751	14,448	1,572	1,353,514	1,372,940
Disposals	-	-	-	(797)	-	-	-	(797)
Reclassified from prepayment	-	-	2,448	-	-	-	-	2,448
Transfers due to loss of control	-	-	-	(11,780)	(1,157)	(2,335)	-	(15,272)
Transfers to assets leased under operating leases	-	-	(239,154)	-	(86,700)	(2,863)	-	(328,717)
Effect of foreign currency exchange differences	<u>35,811</u>	<u>(2)</u>	<u>3,807</u>	<u>(106)</u>	<u>1,216</u>	<u>(142)</u>	<u>50,096</u>	<u>90,680</u>
Balance at September 30, 2019	<u>\$ 1,083,640</u>	<u>\$ 57</u>	<u>\$ 736,332</u>	<u>\$ 29,830</u>	<u>\$ 2,767,415</u>	<u>\$ 177,710</u>	<u>\$ 2,688,171</u>	<u>\$ 7,483,155</u>
Revaluation								
Balance at January 1, 2019	\$ -	\$ -	\$ 22,562	\$ 487	\$ -	\$ 357	\$ -	\$ 23,406
Effect of foreign currency exchange differences	-	-	-	-	-	-	-	-
Balance at September 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,562</u>	<u>\$ 487</u>	<u>\$ -</u>	<u>\$ 357</u>	<u>\$ -</u>	<u>\$ 23,406</u>
Accumulated depreciation								
Balance at January 1, 2019	\$ -	\$ 59	\$ 862,615	\$ 28,611	\$ 1,531,306	\$ 147,911	\$ -	\$ 2,570,502
Depreciation expenses	-	-	18,007	1,712	96,734	5,793	-	122,246
Disposals	-	-	-	(797)	-	-	-	(797)
Transfers due to loss of control	-	-	-	(5,465)	(1,037)	(1,974)	-	(8,476)
Transfers to assets leased under operating leases	-	-	(213,324)	-	(37,963)	(2,467)	-	(253,754)
Effect of foreign currency exchange differences	<u>-</u>	<u>(2)</u>	<u>3,489</u>	<u>(57)</u>	<u>524</u>	<u>(115)</u>	<u>-</u>	<u>3,839</u>
Balance at September 30, 2019	<u>\$ -</u>	<u>\$ 57</u>	<u>\$ 670,787</u>	<u>\$ 24,004</u>	<u>\$ 1,589,564</u>	<u>\$ 149,148</u>	<u>\$ -</u>	<u>\$ 2,433,560</u>
Accumulated impairment								
Balance at January 1, 2019	\$ -	\$ -	\$ 56,216	\$ -	\$ 152,610	\$ -	\$ 138,427	\$ 347,253
Effect of foreign currency exchange differences	-	-	(179)	-	-	-	(2,682)	(2,861)
Balance at September 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,037</u>	<u>\$ -</u>	<u>\$ 152,610</u>	<u>\$ -</u>	<u>\$ 135,745</u>	<u>\$ 344,392</u>
Carrying amounts at January 1, 2019	<u>\$ 1,047,829</u>	<u>\$ -</u>	<u>\$ 71,307</u>	<u>\$ 12,638</u>	<u>\$ 1,155,692</u>	<u>\$ 33,924</u>	<u>\$ 1,146,134</u>	<u>\$ 3,467,524</u>
Carrying amounts at September 30, 2019	<u>\$ 1,083,640</u>	<u>\$ -</u>	<u>\$ 32,070</u>	<u>\$ 6,313</u>	<u>\$ 1,025,241</u>	<u>\$ 28,919</u>	<u>\$ 2,552,426</u>	<u>\$ 4,728,609</u>

(Continued)

	Land	Building	Machinery and Equipment	Transportation Equipment	Leasehold Improvement	Other Equipment	Property under Construction	Total
Cost								
Balance at January 1, 2020	\$ 1,053,422	\$ 3,649,892	\$ 821,036	\$ 17,732	\$ 2,716,705	\$ 628,807	\$ 91,480	\$ 8,979,074
Additions	-	1,919	6,328	1,308	32,464	15,150	13,618	70,787
Disposals	(5,377)	-	(24,077)	(324)	-	(1,611)	-	(31,389)
Reclassified from property under construction (Note)	-	6,108	-	-	74,608	7,581	(94,425)	(4,128)
Reclassified from prepayment	-	-	9,160	-	-	-	-	9,160
Effect of foreign currency exchange differences	(1,512)	(5,367)	(612)	(69)	403	(696)	63	(7,790)
Balance at September 30, 2020	<u>\$ 1,046,533</u>	<u>\$ 3,652,552</u>	<u>\$ 811,835</u>	<u>\$ 18,647</u>	<u>\$ 2,824,180</u>	<u>\$ 649,231</u>	<u>\$ 12,736</u>	<u>\$ 9,015,714</u>
Revaluation								
Balance at January 1, 2020	\$ -	\$ -	\$ 15,806	\$ -	\$ -	\$ 357	\$ -	\$ 16,163
Effect of foreign currency exchange differences	-	-	-	-	-	-	-	-
Balance at September 30, 2020	<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, 2020	\$ -	\$ 12,175	\$ 559,835	\$ 11,918	\$ 1,609,350	\$ 158,107	\$ -	\$ 2,351,385
Depreciation expenses	-	107,036	33,796	1,211	101,158	74,856	-	318,057
Disposals	-	-	(24,077)	(292)	-	(1,583)	-	(25,952)
Effect of foreign currency exchange differences	-	(903)	(371)	(55)	101	(460)	-	(1,688)
Balance at September 30, 2020	<u>\$ -</u>	<u>\$ 118,308</u>	<u>\$ 569,183</u>	<u>\$ 12,782</u>	<u>\$ 1,710,609</u>	<u>\$ 230,920</u>	<u>\$ -</u>	<u>\$ 2,641,802</u>
Accumulated impairment								
Balance at January 1, 2020	\$ -	\$ -	\$ 55,848	\$ -	\$ 152,610	\$ -	\$ -	\$ 208,458
Effect of foreign currency exchange differences	-	-	(50)	-	-	-	-	(50)
Balance at September 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,798</u>	<u>\$ -</u>	<u>\$ 152,610</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 208,408</u>
Carrying amounts at January 1, 2020	<u>\$ 1,053,422</u>	<u>\$ 3,637,717</u>	<u>\$ 221,159</u>	<u>\$ 5,814</u>	<u>\$ 954,745</u>	<u>\$ 471,057</u>	<u>\$ 91,480</u>	<u>\$ 6,435,394</u>
Carrying amounts at September 30, 2020	<u>\$ 1,046,533</u>	<u>\$ 3,534,244</u>	<u>\$ 202,660</u>	<u>\$ 5,865</u>	<u>\$ 960,961</u>	<u>\$ 418,668</u>	<u>\$ 12,736</u>	<u>\$ 6,181,667</u>

(Concluded)

Note: The amounts of \$2,768 thousand and \$1,360 thousand were transferred from property under construction to intangible assets and to general and administrative expenses, respectively.

The above items of property, plant and equipment 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	2-10 years
Leasehold improvement	
Office building	10-40 years
Storage and plant	7-40 years
Others	3-24 years
Other equipment	3-20 years

b. Assets leased under operating leases

	Machinery and Equipment	Leasehold Improvement	Other Equipment	Total
<u>Cost</u>				
Balance at January 1, 2019	\$ -	\$ -	\$ -	\$ -
Additions	-	-	67	67
Disposals	-	-	(20)	(20)
Transfers from assets used by the Group	239,154	86,700	2,863	328,717
Effect of foreign currency exchange differences	<u>(9,523)</u>	<u>(3,452)</u>	<u>(116)</u>	<u>(13,091)</u>
Balance at September 30, 2019	<u>\$ 229,631</u>	<u>\$ 83,248</u>	<u>\$ 2,794</u>	<u>\$ 315,673</u>
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2019	\$ -	\$ -	\$ -	\$ -
Transfers from assets used by the Group	213,324	37,963	2,467	253,754
Disposals	-	-	(18)	(18)
Depreciation expenses	1,182	1,459	41	2,682
Effect of foreign currency exchange differences	<u>(8,532)</u>	<u>(1,558)</u>	<u>(100)</u>	<u>(10,190)</u>
Balance at September 30, 2019	<u>\$ 205,974</u>	<u>\$ 37,864</u>	<u>\$ 2,390</u>	<u>\$ 246,228</u>
Carrying amounts at January 1, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Carrying amounts at September 30, 2019	<u>\$ 23,657</u>	<u>\$ 45,384</u>	<u>\$ 404</u>	<u>\$ 69,445</u>
<u>Cost</u>				
Balance at January 1, 2020	\$ 224,863	\$ 126,553	\$ 2,736	\$ 354,152
Additions	10,943	246	-	11,189
Transfers to investment properties	-	(45,279)	-	(45,279)
Effect of foreign currency exchange differences	<u>(1,253)</u>	<u>(463)</u>	<u>(16)</u>	<u>(1,732)</u>
Balance at September 30, 2020	<u>\$ 234,553</u>	<u>\$ 81,057</u>	<u>\$ 2,720</u>	<u>\$ 318,330</u>

(Continued)

	Machinery and Equipment	Leasehold Improvement	Other Equipment	Total
<u>Accumulated depreciation and impairment</u>				
Balance at January 1, 2020	\$ 201,825	\$ 49,792	\$ 2,355	\$ 253,972
Depreciation expenses	835	3,423	43	4,301
Transfers to investment properties	-	(14,304)	-	(14,304)
Effect of foreign currency exchange differences	<u>(1,145)</u>	<u>(211)</u>	<u>(13)</u>	<u>(1,369)</u>
Balance at September 30, 2020	<u>\$ 201,515</u>	<u>\$ 38,700</u>	<u>\$ 2,385</u>	<u>\$ 242,600</u>
Carrying amounts at January 1, 2020	<u>\$ 23,038</u>	<u>\$ 76,761</u>	<u>\$ 381</u>	<u>\$ 100,180</u>
Carrying amounts at September 30, 2020	<u>\$ 33,038</u>	<u>\$ 42,357</u>	<u>\$ 335</u>	<u>\$ 75,730</u>

(Concluded)

Operating leases relate to leases of machinery and equipment and leasehold improvement in the Port of Longwu, Shanghai, with lease term 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.

In addition to the fixed lease payments, the lease contracts also indicate that lease payments should be adjusted every year on the basis of the change in the annual average price of cement.

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

	September 30, 2020	December 31, 2019	September 30, 2019
Year 1	\$ 28,762	\$ 29,402	\$ 27,384
Year 2	28,845	30,254	27,469
Year 3	28,933	30,342	27,557
Year 4	7,229	30,426	27,651
Year 5	<u>-</u>	<u>-</u>	<u>6,919</u>
	<u>\$ 93,769</u>	<u>\$ 120,424</u>	<u>\$ 116,980</u>

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

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

Machinery and equipment	11-15 years
Leasehold improvement	
Office building	10-40 years
Storage and plant	40 years
Others	10-40 years
Other equipment	3-5 years

c. Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 38.

18. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2020	December 31, 2019	September 30, 2019	
<u>Carrying amounts</u>				
Land (land use rights included)	\$ 607,319	\$ 628,064	\$ 637,139	
Land improvement	808,393	821,439	830,204	
Building	351,141	388,072	389,786	
Machinery and equipment	155	208	236	
Transportation equipment	<u>4,264</u>	<u>3,122</u>	<u>2,470</u>	
	<u>\$ 1,771,272</u>	<u>\$ 1,840,905</u>	<u>\$ 1,859,835</u>	
	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2020	2019	2020	2019
Additions to right-of-use asset	<u>\$ 11,838</u>	<u>\$ 20,128</u>	<u>\$ 26,791</u>	<u>\$ 32,707</u>
Depreciation charge for right-of-use asset				
Land use right	\$ 6,701	\$ 6,773	\$ 20,112	\$ 20,394
Land improvement	8,891	8,764	26,420	25,973
Building	16,065	14,609	47,871	42,259
Machinery and equipment	17	18	52	97
Transportation equipment	<u>319</u>	<u>298</u>	<u>814</u>	<u>548</u>
	<u>\$ 31,993</u>	<u>\$ 30,462</u>	<u>\$ 95,269</u>	<u>\$ 89,271</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the nine months ended September 30, 2020 and 2019.

b. Lease liabilities

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Carrying amounts</u>			
Current	<u>\$ 120,382</u>	<u>\$ 107,050</u>	<u>\$ 105,899</u>
Non-current	<u>\$ 1,681,146</u>	<u>\$ 1,737,410</u>	<u>\$ 1,762,074</u>

Range of discount rate for lease liabilities is as follows:

	September 30, 2020	December 31, 2019	September 30, 2019
Land use right	1.38%-5.46%	1.38%-5.46%	1.38%-5.46%
Land improvement	1.38%-1.58%	1.38%-1.58%	1.38%-1.58%
Building	1.38%-4.99%	1.38%-4.99%	1.38%-4.99%
Machinery and equipment	5.20%	5.20%	5.20%-6.12%
Transportation equipment	2.00%-6.12%	2.00%-6.12%	2.00%

c. Material lease-in activities and terms

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, for the leasing of the first bulk and general cargo center in Port of Taipei (hereafter referred to as “Port of Taipei”) from Port of Keelung Taiwan International Ports Corporation Ltd., and leasing the wharf and equipment attached in the Port of Taichung from Port of Taichung Taiwan International Ports Corporation Ltd. (hereafter referred to as “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%.

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

Joint operating agreement

In order to operate a bulk cement business in China, the Group entered into a joint operating agreement with Shanghai Longwu Harbor Company (hereafter referred to as “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

Lease arrangements under operating leases for the leasing out of property, plant and equipment and investment properties are set out in Notes 17 and 19 respectively. Lease arrangements under finance leases are set out in Note 11.

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Expenses relating to short-term leases	\$ 1,322	\$ 2,684	\$ 3,781	\$ 8,006
Expenses relating to low-value asset leases	\$ 398	\$ 55	\$ 715	\$ 246
Total cash outflow for leases	\$ (32,304)	\$ (34,384)	\$ (99,665)	\$ (129,999)

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

19. INVESTMENT PROPERTIES

	Land	Building	Investment Property under Construction	Total
<u>Cost</u>				
Balance at January 1, 2019	\$ 3,223,363	\$ 836,776	\$ 58,725	\$ 4,118,864
Additions	-	-	44,768	44,768
Disposals	-	(43,326)	-	(43,326)
Transfers due to loss of control	(1,050,119)	(454,308)	-	(1,504,427)
Effect of foreign currency exchange differences	14,276	(1,265)	2,193	15,204
Balance at September 30, 2019	\$ 2,187,520	\$ 337,877	\$ 105,686	\$ 2,631,083

(Continued)

	Land	Building	Investment Property under Construction	Total
<u>Revaluation</u>				
Balance at January 1, 2019	\$ 3,854,646	\$ 164,269	\$ -	\$ 4,018,915
Disposals	-	(7,814)	-	(7,814)
Effect of foreign currency exchange differences	-	-	-	-
Balance at September 30, 2019	<u>\$ 3,854,646</u>	<u>\$ 156,455</u>	<u>\$ -</u>	<u>\$ 4,011,101</u>
<u>Accumulated depreciation</u>				
Balance at January 1, 2019	\$ -	\$ 535,381	\$ -	\$ 535,381
Depreciation expenses	-	8,369	-	8,369
Disposals	-	(50,608)	-	(50,608)
Transfers due to loss of control	-	(124,664)	-	(124,664)
Effect of foreign currency exchange differences	-	(501)	-	(501)
Balance at September 30, 2019	<u>\$ -</u>	<u>\$ 367,977</u>	<u>\$ -</u>	<u>\$ 367,977</u>
<u>Accumulated impairment</u>				
Balance at January 1, 2019	\$ -	\$ 42,449	\$ -	\$ 42,449
Transfers due to loss of control	-	(30,505)	-	(30,505)
Effect of foreign currency exchange differences	-	(230)	-	(230)
Balance at September 30, 2019	<u>\$ -</u>	<u>\$ 11,714</u>	<u>\$ -</u>	<u>\$ 11,714</u>
Carrying amounts at January 1, 2019	<u>\$ 7,078,009</u>	<u>\$ 423,215</u>	<u>\$ 58,725</u>	<u>\$ 7,559,949</u>
Carrying amounts at September 30, 2019	<u>\$ 6,042,166</u>	<u>\$ 114,641</u>	<u>\$ 105,686</u>	<u>\$ 6,262,493</u>
<u>Cost</u>				
Balance at January 1, 2020	\$ 2,169,973	\$ 336,550	\$ 93,802	\$ 2,600,325
Additions	11,125	-	22,833	33,958
Disposals	(6,831)	(30,466)	-	(37,297)
Transfers from operation leasing assets	-	45,279	-	45,279
Effect of foreign currency exchange differences	(595)	(356)	(284)	(1,235)
Balance at September 30, 2020	<u>\$ 2,173,672</u>	<u>\$ 351,007</u>	<u>\$ 116,351</u>	<u>\$ 2,641,030</u>

(Continued)

	Land	Building	Investment Property under Construction	Total
<u>Revaluation</u>				
Balance at January 1, 2020	\$ 3,854,646	\$ 156,455	\$ -	\$ 4,011,101
Disposals	(4,294)	(4,443)	-	(8,737)
Effect of foreign currency exchange differences	-	-	-	-
Balance at September 30, 2020	<u>\$ 3,850,352</u>	<u>\$ 152,012</u>	<u>\$ -</u>	<u>\$ 4,002,364</u>
<u>Accumulated depreciation</u>				
Balance at January 1, 2020	\$ -	\$ 369,693	\$ -	\$ 369,693
Depreciation expenses	-	7,699	-	7,699
Disposals	-	(34,909)	-	(34,909)
Transfers from operation leasing assets	-	14,304	-	14,304
Effect of foreign currency exchange differences	-	(137)	-	(137)
Balance at September 30, 2020	<u>\$ -</u>	<u>\$ 356,650</u>	<u>\$ -</u>	<u>\$ 356,650</u>
<u>Accumulated impairment</u>				
Balance at January 1, 2020	\$ -	\$ 11,470	\$ -	\$ 11,470
Effect of foreign currency exchange differences	-	(65)	-	(65)
Balance at September 30, 2020	<u>\$ -</u>	<u>\$ 11,405</u>	<u>\$ -</u>	<u>\$ 11,405</u>
Carrying amounts at January 1, 2020	<u>\$ 6,024,619</u>	<u>\$ 111,842</u>	<u>\$ 93,802</u>	<u>\$ 6,230,263</u>
Carrying amounts at September 30, 2020	<u>\$ 6,024,024</u>	<u>\$ 134,964</u>	<u>\$ 116,351</u>	<u>\$ 6,275,339</u> (Concluded)

As lessor, the Group leased leasehold improvements located in Zhongshan North Road, Taipei City under operating lease with lease term of 1 year. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

The above items of investment properties are depreciated on a straight-line basis over their estimated useful lives of 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:

	September 30, 2020	December 31, 2019	September 30, 2019
The fair values of investment properties	\$ 14,035,996	\$ 14,677,094	\$ 13,660,710
Discount rate	5.77%	5.13%	6.27%

Management was unable to reliably measure the fair value of investment property located at Toyosaki Seaside, Okinawa County because the investment property is under development. The market for comparable properties is inactive and alternative reliable measurements of fair value are not available; therefore, the Group determined that the fair value of the investment property is not reliably measurable.

All of the Group's investment properties are freehold properties. The investment properties pledged as collateral for bank borrowings are set out in Note 38.

20. INTANGIBLE ASSETS

	September 30, 2020	December 31, 2019	September 30, 2019
Computer software	<u>\$ 12,024</u>	<u>\$ 5,518</u>	<u>\$ -</u>

Except for recognized amortization, the Group did not have significant addition, disposal, or impairment of intangible assets during the nine months ended September 30, 2020 and 2019. Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software 5 years

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
An analysis of amortization by function				
General and administrative expenses	<u>\$ 682</u>	<u>\$ -</u>	<u>\$ 1,801</u>	<u>\$ -</u>

21. OTHER ASSETS

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Current</u>			
Prepayments			
Prepaid guarantee for freight	\$ 69,314	\$ 26,734	\$ 72,919
Overpaid sales tax	40,929	19,564	202,130
Office supplies	11,238	12,123	11,483
Prepayment for purchase	305	356	453
Prepaid rents	2,419	841	1,045
Others	<u>14,874</u>	<u>13,115</u>	<u>16,389</u>
	<u>\$ 139,079</u>	<u>\$ 72,733</u>	<u>\$ 304,419</u>
Other current assets			
Others	<u>\$ 521</u>	<u>\$ -</u>	<u>\$ 455</u>
<u>Non-current</u>			
Other non-current assets			
Prepayments for equipment	\$ 13,431	\$ 23,862	\$ 96,403
Others	13,425	5,148	3,883
Overdue receivables (Note 9)	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 26,856</u>	<u>\$ 29,010</u>	<u>\$ 100,286</u>

22. BORROWINGS

a. Short-term borrowings

	September 30, 2020	December 31, 2019	September 30, 2019
Unsecured borrowings	<u>\$ 1,592,660</u>	<u>\$ 800,600</u>	<u>\$ 772,340</u>

The ranges of interest rates on bank loans were 0.85%-1.26%, 0.87%-1.12% and 0.87%-1.12% per annum as of September 30, 2020, December 31, 2019 and September 30, 2019, respectively

b. Short-term bills payable

	September 30, 2020	December 31, 2019	September 30, 2019
Commercial paper	\$ 22,000	\$ 270,000	\$ 200,000
Less: Unamortized discounts on bills payable	<u>(20)</u>	<u>(242)</u>	<u>(319)</u>
	<u>\$ 21,980</u>	<u>\$ 269,758</u>	<u>\$ 199,681</u>

Outstanding short-term bills payable are as follows:

September 30, 2020

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate Range	Collateral
<u>Commercial paper</u>					
Ta Ching Bills	<u>\$ 22,000</u>	<u>\$ (20)</u>	<u>\$ 21,980</u>	1.048%	None

December 31, 2019

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate Range	Collateral
<u>Commercial paper</u>					
International Bills	\$ 170,000	\$ (200)	\$ 169,800	1.04%	None
China Bills	<u>100,000</u>	<u>(42)</u>	<u>99,958</u>	1.04%	None
	<u>\$ 270,000</u>	<u>\$ (242)</u>	<u>\$ 269,758</u>		

September 30, 2019

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate Range	Collateral
<u>Commercial paper</u>					
Mega Bills	<u>\$ 200,000</u>	<u>\$ (319)</u>	<u>\$ 199,681</u>	1.04%	None

c. Long-term borrowings

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Secured borrowings</u>			
Bank loans (1)	\$ 5,703,317	\$ 5,608,656	\$ 5,275,765
Loans from governments (2)	2,381,342	2,359,416	1,950,377
<u>Unsecured borrowings</u>			
Bank loans (3)	<u>468,520</u>	<u>569,200</u>	<u>445,360</u>
	8,553,179	8,537,272	7,671,502
Less: Current portion	<u>(517,500)</u>	<u>(983,678)</u>	<u>(1,059,907)</u>
Long-term borrowings	<u>\$ 8,035,679</u>	<u>\$ 7,553,594</u>	<u>\$ 6,611,595</u>

- 1) The Group signed medium-term secured loan contracts with First Bank, Cathay World Commercial Bank, Bank SinoPac, China Trust Commercial Bank, and Co-operative Treasury Commercial Bank. The bank loans are to be repaid at maturity date or in installment according to the agreements. The facilities allow drawdowns on a revolving basis. As of September 30, 2020, December 31, 2019 and September 30, 2019, the Group has taken new bank loans in the amounts of \$1,050,000 thousand, \$1,745,000 thousand and \$245,000 thousand, respectively, with interest rates of 1.05%-1.43%, 1.30%-1.49% and 1.30%-1.49%, respectively. The loan contracts will be due by May 28, 2027.
- 2) The Group entered into a secured government loan facility contract for JPY 10,000,000 thousand with Okinawa Development Finance Corporation. The loan can be drawn in installments within the borrowing term and is to be repaid in installments according to the repayment method in the contract. As of September 30, 2020, December 31, 2019 and September 30, 2019, the Group had drawn \$0, \$1,712,981 thousand and \$1,149,620 thousand, respectively (equivalent to JPY 0, JPY 6,038,000 thousand and JPY 4,038,000 thousand, respectively). The annual interest rate is 0.05%. The maturity date of the loan is June 25, 2042.
- 3) The Group signed medium-term unsecured loan contracts with Taishin Bank and China Trust Commercial Bank. The bank loans are to be repaid at maturity date or in installment according to the agreements. The facilities allow drawdown on a revolving basis. As of September 30, 2020, December 31, 2019 and September 30, 2019, the Group has taken new bank loans in the amounts of \$0, \$425,550 thousand and \$284,700 thousand, with interest rates of 1.26%-1.27%, 1.27%-1.41% and 1.38%-1.41%, respectively. The loan contracts will be due by August 30, 2024.
- 4) For details of collaterals for the abovementioned borrowings, refer to Note 38.

23. NOTES PAYABLE AND TRADE PAYABLES

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Notes payable</u>			
Operating	\$ 3,004	\$ 2,906	\$ 2,979
<u>Trade payables</u>			
Operating	\$ 75,129	\$ 110,538	\$ 106,638

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

24. OTHER LIABILITIES

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Current</u>			
Other payables			
Payables for salaries and bonuses	\$ 70,996	\$ 114,359	\$ 63,977
Payables for machinery and equipment and construction in progress (Note 34)	3,216	644,297	9,496
Payables for VAT	66,631	11,948	48,063
			(Continued)

	September 30, 2020	December 31, 2019	September 30, 2019
Payables for interests	\$ 3,113	\$ 2,089	\$ 1,455
Payables for professional fees	2,308	9,789	2,715
Others	<u>33,282</u>	<u>48,230</u>	<u>18,781</u>
	<u>\$ 179,546</u>	<u>\$ 830,712</u>	<u>\$ 144,487</u>
Advance receipts			
Advance receipts for real estate (Note 34)	\$ -	\$ 27,399	\$ -
Advance receipts for rental	15,285	13,960	-
Others	<u>-</u>	<u>-</u>	<u>81</u>
	<u>\$ 15,285</u>	<u>\$ 41,359</u>	<u>\$ 81</u>
Other liabilities			
Receipts under custody	<u>\$ 5,126</u>	<u>\$ 1,150</u>	<u>\$ 1,926</u>
<u>Non-current</u>			
Deferred revenue			
Government grants (Note 31)	<u>\$ 431,487</u>	<u>\$ 441,549</u>	<u>\$ 377,097</u> (Concluded)

25. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

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

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

For the three months ended September 30, 2020 and 2019 and for the nine months ended September 30, 2020 and 2019, the amounts including in the consolidated statements of comprehensive income in respect of the Group's defined contribution plan were \$2,735 thousand, \$2,223 thousand, \$8,207 thousand, and \$6,476 thousand.

b. Defined benefit plan

For the three months ended September 30, 2020 and 2019 and for the nine months ended September 30, 2020 and 2019, the pension expenses of defined benefit plans were \$593 thousand, \$462 thousand, \$1,779 thousand, and \$12,047 thousand, respectively, and these amounts were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2019 and 2018, respectively.

26. EQUITY

a. Share capital

Ordinary shares

	September 30, 2020	December 31, 2019	September 30, 2019
Shares authorized (in thousands of shares)	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>
Shares authorized, par value \$10 (in thousands of New Taiwan Dollars)	<u>\$ 15,000,000</u>	<u>\$ 15,000,000</u>	<u>\$ 15,000,000</u>
Shares issued and fully paid (in thousands of shares)	<u>774,781</u>	<u>774,781</u>	<u>774,781</u>
Shares issued and fully paid (in thousands of New Taiwan Dollars)	<u>\$ 7,747,805</u>	<u>\$ 7,747,805</u>	<u>\$ 7,747,805</u>

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

b. Capital surplus

	September 30, 2020	December 31, 2019	September 30, 2019
<u>May only be used to offset a deficit (1)</u>			
Treasury share transactions	\$ 367,772	\$ 367,772	\$ 701,273
Unclaimed dividends extinguished by prescription	9,593	9,593	8,248
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (2)</u>			
Treasury share transactions			
Dividends paid to subsidiaries	555,790	444,542	111,041
Disposal of treasury shares	24,925	24,925	24,925
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal	<u>7</u>	<u>545</u>	<u>545</u>
	<u>\$ 958,087</u>	<u>\$ 847,377</u>	<u>\$ 846,032</u>

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

c. Retained earnings and dividend policy

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

In consideration of the future expansion of business, capital needs and the tax effects on the Company and its shareholders, the Company's dividend policy is mainly based on capital needs according to the future capital budget plan. Under the policy, the board of directors will prepare a proposed plan for distribution of unappropriated earnings and submit the plan in the shareholders' meeting for approval. Distribution of earnings can be made only after the approval by the shareholders. Nonetheless, cash dividends distributed shall not be less than 10% of total dividends distributed in the current year.

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 appropriations of earnings for 2019 and 2018 approved in the shareholders' regular meeting on June 22, 2020 and June 21, 2019, respectively, are as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For the Year Ended December 31		For the Year Ended December 31	
	2019	2018	2019	2018
Legal reserve	\$ 176,052	\$ 69,975	\$ -	\$ -
Cash dividends	771,781	771,781	1.0	1.0

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 special reserves recognized as of September 30, 2020, December 31, 2019 and September 30, 2019 were as follows:

	September 30, 2020	December 31, 2019	September 30, 2019
Appropriation in respect of the Articles of Incorporation of the Company	\$ 295,756	\$ 295,756	\$ 295,756
First application of Rule No. 1010012865 issued by the FSC			
Revaluation of investment properties	1,881,505	1,881,505	1,881,505
Exchange differences on translating the financial statements of foreign operations	<u>168,790</u>	<u>168,790</u>	<u>168,790</u>
	<u>\$ 2,346,051</u>	<u>\$ 2,346,051</u>	<u>\$ 2,346,051</u>

e. Other equity items

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

	For the Nine Months Ended September 30	
	2020	2019
Balance at January 1	\$ (343,071)	\$ (226,835)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	(115,550)	(22,219)
Related income tax	<u>23,110</u>	<u>4,444</u>
Other comprehensive income recognized for the year	<u>(92,440)</u>	<u>(17,775)</u>
Disposal of interest in subsidiaries	<u>-</u>	<u>2,770</u>
Balance at September 30	<u>\$ (435,511)</u>	<u>\$ (241,840)</u>

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

	For the Nine Months Ended September 30	
	2020	2019
Balance at January 1	\$ 4,997,339	\$ 2,309,414
Recognized for the year		
Unrealized gain/(loss) - financial instrument at FVTOCI	(179,660)	1,911,075
Share from associates accounted for using the equity method	<u>(98,855)</u>	<u>16,051</u>
Other comprehensive income (loss) recognized for the year	<u>(278,515)</u>	<u>1,927,126</u>
Cumulative unrealized gain/(loss) of equity instruments transferred to retained earnings due to disposal	<u>-</u>	<u>(337,931)</u>
Disposal of interest in subsidiaries	<u>-</u>	<u>(121,046)</u>
Balance at September 30	<u>\$ 4,718,824</u>	<u>\$ 3,777,563</u>

f. Non-controlling interests

	For the Nine Months Ended September 30	
	2020	2019
Balance at January 1	\$ 862,783	\$ 1,900,007
Share in profit for the year	68,296	111,400
Other comprehensive income (loss) during the period		
Exchange differences on translating the financial statements of foreign entities	(6,627)	(3,438)
Exchange differences on translating the financial statements of foreign entities relating to income tax	879	351
Unrealized (loss) gain on financial assets at FVTOCI	(5,064)	69,925
Share in other comprehensive income (loss) of associates accounted for using the equity method	(1,270)	1,638
Adjustments relating to changes in retained earnings of associates accounted for using the equity method	-	2,892
Acquisition of non-controlling interests in subsidiaries	(19,858)	-
Differences recognized from equity transactions attributable to non-controlling interests	(89)	-
Cash dividends	(94,469)	(75,574)
Disposal of subsidiaries	-	(1,187,795)
Balance at September 30	<u>\$ 804,581</u>	<u>\$ 819,406</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, 2019	2,714	131,226	133,940
Increase during the period	286	-	286
Decrease during the period	-	(3,855)	(3,855)
Number of shares at September 30, 2019	<u>3,000</u>	<u>127,371</u>	<u>130,371</u>
Number of shares at January 1, 2020	3,000	127,371	130,371
Increase during the period	1,435	-	1,435
Decrease during the period	-	-	-
Number of shares at September 30, 2020	<u>4,435</u>	<u>127,371</u>	<u>131,806</u>

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

In the board of directors' meeting No. 417, the Company planned to repurchase 3,000 thousand of its own shares from the securities market at the price from \$9 to \$18, with the maximum total amount of \$54,000 thousand. The repurchase was conducted during the period from November 14, 2018 to January 11, 2019. As of September 30, 2019, the Company had already repurchased all the 3,000 thousand shares, with the total amount of \$41,073 thousand.

In the board of directors' meeting No. 429, the Company planned to repurchase 7,000 thousand of its own shares from the securities market at the price from \$11 to \$16, with the maximum total amount of \$112,000 thousand. The repurchase was conducted during the period from March 26, 2020 to May 24, 2020. As of September 30, 2020, the Company had already repurchased 1,435 thousand shares, with the total amount of \$22,240 thousand.

The Company lost control over its subsidiary - Chia Hsin Construction & Development Corp. due to the disposal of part of its shares in Chia Hsin Construction & Development Corp., and the Company's shares held directly and indirectly by Chia Hsin Construction & Development Corp. will no longer be regarded as treasury shares. The difference of \$24,925 thousand between the cost of the treasury shares on the day of acquisition and the amount of shareholders' equity on the day of loss of control was adjusted to treasury stock transaction - capital reserve.

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

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
<u>September 30, 2020</u>			
<u>By direct investment</u>			
Tong Yang Chia Hsin International Corporation	127,371	<u>\$ 1,055,710</u>	<u>\$ 1,743,351</u>
<u>December 31, 2019</u>			
<u>By direct investment</u>			
Tong Yang Chia Hsin International Corporation	127,371	<u>\$ 1,055,710</u>	<u>\$ 2,481,776</u>
<u>September 30, 2019</u>			
<u>By direct investment</u>			
Tong Yang Chia Hsin International Corporation	127,371	<u>\$ 1,055,710</u>	<u>\$ 2,026,506</u>

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

27. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Revenue from contracts with customers				
Revenue from the sale of goods	\$ 255,310	\$ 273,849	\$ 744,651	\$ 732,489
Revenue from rent	66,770	68,802	198,358	212,456
Revenue from rendering of services	146,551	129,808	464,527	410,083
Revenue from catering and hospitality	<u>20,539</u>	<u>3,125</u>	<u>73,953</u>	<u>7,965</u>
	<u>\$ 489,170</u>	<u>\$ 472,584</u>	<u>\$1,481,489</u>	<u>\$1,362,993</u>

a. Contract information

Revenue from the sale of goods

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

Revenue from rent

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

Revenue from rendering of services

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

Revenue from catering and hospitality

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

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

b. Contract balances

	September 30, 2020	December 31, 2019	September 30, 2019	January 1, 2019
Trade receivables and notes receivable from unrelated parties (Note 9)	<u>\$ 230,486</u>	<u>\$ 226,422</u>	<u>\$ 224,893</u>	<u>\$ 299,705</u>
Trade receivables from related parties (Note 37)	<u>\$ 2,916</u>	<u>\$ 2,680</u>	<u>\$ 4,714</u>	<u>\$ 5,843</u>
Contract liabilities - current	<u>\$ 15,789</u>	<u>\$ 9,479</u>	<u>\$ 8,294</u>	<u>\$ 7,191</u>

c. Disaggregation of revenue

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

28. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations was attributable to:

a. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Bank deposits	<u>\$ 20,513</u>	<u>\$ 33,967</u>	<u>\$ 71,206</u>	<u>\$ 89,110</u>

b. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Rental income	\$ 8,438	\$ 8,288	\$ 21,777	\$ 21,548
Dividends	805,217	1,001,323	807,947	1,011,110
Government subsidy (Note 31)	2,850	-	9,483	-
Remuneration of directors (Note 37)	125	-	24,774	16,911
Others	8,602	3,457	36,547	14,050
Less: Discontinued operations (Note 13)	<u>-</u>	<u>(5,118)</u>	<u>(3,967)</u>	<u>(9,971)</u>
	<u>\$ 825,232</u>	<u>\$ 1,007,950</u>	<u>\$ 896,561</u>	<u>\$ 1,053,648</u>

c. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Gain on disposal of property, plant and equipment	\$ (314)	\$ -	\$ 62,811	\$ 176
Gain on disposal of investment property	-	-	-	3,228
Gain on disposal of non-current assets held for sale (Note 13)	-	-	335,919	597,422
Net foreign exchange (losses) gains (h)	(7,267)	(8,887)	(30,819)	10,141
(Loss) gain on financial assets mandatorily classified as at FVTPL	17,315	(90,955)	(39,567)	212,736
Gain on disposal of partial interests in subsidiaries (Note 32)	-	-	-	11,227

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Gain on liquidation of subsidiary (Note 15)	\$ -	\$ -	\$ 92,073	\$ -
Others	2	(5,054)	(2,715)	(4,215)
Less: Discontinued operations (Note 13)	<u>-</u>	<u>4,784</u>	<u>2,468</u>	<u>(594,470)</u>
	<u>\$ 9,736</u>	<u>\$ (100,112)</u>	<u>\$ 420,170</u>	<u>\$ 236,245</u> (Concluded)

d. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Interest on bank loans	\$ 31,388	\$ 21,285	\$ 95,719	\$ 65,240
Interest on lease liabilities	8,791	9,217	26,578	28,745
Less: Discontinued operations (Note 13)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(452)</u>
	<u>\$ 40,179</u>	<u>\$ 30,502</u>	<u>\$ 122,297</u>	<u>\$ 93,533</u>

Information about capitalized interest is as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Capitalized interest amount	\$ 1,195	\$ 1,591	\$ 3,637	\$ 16,375
Capitalization rate	1.43%	0.05%-1.42%	1.43%	0.05%-1.42%

e. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Property, plant and equipment	\$ 108,691	\$ 41,476	\$ 322,358	\$ 124,928
Investment properties	3,252	2,240	7,699	8,369
Right-of-use assets	31,993	30,462	95,269	89,271
Other intangible assets	<u>682</u>	<u>-</u>	<u>1,801</u>	<u>-</u>
	<u>\$ 144,618</u>	<u>\$ 74,178</u>	<u>\$ 427,127</u>	<u>\$ 222,568</u>
An analysis of depreciation by function				
Operating costs	\$ 116,585	\$ 61,633	\$ 338,751	\$ 185,813
Operating expenses	<u>27,351</u>	<u>12,545</u>	<u>86,575</u>	<u>36,755</u>
	<u>\$ 143,936</u>	<u>\$ 74,178</u>	<u>\$ 425,326</u>	<u>\$ 222,568</u> (Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
An analysis of amortization by function				
Operating expenses	\$ 682	\$ -	\$ 1,801	\$ -

(Concluded)

f. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Short-term benefits	\$ 94,273	\$ 75,158	\$ 303,407	\$ 221,124
Post-employment benefits (Note 25)				
Defined contribution plans	2,735	2,223	8,207	6,476
Defined benefit plans	593	462	1,779	1,426
Retirement pension for managers	-	-	-	10,621
Other employee benefits	5,553	3,528	12,379	10,495
	<u>\$ 103,154</u>	<u>\$ 81,371</u>	<u>\$ 325,772</u>	<u>\$ 250,142</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 48,101	\$ 13,525	\$ 151,172	\$ 38,619
Operating expenses	55,053	67,846	174,600	211,523
	<u>\$ 103,154</u>	<u>\$ 81,371</u>	<u>\$ 325,772</u>	<u>\$ 250,142</u>

g. Employees' compensation and remuneration of directors

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

For the three months ended September 30, 2020 and 2019 and for the nine months ended September 30, 2020 and 2019, the employees' compensation and the remuneration of directors and supervisors were as follows:

Accrual rate

	For the Nine Months Ended September 30	
	2020	2019
Employees' compensation	1.12%	1.23%
Remuneration of directors	0.30%	1.23%

Amount

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Employees' compensation	<u>\$ 6,684</u>	<u>\$ 9,586</u>	<u>\$ 6,736</u>	<u>\$ 20,019</u>
Remuneration of directors	<u>\$ 1,823</u>	<u>\$ 9,586</u>	<u>\$ 1,837</u>	<u>\$ 20,019</u>

The employees' compensation and remuneration of directors for the years ended December 31, 2019 and 2018, which were approved by the Company's board of directors on March 25, 2020 and March 27, 2019, respectively, were as follows:

Amount

	For the Year Ended December 31			
	2019		2018	
	Cash	Shares	Cash	Shares
Employees' compensation	\$ 15,625	\$ -	\$ 9,750	\$ -
Remuneration of directors	4,261	-	9,750	-

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

There is no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the financial statements for the years ended December 31, 2019 and 2018.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors for 2019 and 2018 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gains or losses on foreign currency exchange

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Foreign exchange gains	\$ 21,838	\$ 21,826	\$ 54,692	\$ 70,578
Foreign exchange losses	<u>(29,105)</u>	<u>(30,713)</u>	<u>(85,511)</u>	<u>(60,437)</u>
Net foreign exchange (loss) gains	<u>\$ (7,267)</u>	<u>\$ (8,887)</u>	<u>\$ (30,819)</u>	<u>\$ 10,141</u>

29. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Current tax				
In respect of the current year	\$ 3,054	\$ 13,247	\$ 91,501	\$ 28,821
Income tax on				
unappropriated earnings	-	1,093	40,634	8,254
Adjustments for prior years	-	-	(5,041)	(7,299)
	3,054	14,340	127,094	29,776
Deferred tax				
In respect of the current year	<u>3,311</u>	<u>(3,639)</u>	<u>74,554</u>	<u>101,229</u>
Income tax expense recognized in profit or loss	<u>\$ 6,365</u>	<u>\$ 10,701</u>	<u>\$ 201,648</u>	<u>\$ 131,005</u>

b. Income tax recognized in other comprehensive income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
<u>Deferred tax</u>				
In respect of the current year				
Translation of foreign operations	<u>\$ (8,325)</u>	<u>\$ 17,344</u>	<u>\$ 23,989</u>	<u>\$ 4,795</u>
Total income tax recognized in other comprehensive income	<u>\$ (8,325)</u>	<u>\$ 17,344</u>	<u>\$ 23,989</u>	<u>\$ 4,795</u>

c. Income tax assessments

1) The income tax returns through 2017 of the Company and the subsidiary, Chia Hsin Property Management & Development Corporation have been assessed by the tax authorities. The income tax returns of Bluesky. Co., Ltd., Tong Yang Chia Hsin International Corporation, Chia Pei International Corporation, YJ International Corporation, Chia Sheng Construction Corp., and Jaho Life Plus+ Management Corp., Ltd. through 2018 have been assessed by the tax authorities. 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 tax issue.

30. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Basic earnings per share				
From continuing operations	\$ 0.93	\$ 1.18	\$ 0.82	\$ 1.37
From discontinued operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.94</u>
Total basic earnings per share	<u>\$ 0.93</u>	<u>\$ 1.18</u>	<u>\$ 0.82</u>	<u>\$ 2.31</u>
Diluted earnings per share				
From continuing operations	\$ 0.93	\$ 1.17	\$ 0.82	\$ 1.36
From discontinued operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.94</u>
Total diluted earnings per share	<u>\$ 0.93</u>	<u>\$ 1.17</u>	<u>\$ 0.82</u>	<u>\$ 2.30</u>

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

Net Profit for the Year

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Profit for the year attributable to owners of the Company	\$ 595,462	\$ 756,768	\$ 525,249	\$1,485,119
Less: Profit for the year from discontinued operations used in the computation of basic earnings per share from discontinued operations	<u>-</u>	<u>334</u>	<u>1,499</u>	<u>603,989</u>
Earnings used in the computation of basic earnings per share from continuing operations	595,462	756,434	523,750	881,130
Effect of potentially dilutive ordinary shares				
Employees' compensation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Earnings used in the computation of diluted earnings per share from continuing operations	<u>\$ 595,462</u>	<u>\$ 756,434</u>	<u>\$ 523,750</u>	<u>\$ 881,130</u>

The weighted average number of ordinary shares outstanding (in thousands of shares) is as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Weighted average number of ordinary shares used in the computation of basic earnings per share	643,580	643,610	643,580	643,610
Effect of potentially dilutive ordinary shares				
Employees' compensation	<u>117</u>	<u>1,097</u>	<u>454</u>	<u>1,305</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>643,697</u>	<u>644,707</u>	<u>644,034</u>	<u>644,915</u>

If the Group offered to settle the compensation or bonuses paid to employees in cash or shares, the Group assumed that the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

31. GOVERNMENT GRANTS

In order to finance the construction of Hotel COLLECTIVE in Okinawa, the Group applied for a loan from Okinawa Development Finance Corporation. The loan amount is JPY10,000,000 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. As of September 30, 2020, the Group had drawn JPY 10,000,000 thousand in total. The fair value of the borrowing was JPY 8,400,189 thousand discounted at the market interest rate at the borrowing date. The difference of JPY 1,599,811 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 September 30, 2020, December 31, 2019 and September 30, 2019, the amount of deferred revenue was JPY 1,565,627 thousand, JPY 1,599,811 thousand, and JPY 1,310,275 thousand, respectively (equivalent to \$431,487 thousand, \$441,549 thousand and \$377,097 thousand). At the completion of the hotel construction, the deferred revenue will be reclassified to other revenues gradually along with the depreciation recognized over the estimated useful lives of the assets. For the three months ended September 30, 2020 and for the nine months ended September 30, 2020, a total of \$2,850 thousand and \$9,483 thousand has been reclassified to other revenues.

32. DISPOSAL OF SUBSIDIARIES

On February 23, 2019, the Group entered into a sale agreement to dispose of 6% of its shareholding in Chia Hsin Construction & Development Corp., a company in the business of office building construction and sale and lease of public housing. The disposal was completed on February 26, 2019, on which the Group lost its control over the subsidiary as the shareholding dropped from 49.87% to 43.87%.

a. Consideration received from disposals

**Chia Hsin
Construction
and
Development
Corp.**

Total consideration received

\$ 222,929

b. Analysis of assets and liabilities on the date control was lost

**Chia Hsin
Construction
and
Development
Corp.**

Current assets

Cash and cash equivalents	\$ 312,372
Financial assets at FVTPL - current	249,829
Financial assets at FVTOCI - current	53,594
Other receivables	25
Finance lease receivables - current	94,815
Inventories	677,467
Other current assets	537

Non-current assets

Financial assets at FVTOCI - non-current	350,522
Investments accounted for using the equity method	745,004
Property, plant and equipment	6,796
Investment properties	1,364,448
Deferred tax assets	7,130
Finance lease receivables - non-current	178,344
Other non-current assets	39,036

Current liabilities

Other payables	(24,848)
Current tax liabilities	(2,187)
Lease liabilities - current	(94,815)
Other current liabilities	(836)

Non-current liabilities

Deferred tax liabilities	(1,942)
Lease liabilities - non-current	(178,344)
Other non-current liabilities	<u>(80,162)</u>

Net assets

\$ 3,696,785

Percentage of shareholding disposed of

6%

Net assets disposed of

\$ 221,807

c. Gain on disposals of partial interests in subsidiaries

	Chia Hsin Construction and Development Corp.
Consideration received	\$ 222,929
Net assets disposed of	(221,807)
The difference between the fair value and the book value of the retained holdings	12,875
Cumulative translation difference on the controlling interest reclassified to profit or loss due to the loss of control over the subsidiary	<u>(2,770)</u>
Gain on disposals	<u>\$ 11,227</u>

d. Net cash inflow on disposals of partial interests in subsidiaries

	Chia Hsin Construction and Development Corp.
Consideration received in cash and cash equivalents	\$ 222,929
Less: Cash and cash equivalent balances disposed of	<u>(312,372)</u>
	<u>\$ (89,443)</u>

33. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

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

The above transactions was accounted for as equity transactions, since the Group did not cease to have control over the subsidiary.

	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.
Consideration paid	\$ 22,231
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to (from) non-controlling interests	<u>(19,858)</u>
Differences recognized from equity transactions	<u>\$ 2,373</u>
	(Continued)

**Shanghai Chia
Peng
Healthcare
Management
Consulting Co.,
Ltd.**

Line items adjusted for equity transactions

Capital surplus - difference between consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition	\$ (538)
Retained earnings	(1,746)
Non-controlling interests	<u>(89)</u>
	<u>\$ (2,373)</u> (Concluded)

34. CASH FLOW INFORMATION

a. Non-cash transactions

In addition to those disclosed in other notes, the Group entered into the following non-cash investing and financing activities which were not reflected in the consolidated statements of cash flows for the nine months ended September 30, 2020 and 2019:

- 1) As of September 30, 2020, December 31, 2019, and September 30, 2019, the payables for equipment - property, plant and equipment were \$3,216 thousand, \$644,297 thousand, and \$9,496 thousand, respectively.
- 2) As of September 30, 2020, December 31, 2019, and September 30, 2019, the advance receipts for real estate - property, plant and equipment were \$0, \$27,399 thousand, and \$0, respectively.
- 3) As of September 30, 2020, December 31, 2019 and September 30, 2019, the uncollected proceeds recorded in other receivables from the disposal of financial assets at FVTPL amounted to \$0, \$43,713 thousand, and \$0, respectively.

b. Changes in liabilities arising from financing activities

For the nine months ended September 30, 2020

	Opening Balance	Cash Flows	Non-cash Changes				Closing Balance
			New Leases	Amortization of Interest Expense	Change in Exchange Rate	Others	
Short-term borrowings	\$ 800,600	\$ 795,450	\$ -	\$ -	\$ (3,390)	\$ -	\$ 1,592,660
Short-term bills payable	269,758	(248,020)	-	242	-	-	21,980
Long-term borrowings	8,537,272	(4,928)	-	25,510	(4,675)	-	8,553,179
Guarantee deposits received	121,906	(4,825)	-	-	(7)	-	117,074
Lease liabilities	<u>1,844,460</u>	<u>(68,591)</u>	<u>26,791</u>	<u>26,578</u>	<u>(1,132)</u>	<u>(26,578)</u>	<u>1,801,528</u>
	<u>\$ 11,573,996</u>	<u>\$ 469,086</u>	<u>\$ 26,791</u>	<u>\$ 52,330</u>	<u>\$ (9,204)</u>	<u>\$ (26,578)</u>	<u>\$ 12,086,421</u>

For the nine months ended September 30, 2019

	Opening Balance	Cash Flows	Non-cash Changes				Closing Balance
			New Leases	Amortization of Interest Expense	Disposal of Subsidiaries	Change in Exchange Rate	
Short-term borrowings	\$ 821,280	\$ (52,470)	\$ -	\$ -	\$ -	\$ 3,530	\$ 772,340
Short-term bills payable	304,835	(105,000)	-	(154)	-	-	199,681
Long-term borrowings	6,609,037	1,005,160	-	-	-	57,305	7,671,502
Guarantee deposits received	197,814	1,787	-	-	(73,455)	166	126,312
Lease liabilities	<u>2,205,237</u>	<u>(93,002)</u>	<u>32,707</u>	<u>28,745</u>	<u>(273,159)</u>	<u>(3,810)</u>	<u>(28,745)</u>
	<u>\$ 10,138,203</u>	<u>\$ 756,475</u>	<u>\$ 32,707</u>	<u>\$ 28,591</u>	<u>\$ (346,614)</u>	<u>\$ 57,191</u>	<u>\$ 10,637,808</u>

35. CAPITAL MANAGEMENT

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

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

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

36. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

September 30, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares in domestic market	\$ 1,047,850	\$ -	\$ -	\$ 1,047,850
Listed shares in foreign market	72,852	-	-	72,852
Mutual funds	<u>-</u>	<u>339,606</u>	<u>-</u>	<u>339,606</u>
	<u>\$ 1,120,702</u>	<u>\$ 339,606</u>	<u>\$ -</u>	<u>\$ 1,460,308</u>
Financial assets at FVTOCI				
Listed shares in domestic market	\$ 12,736,121	\$ -	\$ -	\$ 12,736,121
Unlisted shares - ROC	<u>-</u>	<u>-</u>	<u>288,799</u>	<u>288,799</u>
	<u>\$ 12,736,121</u>	<u>\$ -</u>	<u>\$ 288,799</u>	<u>\$ 13,024,920</u>

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares in domestic market	\$ 1,169,272	\$ -	\$ -	\$ 1,169,272
Listed shares in foreign market	101,423	-	-	101,423
Mutual funds	<u>-</u>	<u>348,908</u>	<u>-</u>	<u>348,908</u>
	<u>\$ 1,270,695</u>	<u>\$ 348,908</u>	<u>\$ -</u>	<u>\$ 1,619,603</u>
Financial assets at FVTOCI				
Listed shares in domestic market	\$ 12,826,694	\$ -	\$ -	\$ 12,826,694
Unlisted shares - ROC	<u>-</u>	<u>-</u>	<u>353,301</u>	<u>353,301</u>
	<u>\$ 12,826,694</u>	<u>\$ -</u>	<u>\$ 353,301</u>	<u>\$ 13,179,995</u>

September 30, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares in domestic market	\$ 1,070,538	\$ -	\$ -	\$ 1,070,538
Listed shares in foreign market	141,197	-	-	141,197
Mutual funds	<u>-</u>	<u>351,642</u>	<u>-</u>	<u>351,642</u>
	<u>\$ 1,211,735</u>	<u>\$ 351,642</u>	<u>\$ -</u>	<u>\$ 1,563,377</u>
Financial assets at FVTOCI				
Listed shares in domestic market	\$ 11,663,046	\$ -	\$ -	\$ 11,663,046
Unlisted shares - ROC	<u>-</u>	<u>-</u>	<u>334,560</u>	<u>334,560</u>
	<u>\$ 11,663,046</u>	<u>\$ -</u>	<u>\$ 334,560</u>	<u>\$ 11,997,606</u>

There were no transfers between Levels 1 and 2 in the current and prior period.

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

For the nine months ended September 30, 2020

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2020	\$ 353,301
Purchases	10,000
Recognized in other comprehensive income	<u>(74,502)</u>
Balance at September 30, 2020	<u>\$ 288,799</u>

For the nine months ended September 30, 2019

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2019	\$ 939,504
Loss of control over subsidiaries	(350,522)
Recognized in other comprehensive income	61,745
Disposal	<u>(316,167)</u>
Balance at September 30, 2019	<u>\$ 334,560</u>

3) 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 derived from the valuation techniques can take as reference the published current fair value of instruments with similar terms and characteristics, discounted cash flow method, or other valuation methods, including the use of a valuation model using market information available at the balance sheet date.

4) 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 September 30, 2020, December 31, 2019 and September 30, 2019, the ranges of liquidity discount used were 20.00%-30.00%, 11.83%-41.49% and 11.45%-37.32%, respectively.

c. Categories of financial instruments

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	\$ 1,460,308	\$ 1,619,603	\$ 1,563,377
Financial assets measured at amortized cost			
(1)	5,977,146	5,966,105	6,278,883
Financial assets at FVTOCI			
Equity instruments	13,024,920	13,179,995	11,997,606
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (2)	10,488,525	10,630,965	9,001,121

- 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 (less tax refund receivables), other receivables from related parties, other financial assets, 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 (including related parties and excluding payable for salaries and bonus and tax payable), current portion of long-term borrowings payable, long-term borrowings, and guarantee deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity securities, trade receivables, other financial assets, 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, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The corporate treasury function reports quarterly to the Group's risk management committee, an independent body that 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).

a) Foreign currency risk

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

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

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

Sensitivity analysis

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

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollar (i.e., the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 5%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign exchange forward contracts designated as cash flow hedges, and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive (negative) amount below indicates an increase (decrease) in pre-tax profit (loss) or equity when the NTD strengthened (weakened) by 5% against the relevant currency at the end of the reporting period.

	JPY Impact		EUR Impact	
	For the Nine Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2020	2019	2020	2019
Profit or loss	\$ 2,215	\$ 17,117	\$ 8,466	\$ 11,091

	USD Impact		RMB Impact	
	For the Nine Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2020	2019	2020	2019
Profit or loss	\$ 72,382	\$ 64,838	\$ 21,541	\$ -

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

b) Interest rate risk

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

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

	September 30, 2020	December 31, 2019	September 30, 2019
Fair value interest rate risk			
Financial assets	\$ 4,854,648	\$ 4,285,715	\$ 4,781,523
Financial liabilities	5,423,490	5,191,433	4,690,371
Cash flow interest rate risk			
Financial assets	747,310	1,246,774	1,080,676
Financial liabilities	6,545,857	6,260,657	5,821,125

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period 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 nine months ended September 30, 2020 and 2019 would have increased/decreased by \$10,872 thousand and \$8,888 thousand, respectively.

The Group's sensitivity to interest rates increased during the current period mainly due to the increase in floating rate liabilities.

c) Other price risk

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

Sensitivity analysis

The sensitivity analysis below is based on the exposure to equity price risk at the end of the reporting 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 nine months ended September 30, 2020 and 2019 would have increased/decreased by \$5,772 thousand and \$6,678 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the nine months ended September 30, 2020 and 2019 would have increased/decreased by \$4,882 thousand and \$5,628 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

If equity prices of Taiwan Cement Corporation had been 1% higher/lower, the pre-tax profit or loss for the nine months ended September 30, 2020 and 2019 would have increased/decreased by \$8,831 thousand and \$8,955 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the nine months ended September 30, 2020 and 2019 would have increased/decreased by \$125,367 thousand and \$114,348 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Group's sensitivity to equity price (except for equity securities of Taiwan Cement Corporation) decreased mainly due to the decrease in the price of equity securities.

The Group's sensitivity to equity prices of Taiwan Cement Corporation recognized in financial assets at FVTPL decreased mainly due to the decrease in the equity shares of Taiwan Cement Corporation. The Group's sensitivity to equity prices of Taiwan Cement Corporation recognized in financial assets at FVTOCI increased mainly due to the receipt of the stock dividends from Taiwan Cement Corporation, increasing the equity shares of Taiwan Cement Corporation.

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 contingent liabilities on financial guarantees provided by the Group.

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

The credit risk was mainly concentrated on the top 10 customers of the Group. As of September 30, 2020, December 31, 2019, and September 30, 2019, trade receivables from the top 10 customers accounted for 79%, 77%, and 79%, 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 September 30, 2020, December 31, 2019, and September 30, 2019, 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 includes 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.

September 30, 2020

	On Demand or Less than 1 Month	1 - 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	\$ 130,651	\$ 63,867	\$ 29,747	\$ 44,710	\$ 51,731
Fixed interest rate liabilities	1,220,476	22,230	1,036	480,984	1,954,877
Lease liabilities	26,207	10,795	108,751	520,687	1,502,405
Variable interest rate liabilities	<u>380,630</u>	<u>240,900</u>	<u>340,475</u>	<u>5,730,521</u>	<u>90,384</u>
	<u>\$ 1,757,964</u>	<u>\$ 337,792</u>	<u>\$ 480,009</u>	<u>\$ 6,776,902</u>	<u>\$ 3,599,397</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 145,753</u>	<u>\$ 520,687</u>	<u>\$ 462,954</u>	<u>\$ 398,333</u>	<u>\$ 339,593</u>	<u>\$ 301,525</u>

December 31, 2019

	On Demand or Less than 1 Month	1 - 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	\$ 517,899	\$ 386,171	\$ 22,561	\$ 43,572	\$ 53,132
Fixed interest rate liabilities	819,793	170,256	1,038	472,504	1,941,782
Lease liabilities	34,147	5,789	101,016	536,478	1,543,832
Variable interest rate liabilities	<u>90,107</u>	<u>104,410</u>	<u>954,944</u>	<u>5,397,933</u>	<u>-</u>
	<u>\$ 1,461,946</u>	<u>\$ 666,626</u>	<u>\$ 1,079,559</u>	<u>\$ 6,450,487</u>	<u>\$ 3,538,746</u>

Additional information about the maturity analysis of lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 140,952</u>	<u>\$ 536,478</u>	<u>\$ 470,571</u>	<u>\$ 401,405</u>	<u>\$ 336,375</u>	<u>\$ 335,481</u>

September 30, 2019

	On Demand or Less than 1 Month	1 - 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	\$ 111,687	\$ 117,188	\$ 32,215	\$ 42,799	\$ 53,709
Fixed interest rate liabilities	873,735	219	867	339,333	1,657,001
Lease liabilities	25,875	11,047	109,689	529,060	1,579,458
Variable interest rate liabilities	<u>106,665</u>	<u>323,991</u>	<u>803,732</u>	<u>3,462,071</u>	<u>1,355,877</u>
	<u>\$ 1,117,962</u>	<u>\$ 452,445</u>	<u>\$ 946,503</u>	<u>\$ 4,373,263</u>	<u>\$ 4,646,045</u>

Additional information about the maturity analysis of lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 146,611</u>	<u>\$ 529,060</u>	<u>\$ 483,701</u>	<u>\$ 403,247</u>	<u>\$ 341,303</u>	<u>\$ 351,207</u>

b) Financing facilities

	September 30, 2020	December 31, 2019	September 30, 2019
Unsecured bank overdraft facilities, reviewed annually and payable on demand:			
Amount used	\$ 2,083,180	\$ 1,639,800	\$ 1,417,700
Amount unused	<u>5,013,100</u>	<u>4,909,400</u>	<u>5,237,160</u>
	<u>\$ 7,096,280</u>	<u>\$ 6,549,200</u>	<u>\$ 6,654,860</u>
	September 30, 2020	December 31, 2019	September 30, 2019
Secured bank overdraft facilities:			
Amount used	\$ 8,459,317	\$ 8,368,728	\$ 7,578,258
Amount unused	<u>1,730,000</u>	<u>1,040,000</u>	<u>1,633,100</u>
	<u>\$10,189,317</u>	<u>\$ 9,408,728</u>	<u>\$ 9,211,358</u>

37. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, 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 BOD
International Chia Hsin Corporation	Associates
Chia Hsin Construction & Development Corp. (Note 1)	Associates
Chia Hsin Winn Corp.	Substantive related parties
Sung Ju Investment Corp.	Substantive related parties
Zhenjiang Chia Hsin Transportation Co., Ltd.	Substantive related parties
Chia Huan Tung Cement Corp. (Note 2)	Associates
LDC ROME HOTELS S.R.L.	Associates
Shanghai Chang Hsin Shipping Co., Ltd.	Associates
Taiwan Transport & Storage Corp.	The Company acts as a member of the board of directors of its ultimate parent company

Note 1: In February 2019, the Company disposed of its shares and lost control over Chia Hsin Construction & Development Corp., which is no longer listed as a subsidiary. Nevertheless, the Company still has significant influence on Chia Hsin Construction & Development Corp.

Note 2: The dissolution of Chia Huan Tung Cement Corp. was approved by the authority in June 2019.

b. Revenue

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2020	2019	2020	2019
Rental revenue	Associates	\$ 735	\$ 735	\$ 2,205	\$ 1,808
	Substantive related parties	126	126	378	378
	The Company acts as a member of the BOD of its ultimate parent company	606	606	1,818	1,818
	The Company acts as a member of the BOD	<u>1,131</u>	<u>1,122</u>	<u>3,368</u>	<u>2,600</u>
		<u>\$ 2,598</u>	<u>\$ 2,589</u>	<u>\$ 7,769</u>	<u>\$ 6,604</u>
Service revenue	The Company acts as a member of BOD	<u>\$ 7,659</u>	<u>\$ 7,147</u>	<u>\$ 22,476</u>	<u>\$ 19,586</u>

The rental of leasing office and factory buildings to related parties are arm's length transaction. The lease agreements were negotiated by both sides. The rentals are collected monthly or quarterly.

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

c. Purchases of goods

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2020	2019	2020	2019
Cost of goods sold	The Company acts as a member of BOD Taiwan Cement Corporation	<u>\$ 139,300</u>	<u>\$ 122,783</u>	<u>\$ 344,270</u>	<u>\$ 347,653</u>

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

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

Line Item	Related Party Category	September 30, 2020	December 31, 2019	September 30, 2019
Trade receivables	Associates	\$ 16	\$ 15	\$ 16
	The Company acts as a member of the board of directors			
	Taiwan Cement Corporation	2,895	2,661	4,693
	Substantive related parties	<u>5</u>	<u>4</u>	<u>5</u>
		<u>\$ 2,916</u>	<u>\$ 2,680</u>	<u>\$ 4,714</u>
Other receivables	Associates			
- refund from liquidation	Chia Huan Tung Cement Corp.	\$ 861	\$ -	\$ -
- other	Other	<u>8,149</u>	<u>8,654</u>	<u>8,369</u>
		<u>\$ 9,010</u>	<u>\$ 8,654</u>	<u>\$ 8,369</u>

The outstanding trade and other receivables from related parties are unsecured. For the nine months ended September 30, 2020 and 2019, no impairment loss was recognized for trade receivables and other receivables from related parties.

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

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

Line Item	Related Party Category	September 30, 2020	December 31, 2019	September 30, 2019
Trade payables	The Company acts as a member of BOD			
	Taiwan Cement Corporation	<u>\$ 83,580</u>	<u>\$ 83,580</u>	<u>\$ 89,222</u>

The outstanding trade payables to related parties are unsecured.

f. Lease arrangements - Group is lessor

The Group is lessor under operating leases

The Group is leasing office 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	September 30, 2020	December 31, 2019	September 30, 2019
Associates	\$ 1,184	\$ 1,000	\$ 1,185
Substantive related parties	132	528	132
The Company acts as a member of BOD of its ultimate parent company	9,737	11,642	12,489
The Company acts as a member of BOD	<u>3,153</u>	<u>6,641</u>	<u>7,813</u>
	<u>\$ 14,206</u>	<u>\$ 19,811</u>	<u>\$ 21,619</u>

g. Loans to related parties

Line Item	Related Party Category	September 30, 2020	December 31, 2019	September 30, 2019
Other receivables	Associates LDC ROME HOTELS S.R.L.	<u>\$ 54,640</u>	<u>\$ 115,885</u>	<u>\$ 117,128</u>
Other receivables - interest receivable	Associates LDC ROME HOTELS S.R.L.	<u>\$ 344</u>	<u>\$ 1,168</u>	<u>\$ 736</u>

The Group provided its associates with unsecured short-term loans at rates comparable to market interest rates. As of September 30, 2020, December 31, 2019, and September 30, 2019, the abovementioned loans to related parties were not secured. For the three months ended September 30, 2020 and 2019 and for the nine months ended September 30, 2020 and 2019, the interest revenue from the loans was \$210 thousand, \$487 thousand, \$535 thousand and \$1,507 thousand, respectively.

h. Others

1) Other accounts with related parties

Line Item	Related Party Category	September 30, 2020	December 31, 2019	September 30, 2019
Refundable deposits	Substantive related parties	\$ 168	\$ 168	\$ 168
	Associates	971	971	971
	The Company acts as a member of BOD of its ultimate parent company	423	423	423
	The Company acts as a member of BOD	<u>880</u>	<u>880</u>	<u>880</u>
		<u>\$ 2,442</u>	<u>\$ 2,442</u>	<u>\$ 2,442</u>
Dividends revenue (contra account of Investments accounted for using the equity method)	Associates	<u>\$ 47,189</u>	<u>\$ 31,459</u>	<u>\$ 31,459</u>

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2020	2019	2020	2019
Dividends revenue	The Company acts as a member of BOD	<u>\$ 772,028</u>	<u>\$ 960,492</u>	<u>\$ 772,028</u>	<u>\$ 960,492</u>

- 2) The Company served as director and supervisor of related parties, and the detail of remuneration of directors and supervisors recognized in other revenue is as follows:

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2020	2019	2020	2019
Other revenue	The Company acts as a member of BOD				
	Taiwan Cement Corporation Associates	\$ -	\$ -	\$ 24,543	\$ 16,441
		<u>125</u>	<u>-</u>	<u>125</u>	<u>-</u>
		<u>\$ 125</u>	<u>\$ -</u>	<u>\$ 24,668</u>	<u>\$ 16,441</u>

- i. Endorsements and guarantees

Endorsements and guarantees provided by the Group

	September 30, 2020		December 31, 2019		September 30, 2019	
	Amount Utilized	Amount Endorsed	Amount Utilized	Amount Endorsed	Amount Utilized	Amount Endorsed
Associates						
LDC ROME						
HOTELS S.R.L.	<u>\$ 348,330</u>	<u>\$ 447,600</u>	<u>\$ 382,926</u>	<u>\$ 447,600</u>	<u>\$ 387,030</u>	<u>\$ 447,600</u>

- j. Compensation of key management personnel

The categories and amounts of compensation of key management personnel are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Short-term employee benefits	\$ 5,967	\$ 6,171	\$ 17,688	\$ 15,521
Post-employment benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,621</u>
	<u>\$ 5,967</u>	<u>\$ 6,171</u>	<u>\$ 17,688</u>	<u>\$ 26,142</u>

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

38. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	September 30, 2020	December 31, 2019	September 30, 2019
Other financial assets - non-current	\$ 25,770	\$ 23,588	\$ 23,559
Carrying amount of property, plant and equipment			
Land	1,041,864	1,031,292	1,075,383
Buildings	<u>2,499,160</u>	<u>2,552,736</u>	<u>-</u>
	<u>3,541,024</u>	<u>3,584,028</u>	<u>1,075,383</u>
Carrying amount of investment properties			
Land - after revaluation	3,209,290	3,209,885	3,227,431
Buildings - after revaluation	<u>46,207</u>	<u>50,002</u>	<u>51,569</u>
	<u>3,255,497</u>	<u>3,259,887</u>	<u>3,279,000</u>
	<u>\$ 6,822,291</u>	<u>\$ 6,867,503</u>	<u>\$ 4,377,942</u>

39. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

- As of September 30, 2020, December 31, 2019 and September 30, 2019, the Group had bank guarantees for \$153,034 thousand, \$153,034 thousand, and \$153,034 thousand issued under its name for the operations in the ports.
- Unrecognized commitments were as follows:

	September 30, 2020	December 31, 2019	September 30, 2019
Property under construction	\$ <u>230,373</u>	\$ <u>241,283</u>	\$ <u>2,276,883</u>

As of September 30, 2020, December 31, 2019, and September 30, 2019, the abovementioned unrecognized commitments included contractual commitments of the subsidiary - CHC Ryukyu COLLECTIVE KK for the construction of Hotel COLLECTIVE in Okinawa in the amount of \$0, \$5,666 thousand, and \$2,028,749 thousand, respectively. As of September 30, 2020, December 31, 2019, and September 30, 2019, the abovementioned unrecognized commitments also include contractual commitments signed by CHC Ryukyu Development GK for Tomigusuku development project in the amounts of \$230,373 thousand, \$207,139 thousand, and \$0, respectively.

40. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On November 11, 2020, the board of directors of the Company passed a resolution to enter into a purchase agreement with Chinatrust Investment Co., Ltd to acquire 67,998,915 shares of L'hotel De Chine Corporation at the price of NT\$17.02 per share. The total amount is 1,157,340 thousand that represented approximate 23.1% ownership of the company. As the agreement is passed by the board of directors of both the Company and Chinatrust Investment Co., Ltd, the chairman or the assigned person will be authorized with full power to be in charge of the deal.

On November 11, 2020, the board of directors of the Company passed a resolution to dispose of Chia Hsin Property Management & Development Corporation's land located in Luzhu District, Taoyuan. As the resolution is passed by the board of directors of the Company, the chairman or the assigned person will be authorized with full power to be in charge of the deal.

41. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

September 30, 2020

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
<u>Financial assets</u>			
Monetary items			
USD	\$ 41,845	29.10 (USD:NTD)	\$ 1,217,687
USD	7,478	1.3652 (USD:SGD)	217,596
USD	425	105.5878 (USD:JPY)	12,355
EUR	4,958	34.15 (EUR:NTD)	169,324
JPY	160,761	0.2756 (JPY:NTD)	44,306
HKD	785	3.7550 (HKD:NTD)	2,947
HKD	134	0.129039 (HKD:USD)	505
RMB	100,822	0.200467 (RMB:SGD)	430,817
Non-monetary items			
Investments accounted for using the equity method			
EUR	10,013	34.15 (EUR:NTD)	341,951
RMB	45,833	0.200467 (RMB:SGD)	195,846
Financial assets at FVTPL			
USD	11,670	29.10 (USD:NTD)	339,606
HKD	19,401	3.7550 (HKD:NTD)	72,852

December 31, 2019

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
<u>Financial assets</u>			
Monetary items			
USD	\$ 39,845	29.98 (USD:NTD)	\$ 1,194,566
USD	1,519	1.3461 (USD:SGD)	45,552
USD	577	108.6232 (USD:JPY)	17,286
HKD	6,757	3.8483 (HKD:NTD)	26,004
EUR	6,547	33.59 (EUR:NTD)	219,901
JPY	9,474	0.276 (JPY:NTD)	2,615

(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
Non-monetary items			
Investments accounted for using the equity method			
EUR	\$ 11,630	33.59 (EUR:NTD)	\$ 390,640
RMB	46,812	0.193 (RMB:SGD)	201,173
Financial assets at FVTPL			
USD	11,638	29.98 (USD:NTD)	348,908
HKD	26,355	3.8483 (HKD:NTD)	101,423
			(Concluded)

September 30, 2019

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
<u>Financial assets</u>			
Monetary items			
USD	\$ 39,666	31.04 (USD:NTD)	\$ 1,231,243
USD	1,500	1.3822 (USD:SGD)	46,573
USD	610	107.8527 (USD:JPY)	18,945
EUR	6,534	33.95 (EUR:NTD)	221,815
JPY	1,189,471	0.2878 (JPY:NTD)	342,330
Non-monetary items			
Investments accounted for using the equity method			
EUR	11,880	33.95 (EUR:NTD)	403,341
RMB	46,876	0.1954 (RMB:SGD)	205,721
Financial assets at FVTPL			
USD	11,329	31.04 (USD:NTD)	351,642
HKD	35,657	3.9598 (HKD:NTD)	141,197

For the three months ended September 30, 2020 and 2019 and for the nine months ended September 30, 2020 and 2019, realized and unrealized net foreign exchange gains (losses) were \$(7,267) thousand, \$(8,887) thousand, \$(30,819) thousand and \$10,141 thousand, respectively. It is impractical to disclose net foreign exchange gains or losses by each significant foreign currency due to the variety of functional currencies of the entities in the Group.

42. OTHERS

a. Important contracts

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

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

- b. In order to satisfy the demand for cement in the northern part of Taiwan, the Group leased from Taiwan International Ports Co., Ltd. the land measuring 5,900.35 square meters at the West Wharf No. 33 of the Port of Keelung. The Group committed to build silos, loading and unloading equipment at the Wharf No. 33 under the name of Keelung Harbor Bureau, Transportation Department of Taiwan government and the title of the property belongs to the Keelung Harbor Bureau, while the Group has the right to use the property free of charge within the lease term for operating the business of loading and unloading, transporting and storing cement. The lease term is 23 years and 9 months from October 7, 2000, the date of the transfer of the titles of related constructed equipment to Keelung Harbor Bureau. The minimum guaranteed transporting volume is 900,000 tons of cement per year and the management fees will be charged based on the minimum guaranteed volume of 900,000 tons regardless if the Group reached the volume or not. The rental is charged based on average rental rate in the port and 5% of the rental rate published by the Taiwanese government. The Group has priority to lease the property when the lease contract has expired. In addition, during the lease period, the Group should pay the land use and administrative fees monthly, which will be adjusted according to the adjustment of loading fee in the port.
- c. In order to satisfy the demand for cement in Taichung and its surrounding area, the Group leased, from Taichung Harbor Bureau, Taiwan International Ports Corporation Ltd, the land, cement warehouses and facilities at Wharf No. 27, Port of Taichung through its subsidiary, Tong Yang Chia Hsin International Corporation to operate the business of loading and unloading, transporting and storing cement. The lease period started from December 1, 2014 to December 30, 2024 and the Group has priority to lease the property when the lease contract has expired. In addition, during the lease period, the Group should pay the land use and administrative fees monthly, which will be adjusted according to the adjustment of loading fee in the Port.

- d. In order to establish the core development and transformation to the accommodation industry, the Group developed nearly 37 thousand square meters beach-side resorts at Toyosaki, Okinawa. On August 17, 2019, the Group signed a 20-year long-term management service contract with InterContinental Hotels Group (IHG), a large international hotel chain, for the management of InterContinental Okinawa Chura SUN Resort. It is expected to introduce the entrusted management of the resort from IHG.

43. SEPARATELY DISCLOSED ITEMS

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

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

- b. Information about investees (Table 7)

- 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 9)
- 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:
 - 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 10)

44. SEGMENT INFORMATION

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

Cement segment - cement production, manufacture and sale.

Real estate segment - real estate trading and leasing.

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

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

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

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

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

a. Segment revenue and results

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

	Segment Revenue		Segment Profit or Loss	
	For the Nine Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Cement segment	\$ 742,708	\$ 732,147	\$ (26,909)	\$ (25,791)
Real estate segment	190,151	194,602	94,939	97,704
Warehousing and storage segment	449,797	398,561	35,991	(12,581)
Hospitality and catering services segment	98,833	37,683	(482,212)	(107,656)
Other segment	-	-	(21,329)	(26,527)
	<u>\$ 1,481,489</u>	<u>\$ 1,362,993</u>		
Interest income			71,206	89,110
Other income			896,561	1,053,648
Other gains and losses			420,170	236,245
Finance costs			(122,297)	(95,533)
Share of profit or loss of associates and joint ventures accounted for using the equity method			23,681	64,116
General and administrative expenses and remuneration of director			<u>(96,107)</u>	<u>(151,200)</u>
Profit before income tax from continuing operation			<u>\$ 793,694</u>	<u>\$ 1,123,535</u>

The abovementioned revenue was the transactions between entities in the Group and the third parties. All inter-segment transactions for the nine months ended September 30, 2020 and 2019 were eliminated through the consolidation.

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

b. Total segment assets and liabilities

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

CHIA HSN CEMENT CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral Item	Collateral Value	Financing Limit for Each Borrower	Aggregate Financing Limit	Note
0	Chia Hsin Cement Corporation (Note 1)	LDC ROME HOTELS S.R.L.	Other receivables from related parties	Yes	\$ 115,885	\$ 75,130	\$ 54,640	1.5 (Note 3)	Short-term financing	\$ -	The need for financing operating capital	\$ -	-	-	\$ 3,342,402	\$ 8,913,072	

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

Note 2: The highest balance for the period and ending balance presented above are listed in New Taiwan dollars (NTD). The highest balance denominated in foreign currency is translated using the prevailing exchange rate; and the ending balance is translated into NTD using the exchange rate as of September 30, 2020.

Note 3: Total interest is \$535 thousand in the period.

CHIA Hsin CEMENT CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/Guaranteed During the Period	Outstanding Endorsement/Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/Guaranteed by Collateral	Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/Guarantee Limit	Endorsement/Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 5)										
0	Chia Hsin Cement Corporation (Notes 2 and 6)	Chia Hsin Property Management & Development Corporation	b.	\$ 7,747,805 (Paid-in capital)	\$ 1,480,000	\$ 1,480,000	\$ 440,000	\$ -	6.64%	\$ 22,282,679	Yes	No	No
	Chia Hsin Cement Corporation (Note 2)	LDC ROME HOTELS S.R.L.	f.	7,747,805 (Paid-in capital)	447,600	447,600	348,330	-	2.01%	22,282,679	No	No	No
	Chia Hsin Cement Corporation (Notes 2 and 6)	CHC Ryukyu Development GK	b.	7,747,805 (Paid-in capital)	485,112	358,280	137,800	-	1.61%	22,282,679	Yes	No	No
	Chia Hsin Cement Corporation (Notes 2 and 6)	CHC Ryukyu COLLECTIVE KK	b.	7,747,805 (Paid-in capital)	1,411,500	1,378,000	978,380	-	6.18%	22,282,679	Yes	No	No
1	Chia Hsin Property Management & Development Corporation (Notes 3 and 6)	Chia Hsin Cement Corporation	c.	22,282,679	8,880,000	6,540,000	4,980,000	6,540,000	29.35%	22,282,679	No	Yes	No
2	Jaho Life Plus+ Management Corp., Ltd. (Note 4)	Gencare Maternity Center	a.	175,000	1,000	1,000	1,000	1,000	-	350,000	No	No	No
	Jaho Life Plus+ Management Corp., Ltd. (Note 4)	Gencare Dunhua Maternity Center	a.	175,000	1,000	1,000	1,000	1,000	-	350,000	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 total amounts of guarantees from Jaho Life Plus+ Management Corp., Ltd. shall not exceed the paid-in capital of the company. The amounts of guarantee to any individual entity shall not exceed the half of paid-in capital of the company.

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

- 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: Has been eliminated through the consolidation and is not shown on the consolidated financial statements.

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
 SEPTEMBER 30, 2020
 (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	September 30, 2020			Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	
Chia Hsin Cement Corporation	Stock Taiwan Cement Corporation	The Company acts as a member of the BOD	Financial assets at FVTPL - current	7,740,307	\$ 320,449	0.13	\$ 320,449
	Asia Cement Corporation		Financial assets at FVTPL - current	71	3	0.00	3
	China Chemical & Pharmaceutical Co., Ltd.		Financial assets at FVTPL - current	20,000	459	0.01	459
	Foreign stock Anhui Conch Cement Co., Ltd.		Financial assets at FVTPL - current	364,000	72,852	0.01	72,852
	Foreign fund HAITONG FREEDOM MULTI-TRANCHE BOND FUND - P1A (SERIES 27)		Financial assets at FVTPL - current	9,594	32,482	-	32,482
	GREENWOODS GOLDEN CHINA FUND - UNRESTRICTED CLASS A (0518)		Financial assets at FVTPL - current	3,340	40,644	-	40,644
	GOPHER ASIA HOLD-TO-MATURITY HIGH YIELD BOND FUND - CLASS B (SERIES 10)		Financial assets at FVTPL - current	5,000	13,776	-	13,776
	GOPHER ASIA HOLD-TO-MATURITY HIGH YIELD BOND FUND - CLASS C (SERIES 15)		Financial assets at FVTPL - current	55,000	154,768	-	154,768
	JPMorgan Funds - Emerging Markets Small Cap Fund - JPM Emerging Markets Small Cap A (perf) (acc) - USD		Financial assets at FVTPL - current	17,022	8,084	-	8,084
	JPMorgan Funds - Emerging Markets Local Currency Debt Fund - JPM Emerging Markets Local Currency Debt A (acc) - USD		Financial assets at FVTPL - current	77,882	36,602	-	36,602
	JPMorgan Funds - China Fund - JPM China A (acc) - USD		Financial assets at FVTPL - current	10,992	20,768	-	20,768
	Stock Taiwan Cement Corporation	The Company acts as a member of the BOD	Financial assets at FVTOCI - current	25,400,783	1,051,592	0.43	1,051,592
	CHC Resources Corporation		Financial assets at FVTOCI - current	4,285,694	190,285	1.72	190,285
	Chien Kuo Construction Co., Ltd.		Financial assets at FVTOCI - current	771,256	9,140	0.30	9,140

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2020			Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	
Tong Yang Chia Hsin International Corporation	Stock Taiwan Cement Corporation	The Company acts as a member of the BOD	Financial assets at FVTOCI - non-current	184,718,366	\$ 7,647,340	3.11	\$ 7,647,340
	Stock B Current Impact Investment Fund 3 Pan Asian (Engineers & Constructors) Corporation		Financial assets at FVTOCI - non-current	1,000,000	10,000	11.11	10,000
	Chia Hsin Ready-Mixed Concrete Corporation Overseas Investment & Development Corp.		Financial assets at FVTOCI - non-current	2,718,217	20,523	2.38	20,523
	Asia Pacific Gongshanglian Corporation Limited		Financial assets at FVTOCI - non-current	12,718,440	232,875	13.71	232,875
	Chia Hsin Livestock Corp.		Financial assets at FVTOCI - non-current	2,000,000	17,220	2.22	17,220
	Huatung Heping River Mining Industry Development Co., Ltd.		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	-
				3,919,849	164,242	0.03	164,242
				13,591,719	562,697	0.23	562,697
	Foreign fund HAI TONG FREEDOM MULTI-FRANCHE BOND FUND - PIA (SERIES 27)	The Company acts as a member of the BOD	Financial assets at FVTPL - current	9,594	32,482	-	32,482
	Stock Taiwan Cement Corporation	The Company acts as a member of the BOD	Financial assets at FVTOCI - current	32,457,173	1,343,727	0.55	1,343,727
	Chia Hsin Cement Corporation	Parent company	Financial assets at FVTOCI - non-current	127,370,320	1,999,714	16.44	1,999,714
	Taiwan Cement Corporation	The Company acts as a member of the BOD	Financial assets at FVTOCI - non-current	60,242,447	2,494,037	1.01	2,494,037
	IBT Second Venture Capital Co., Ltd. Kaohsiung Tug and Port Service Corp.	The Company acts as a member of the BOD	Financial assets at FVTOCI - non-current	725,493	5,293	2.30	5,293
			Financial assets at FVTOCI - non-current	350,000	2,888	0.88	2,888

Note: For the information about subsidiaries, associates and joint ventures, refer to Table 7 and Table 9.

(Concluded)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020
(In Thousands of New Taiwan Dollars, or in Thousands of Foreign Currencies)

Seller	Property	Event Date	Original Acquisition Date	Carrying Amount (Note 4)	Transaction Amount (Note 4)	Collection	Gain (Loss) on Disposal	Counterparty	Relationship	Purpose of Disposal	Price Reference	Other Terms
Shanghai Jia Huan Concrete Co., Ltd.	Right-of-use assets and buildings	July 12, 2018 (Note 1)	August 1996	NT\$ 42,295 (RMB 9,898)	NT\$ 450,509 (RMB 105,430)	Collected	\$ 335,609 (RMB 78,706) (Note 2)	Shanghai Xuhui Land Reserve Center and Shanghai Xuhui Waterfront Development Investment Construction Co., Ltd.	Unrelated party	Government land reserve	(Note 3)	None

Note 1: Means the date of resolution was approved by the subsidiary's BOD and shareholders in their meetings.

Note 2: The disposal transaction was completed in June 2020.

Note 3: Decided after referring to real estate appraisal report from Prudential Cross-Strait Real Estate Appraisers Firm and to the result of price negotiation between the two parties.

Note 4: The balance sheet items denominated in foreign currencies are translated into NT\$ using the exchange rate as of September 30, 2020: RMB1=NT\$4.273064; net income items denominated in foreign currencies are translated using the average exchange rate for the accounting period: RMB1=NT\$4.264080.

CHIA HSIN CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020
(In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Details			Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	
Chia Hsin Cement Corporation	Taiwan Cement Corporation	The Company acts as a member of the BOD	Purchases	\$ 344,270	47	60 days from the purchase day	NA (equal to the price for other clients)	NA (same as the term for other clients)	\$ (83,580)	(59)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

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

SEPTEMBER 30, 2020

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
Chia Hsin Cement Corporation	Chia Pei International Corporation	Investment accounted for using equity method	\$ 1,320,001 (Notes 1 and 3)	-	\$ -	-	\$ 13,719	\$ -

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

Note 2: As of November 11, 2020, the amount was accurately received.

Note 3: The transaction has been eliminated through consolidation.

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTERS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020 (in Thousands of New Taiwan Dollars, or Otherwise Stated)

Investor Company	Investee Company	Locations	Main Businesses and Products	Original Investment Amount		As of September 30, 2020		Carrying Amount	Net Income/(Loss) of the Investee	Share of Profit/(Loss) of Investee	Remark
				September 30, 2020	December 31, 2019	Number of Shares (Thousands of Shares)	%				
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 buildings	\$ 646,292	\$ 646,292	31,485,920	69.37%	\$ 1,719,897	\$ 76,820	(Note 4)	
	Tong Yang Chia Hsin International 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	\$ 1,600,159	\$ 1,600,159	257,073,160	87.18%	\$ 5,115,315	\$ 448,369	Subsidiary (Note 3)	
	Chia Hsin Property Management & Development Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Wholesale and retail business of machinery, warehousing, residence, factory buildings and office buildings leasing and selling; PPE, leasing and selling	\$ 1,000,000	\$ 1,000,000	100,000,000	100.00%	\$ 3,747,720	\$ 80,040	Subsidiary (Note 3)	
	Chia Hsin International 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	\$ 120,000	\$ 120,000	19,560,000	100.00%	\$ 186,595	\$ 45,454	Subsidiary (Note 3)	
	Whackie 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%	\$ 83,894	\$ 483	Subsidiary (Note 3)	
	Chia Hsin Pacific Limited	Cayman Islands	International trade, real estate trading, real estate leasing	\$ 969,104	\$ 969,104	19,185,070	74.16%	\$ 2,335,426	\$ 280,594	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	258,000,000	100.00%	\$ 1,552,457	\$ (457,960)	Subsidiary (Note 3)	
	Jaino Life Plus Management Corp., Ltd.	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Management consulting service	\$ 546,577	\$ 546,577	35,000,000	100.00%	\$ 1,146,214	\$ (2,000)	Subsidiary (Note 3)	
	LIX ROMEO HOTELS S.R.L.	Rome, Italy	Hospitality industry	NTS 16,004,000 (EUR 142,014)	NTS 16,004,000 (EUR 142,014)	-	40.00%	\$ 741,251	\$ (136,210)	(Note 4)	
	Chia Hsin Tong Cement Corporation	SF-1, No. 21, Wufu 3rd Rd., Qianjin Dist., Kaohsiung City	Cement and concrete mix manufacturing	NTS 142,014 (EUR 69,341)	NTS 142,014 (EUR 69,341)	14,201,649	20.09%	\$ 107,298	\$ (11,467)	(Note 5)	
Chia Hsin Property Management & Development Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	International trade; general investment	\$ 250,000	\$ 250,000	5,800,000	19.33%	\$ 16,681	\$ 3,209	Second-tier subsidiary (Note 3)		
Chia Hsin Property Management & Development Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Wholesale and retail business of machinery, residence, factory buildings and office buildings leasing and selling; PPE, leasing and selling	\$ 250,000	\$ 250,000	25,000,000	100.00%	\$ 240,898	\$ 1,540	Second-tier subsidiary (Note 3)		
YJ International Corporation	CHC Ryukyu Development GK	26 Tokasaka, Aza, Tomigashino-cho, Okinawa, Japan	Real estate rental and leasing; management consulting service	NTS 269,971 (JPY 979,275,735) (US\$ 2,700,000)	NTS 269,971 (JPY 979,275,735) (US\$ 2,700,000)	-	100.00%	\$ 162,282	\$ (6,460)	Second-tier subsidiary (Note 3)	
Chia Hsin Pacific Limited	CHC Ryukyu COLLECTIVE KK	2 Chouse-1-12 Minamiyasu, Naha, Okinawa, Japan	Hospitality industry	NTS 7,020,424,665 (JPY 7,020,424,665)	NTS 7,020,424,665 (JPY 7,020,424,665)	-	100.00%	\$ 1,341,851	\$ (446,913)	Second-tier subsidiary (Note 3)	
Chia Hsin Pacific Limited	Vinisa Pte Ltd.	Singapore	Investment and holding company	NTS 1,916,641 (US\$ 66,551,243)	NTS 1,916,641 (US\$ 66,551,243)	104,908,690	100.00%	\$ 788,203	\$ 97,216	Second-tier subsidiary (Note 3)	
Tong Yang Chia Hsin International Corporation	Ellervee Investment Pte. Ltd.	Singapore	Investment and holding company	NTS 31,078,650 (US\$ 1,078,650)	NTS 31,078,650 (US\$ 1,078,650)	53,274,092	100.00%	\$ 1,348,533	\$ 3,724,224	Second-tier subsidiary (Note 3)	
Tong Yang Chia Hsin International Corporation	Synthesview Pte. Ltd.	Singapore	Investment and holding company	NTS 83,585 (US\$ 2,872,238)	NTS 83,585 (US\$ 2,872,238)	3,265,350	100.00%	\$ 169,283	\$ 5,846,464	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	NTS 2,700,000 (US\$ 636,119)	NTS 2,700,000 (US\$ 636,119)	6,052,656	20.18%	\$ 109,031	\$ 3,350	Second-tier subsidiary (Note 3)	
Tong Yang Chia Hsin International Corporation	Tong Yang Chia Hsin Marine Corp.	Penama	Shipping service	NTS 2,700,000 (US\$ 636,119)	NTS 2,700,000 (US\$ 636,119)	2,700	100.00%	\$ 436,803	\$ 12,147	Second-tier subsidiary (Note 3)	
Chia Hsin Pacific Limited	Chia Hsin Pacific Limited	Cayman Islands	Holding company	\$ 636,119	\$ 636,119	6,257,179	24.18%	\$ 761,656	\$ 378,319	Subsidiary (Note 3)	

Note 1: For information on investments in mainland China, refer to Table 9.

Note 2: The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of September 30, 2020; US\$1=NT\$29.10; JPY1=NT\$29.41; US\$1=NT\$29.817; JPY1=NT\$29.2774; EUR1=NT\$25.52.

Note 3: The investment has been eliminated through consolidation.

Note 4: The investment in associate accounted for using equity method.

Note 5: On June 14, 2019, the dissolution of the Company approved by Ministry of Economic Affairs has completed.

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

PARENT-SUBSIDIARY AND SUBSIDIARY - SUBSIDIARY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020
(Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Transaction Details			% of Total Sales or Assets (Note 3)
				Financial Statement Accounts	Amount (Note 5)	Payment Terms	
0	Chia Hsin Cement Corporation	Chia Pei International Corporation Chia Pei International Corporation	a. a.	Warehousing and storage service revenue	\$ 71,090	The fee is billed monthly and paid quarterly with receipts issued in the same month when the fee is billed.	4.80
				Interest of subletting revenue	15,578		1.05
		Chia Pei International Corporation CHC Ryukyu Development GK CHC Ryukyu COLLECTIVE KK	a. a.	Lease payment receivable	1,320,001	3.50	
				Endorsement or guarantee	358,280	0.95	
		Chia Hsin Property Management & Development Corporation Chia Hsin Property Management & Development Corporation	a. a.	Endorsement or guarantee	1,378,000	3.66	
				Endorsement or guarantee	1,480,000	3.93	
		Chia Hsin Property Management & Development Corporation Chia Hsin Property Management & Development Corporation	a. a.	Investment accounted for using equity method	101,256	0.27	
				Other receivables	19,725	0.05	
		Jaho Life Plus+ Management Corp., Ltd. Tong Yang Chia Hsin International Corporation	a. a.	Investment accounted for using equity method	50,000	0.13	
				Investment accounted for using equity method	1,055,710	2.80	
Tong Yang Chia Hsin International Corporation	a.	Investment accounted for using equity method	642,683	1.70			
1	Tong Yang Chia Hsin International Corporation	Chia Hsin Cement Corporation Chia Hsin Cement Corporation	b. b.	Service revenue	52,335	The fee is billed monthly and collected in the next month. Cash dividends	3.53
				Dividends revenue	111,248		7.51
2	Chia Hsin Property Management & Development Corporation	Chia Hsin Cement Corporation	b.	Endorsement or guarantee	6,540,000		17.35
3	Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	c.	Investment accounted for using equity method	89,734	Cash injection	0.24
4	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Jiapeng Maternal and Child Care (Yangzhou) Co., Ltd.	c.	Investment accounted for using equity method	42,731	Cash injection	0.11

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

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

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

(Continued)

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

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

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

Note 4: The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of September 30, 2020: US\$1=NT\$29.10, JPY1=NT\$0.2756, RMB1=NT\$4.273064; net income items denominated in foreign currencies are translated using the average exchange rate for the nine months ended September 30, 2020: US\$1=NT\$29.817, JPY1=NT\$0.2774, RMB1= NT\$4.264080.

Note 5: The transaction has been eliminated through consolidation.

(Concluded)

CHIA HSIEN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020
(In Thousands of New Taiwan Dollars, or in Thousands of Foreign Currencies)

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, 2020 (Note 1 (a.))	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2020 (Note 1 (a.))	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1 (a.))	Carrying Amount as of September 30, 2020 (Note 1 (a.))	Accumulated Repatriation of Investment Income as of September 30, 2020	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.	\$ 246,186 (US\$ 8,460)	b. and d.	\$ 370,210 (US\$ 12,722)	\$ - (US\$ -)	\$ - (US\$ -)	\$ 370,210 (US\$ 12,722)	95.23	\$ 259,397 (US\$ 8,700)	\$ 503,067 (US\$ 17,288)	\$ - (US\$ -)	Note 1 (b.) (3) and Note 6
Shanghai Chia Hsin Ganghui Co., Ltd.	Warehousing and packing bulk cement and formulating and delivering high-strength cement.	305,550 (US\$ 10,500)	b.	467,521 (US\$ 16,066)	- (US\$ -)	- (US\$ -)	467,521 (US\$ 16,066)	95.23	6,568 (US\$ 220)	441,413 (US\$ 15,169)	- (US\$ -)	Note 1 (b.) (3) and Note 6
Jiangsu Union Cement Co., Ltd.	Processing, manufacturing and selling of cement.	- (US\$ -)	c.	2,008,569 (US\$ 69,023)	- (US\$ -)	- (US\$ -)	2,008,569 (US\$ 69,023)	-	1,499 (US\$ 50)	- (US\$ -)	- (US\$ -)	Note 1 (b.) (3), Note 5 and Note 6
Shanghai Chang Hsin Shipping Co., Ltd.	Delivering cement.	145,500 (US\$ 5,000)	b.	89,192 (US\$ 3,065)	- (US\$ -)	- (US\$ -)	89,192 (US\$ 3,065)	38.09	(2,667) (US\$ 89)	33,998 (US\$ 1,168)	- (US\$ -)	Note 1 (b.) (3) and Note 7
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Consulting for developing information system for business and finance purpose.	503,721 (US\$ 17,310)	b.	771,063 (US\$ 26,497)	- (US\$ -)	- (US\$ -)	771,063 (US\$ 26,497)	95.23	(7,368) (US\$ 247)	561,177 (US\$ 19,284)	- (US\$ -)	Note 1 (b.) (3) and Note 6
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Consulting for management of healthcare and hospitality business.	196,561 (RMB 46,000)	f. Investor: Chia Hsin Business Consulting (Shanghai) Co., Ltd.	- (US\$ -)	- (US\$ -)	- (US\$ -)	- (US\$ -)	95.23	(10,929) (US\$ 367)	153,753 (US\$ 5,284)	- (US\$ -)	Note 1 (b.) (3) and Note 6
Jiangsu Maternal and Child Care (Yangzhou) Co., Ltd.	Providing healthcare service to mothers in pregnancy, parturition and postpartum period.	85,461 (RMB 20,000)	f. Investor: Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	- (US\$ -)	- (US\$ -)	- (US\$ -)	- (US\$ -)	95.23	(12,732) (US\$ 427)	58,137 (US\$ 1,998)	- (US\$ -)	Note 1 (b.) (3) and Note 6
Jiangsu Union Mining Industry Ltd.	Processing, manufacturing and delivering of limestone and other related products.	341,418 (RMB 79,900)	c.	144,627 (US\$ 4,970)	- (US\$ -)	- (US\$ -)	144,627 (US\$ 4,970)	47.62	1,510 (US\$ 51)	161,848 (US\$ 5,562)	- (US\$ -)	Note 1 (b.) (3) and Note 8
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	384,120 (US\$ 13,200)	e.	402,948 (US\$ 13,847)	- (US\$ -)	- (US\$ -)	402,948 (US\$ 13,847)	87.18	12,085 (US\$ 405)	430,088 (US\$ 14,780)	- (US\$ -)	Note 1 (b.) (3) and Note 6
Jiangsu Jiaxin Property Limited Company	Developing and selling real estate and providing property management service	85,461 (RMB 20,000)	f. Investor: Jiaguo Construction Material Storage Co., Ltd.	- (US\$ -)	- (US\$ -)	- (US\$ -)	- (US\$ -)	87.18	6,348 (US\$ 213)	92,317 (US\$ 3,172)	- (US\$ -)	Note 1 (b.) (3) and Note 6

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:

(Continued)

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

Accumulated Outward Remittance for Investments in Mainland China as of September 30, 2020	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)
\$ 6,683,339 (US\$ 229,668)	\$ 6,754,808 (US\$ 232,124)	

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 September 30, 2020: US\$1=NT\$29.10, RMB1=NT\$4.273064; net income items denominated in foreign currencies are translated using the average exchange rate for the nine months ended September 30, 2020: US\$1=NT\$29.817, RMB1=NT\$4.264080.

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

Note 3: Pursuant to the Jing-Shou-Gong Letter No. 10520404590 issued by the Industrial Development Bureau in March 2016, the Company has obtained the certificate of being qualified as the operating headquarters; thus, the ceiling amount or ratio of the investment in mainland China is not applicable.

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

Note 5: On July 1, 2020, the dissolution of Jiangsu Union Cement Co., Ltd., approved by authorities has completed. On June 9, 2020, the write-off of the case of investment in China was approved by the Investment Commission, Ministry of Economic Affairs.

Note 6: The transaction has been eliminated through consolidation.

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

Note 8: The joint venture investment accounted for using equity method.

(Concluded)

TABLE 10**CHIA HSIN CEMENT CORPORATION****INFORMATION OF MAJOR SHAREHOLDERS****SEPTEMBER 30, 2020**

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

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