Stock Code：1103

嘉新企業團
CHIA HSIN CEMENT GROUP

CHIA HSIN CEMENT CORPORATION
2020 ANNUAL REPORT

Web: **www.chcgroup.com.tw**
Published on: **April 30,2021**
(MOPS)Market Observation Post System: **mops.twse.com.tw**

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1. Letter to Shareholders

Dear Shareholders,

In the midst of the global COVID-19 pandemic in 2020, many countries implemented border restrictions. This brought international travels to a halt and affected the manufacturing sequence and the tourism industry. As a result, the global economy was severely impacted. However, with the Taiwanese government's proper control of the pandemic and the substantial growth in exports, Taiwan's economy continued to grow. As of 2021, various vaccines have been administered internationally, and countries with higher vaccination rates such as Israel, United States, and United Kingdom have shown containment in the spread of the COVID-19 virus. It is believed that, in the second half of the year, with the increase in vaccinations amongst nations, border restrictions will start to loosen, and the global economy will recover.

At the start of this global pandemic outbreak in 2020, companies in Taiwan immediately cooperated with the Taiwanese government and followed all preventative measures. Taiwan's domestic COVID-19 pandemic was properly controlled, and the domestic economy was minimally affected. Not only did the export of our semiconductors and electronics reach record highs, our domestic market also experienced a boom with the increase in demands and the influx of capital. Correspondingly, our company's business in the cement industry and the storage and logistics industry was able to remain stable year round. Our maternity care centers were impacted in the first half of the year, but soon recovered as the containment of the virus stabilized domestically. However, our newly operating hospitality brand, Hotel Collective, in Okinawa, Japan was greatly impacted by the pandemic.

The Japanese government had, many times, announced the state of emergency due to the influx of confirmed cases. They also implemented social distancing measures and limited business operating times, which significantly reduced Hotel Collective's domestic and international travelers. During this period, our company had been actively training our employees so that they may offer the best experience for our guests. In 2020, under COVID-19's severe circumstances, we still were able to serve 20,824 room guests and 57,914 food and beverage guests while acquiring superb reviews. We received the 2021 Travellers Review Awards from Booking.com with a high rating of 9.1. We were also given the Loved by Guest Awards in the luxury hotel category by Hotels.com with a high score of 9.2. Through the efforts of the accelerated vaccination program by the Japanese government, we believe that our hotel operations will witness a significant improvement in the fourth quarter of this year.

As the transformation of our company continues to progress, our InterContinental Okinawa Chura SUN Resort development project will be contracted out in the latter half of this year, and it is planned to officially start its operations in the first quarter of 2024; The two newly established Gemcare Maternity Centers in Suzhou and Yangzhou, China will also begin their soft opening operations. In addition, by acquiring 23.1% equity in LDC Hotels & Resorts Group, our Company has strategically placed ourselves in the Taiwanese hotel market. Based on the 2015 joint venture with LDC Hotels & Resorts Group in the A.Roma Lifestyle Hotel project, this investment will further strengthen our relations with the organization. We hope to further our collaborations and to create a synergy.

1. Results of Last Year's Business

The Company's consolidated operating revenue in 2020 was NTD 2,058,417,000, which was an increase of NTD 174,415,000 or 9.26%, compared to NTD 1,884,002,000 in 2019. The consolidated net profit from continuing operations was NTD 1,836,495,000; the consolidated net profit for the year was NTD 1,837,994,000; the net profit attributable to owners of the Company was NTD 1,764,366,000; The Company's earnings per share (after tax) was NTD 2.74.

(1) Main Production and Sales Distribution

1. Sales of cement: 455,000 metric tons of cement were sold in Taiwan last year.
2. Real estate leasing: The main revenue comes from CHC Building, with a comprehensive leasing rate of 94.49%.
3. Storage and logistic: The Taipei Port loading and unloading business totaled 1.923 million metric tons of coal, and 2.825 million metric tons of gravel from eastern Taiwan and other bulk cargos.
4. Hospitality service: The operating revenue in 2020 was approximately NTD 180 million which includes revenues from Hotel Collective and JAHO Life Plus+.

(2) Budget Execution

Unit: NTD thousands

Item	2020 Actual	2020 Budget (Note)	Achievement Rate
Operating Revenue	2,058,417	2,141,922	96%
Operating Costs	2,202,158	2,240,046	98%
Gross Profit	(143,741)	(98,124)	146%
Operating Expenses	603,155	618,507	98%
Other Revenue and Loss	1,569,463	0	-
(Loss) Profit from Operations	822,567	(716,631)	-
Non-Operating Income and Expenses	1,283,475	1,240,087	103%
Profit before Income Tax from Continuing Operations	2,106,042	523,456	402%
Income Tax Expense	(269,547)	(134,086)	201%
Net Profit from Continuing Operations	1,836,495	389,370	472%
Net Profit from Discontinued Operations	1,499	0	-
Net Profit for the Year	1,837,994	389,370	472%
Net Profit Attributable to Owners of the Company	1,764,366	328,107	538%

Note: The budget is for internal use only. Financial forecast is not disclosed.

(3) Profitability Analysis (Note)

Item	2020	2019
Return on Assets	4.96%	4.27%
Return on Equity	7.55%	6.32%
Profit before Income Tax over Paid-In Capital	27.18%	12.72%
Net Profit Margin	89.29%	74.77%
Earnings per Share (after Tax)(NTD)	2.74	2.02

Note: The above calculations are based on consolidated financial statements prepared under IFRS.

2. Impact of External Environment Changes and the Company's Future Development Strategy

Although the COVID-19 pandemic has greatly disrupted global tourism activities, the debut of vaccinations reopened the door to the confined world. Our company’s transformation towards the hotel and tourism industry focuses on the warm hospitality that we are able to bring. We continue to service the demands and expectations of our guests.

Examining the current external environment, we see that climate change is imminent. The progressively worsening weather conditions often lead to disasters, causing uncertain, adverse factors for global operations. Meanwhile, we also see the rise in our society’s request for a more considerate corporation focusing on ESG. To respond to these trends, our company will concentrate our development strategy on the diversity of hotel and tourism services and the tenacity to respond to the global environmental changes.

To achieve sustainable and eco-friendly operations, we invested heavily in sustainability of our Hotel Collective and our InterContinental Okinawa Chura SUN Resort projects. We implemented energy-saving and carbon-reducing designs in our facilities to meet the standard of International LEED certification. Domestically, both our Zhongshan and Dunhua Gemcare Maternity Centers received certifications from the International WELL Institute. This certificate ensures the healthy living standards for mothers and babies in our facilities.

In addition, our Chia Hsin headquarter has completed the greenhouse gases review and is currently receiving guidance in energy management. Both two aforementioned items are expected to receive ISO certifications this year. And on this basis, our company will progress to set new carbon-reduction plans and goals for the future. Furthermore, we have already incorporated plastic-reduction, short-chain supply, organic food, community integration, and local sustainability in our daily operations.

Chia Hsin operates on honesty and integrity, and we pledge to take on corporate social responsibilities.

3. Summary of the Business Plan for 2021

With the stable development of the Taiwanese economy in 2021, our cement business sector looks optimistic. Our cash dividend income from Taiwan Cement Corporation sees a growth compared to last year; Our storage and logistics sector is expected to remain stable; Our real estate development sector is focusing on the ongoing Gangshan land exchange. With the completion of this plan, we have the opportunity to increase the total rental area and revenue in the latter half of the year; In our hospitality sector, even with the harsh conditions of the pandemic and the unpredictable recovery time of the industry, our Hotel Collective may still see a significant growth in revenue in the latter part of the year.

Dear shareholders, the Company's 2020 operating results and future business plans are presented above. We thank you for all support and welcome suggestions.

Jason K. L. Chang

Chairman

2. Company Profile

2.1 Date of Incorporation

The Company was incorporated in December 1954 with initial capital of NTD24 million, which was further increased to NTD 7,747,805,480 as the end of March 31, 2021.

2.2 Company History

(1) The first production line of the Company's Gangshan plant began its operation in 1954. By 1980, four production lines were completed with total capacity of 2.2 million metric tons. Due to the government's suspension of limestone excavation on the west coast since 1997, the plant's production cost increased substantially. In 2002, the Company decided to discontinue cement production in Taiwan and switched to outsourcing to ensure operation stability.

(2) Tong Yang Chia Hsin International Corporation, one of the Company's subsidiary, started construction of 45,000 metric tons capacity cement silos located at the Port of Taichung in 1990. The project was completed and commenced operation in October 1992 with annual turnover volume of 1.2 million metric tons.

(3) The Company had conducted cement market analysis for both Southeast Asian and China markets in 1992, after extremely thorough considerations, it decided to concentrate on PRC investments in order to explore the highly potential emergent markets. With the government's approval, the Company's PRC investments began in 1993 and subsequently, completed investments in cement manufacturing, warehousing, transportation, concrete, building materials, and general trading businesses.

(4) To facilitate the expansion of the Northern Taiwan cement market, the Company started the construction of 38,000 metric tons capacity cement silos located at the Port of Keelung in 1998, which was completed and commenced operation in August 1999 with annual turnover volume of 0.9 million metric tons.

(5) For the purposes of corporate re-engineering, increasing competitiveness and achieving professional collaboration, the Company had spun-off its real-estate management and development business (" Real-Estate Business"), which can be operated independently, into its 100% owned subsidiary, Chia Hsin Property Management & Development Corporation ("CHPMD"). All rights and obligations of the assets and liabilities of the Company's Real-Estate Business were assumed by CHPMD. According to the decision at the Company's Extraordinary Shareholders' Meeting on October 31, 2003, CHPMD issued equivalent value of common shares to exchange for the Real-Estate Business of the Company with net assets book value amounted to NTD 1,568,470 thousand, the date of the above spin-off was December 3, 2003. CHPMD was incorporated on December 15, 2003.

(6) For the development of its logistics business, on December 29, 2006, the Company leased the East Wharf 13, 14 and 15 of the Taipei Port First Bulk Cargo Center from Keelung Harbor Bureau ("KHB"). Meanwhile, the Company committed to construct East Wharf 16 and its related offices, warehouses and transportation equipment. The main operation is handling and storage of coal, gravel, and bulk material. The project construction was

completed with successful test run in June and July 2009, respectively. The operation license was granted by the Taipei County Government on November 25, 2009. Full operation began on December 11, 2009 also approved by KHB. This above operation center is managed by the Company’s subsidiary, Chia Pei International Corp.

(7) Early in 1993, the Company began to invest in cement manufacturing, storage and transportation in China. To expand the market, enhance the competitiveness, and become one of the large-scale cement groups with the most potential for development in Taiwan, Hong Kong and China, the Company exchange its equity interest in Chia Hsin Cement Greater China Holding Corporation (“CHCGC“, a subsidiary which is listed in Hong Kong Exchanges and Clearing Limited “HKECL”) for the interest of TCC International Holdings Limited (“TCCIH”, a subsidiary of Taiwan Cement Corporation (“TCC”), which is listed in the HKECL) in June 2007. By integrating the two manufacturing facilities, abundant resources and sales network, it was possible for TCCIH to be one of the leaders in the Yangtze River Delta Region and the Pearl River Delta Region. As a result of the above equity swap, CHCGC de-listed from HKECL and Chia Hsin Pacific Limited, (“CHPL”), a subsidiary of the Company, in turn held 28.87% interest in TCCIH.

TCCIH continued to expand its capacity by building new facilities and through mergers and acquisitions. TCCIH’s regional scope of business covers Southern, Eastern, Southwest, and Northeast China, e.g. Guangdong, Guangxi, Jiangsu, Fujian, Guizhou, Sichuan, Chongqing, and Liaoning provinces, making it the largest cement manufacturer in South China.

In April 2017, TCC and its subsidiary TCC International Limited (hereinafter referred to as "TCCI") jointly proposed a public offer to privatize TCCIH through a “Scheme of Arrangement”. The Company and its subsidiary CHPL, according to selectable options for privatized shareholders, chose to exchange shares held in TCCIH for the newly-issued ordinary shares of TCC. The share exchange process was completed in November 2017, and the Company and CHPL obtained 3,708,290 and 201,536,685 newly issued ordinary shares of TCC, respectively.

Considering the continuing investment strategy in the cement industry, simplifying the investment structure, and enhancing investment management, CHPL distributed ~~of~~ all its TCC Shares from its profits and share premium account to its shareholders based on their percentage of shareholdings. After completion of the distribution, the Company and its subsidiary, Tong Yang Chia Hsin International Corp., together held approximately 258 million shares of TCC as of March 2018.

(8) Since 2015, the Company focused on assets revitalization, investment, and development. The current focus is on the hospitality service business. Amongst, A.Roma hotel in Rome, Italy opened for operation in October 2015; Hotel Collective in Naha, Okinawa, Japan commenced operation in January 2020; for the development of “InterContinental Okinawa Chura SUN Resort” in Toyosaki, Okinawa, Japan, the planning and design contract was signed with Kengo Kuma & Associates (“KKAA”) in May 2018. To bring in five-star InterContinental Resort and Villa brand, the Company, through its subsidiary, entered into a Hotel Management Agreement with InterContinental Group (“IHG”) in August 2019 for direct operation by Japan subsidiary of IHG.

Design phase of the development project is expected to be completed in the middle of

2021, followed by the related project contracting. The project is divided into two areas, Villa and Hotel, and will be carried out successively. Construction of the Villa area will start in the fourth quarter of 2021. Entire project is expected to be completed in the first quarter of 2024.

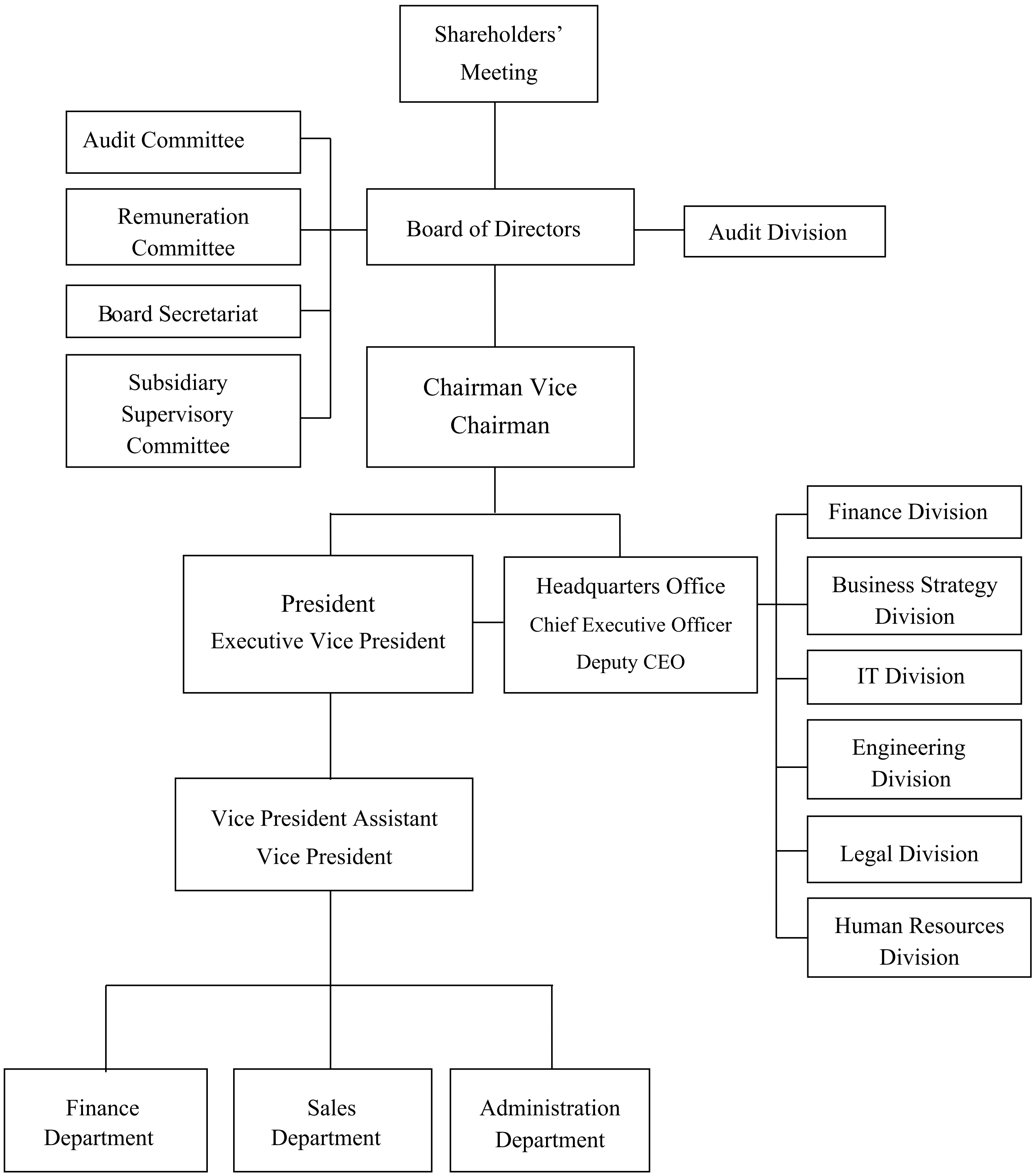
In terms of health services business, Jaho Life Plus+ Management Corp., a subsidiary of the Company, has cooperated with professional nursing and medical teams to build up the Gemcare Maternity Center brand name. Zhongshan Center was officially opened in early 2017 and Dunhua Center started operation in the second quarter of 2020.

Regarding the progress of health business in China, Yangzhou City and Suzhou City, Jiangsu Province have been selected to set up maternity centers. The related construction is about to be completed and the soft opening is expected to be in the second quarter of 2021.

3. Corporate Governance Report

3.1 Organization

3.1.1 Organization Chart



3.1.2 Major Corporate Functions

Department	Functions
Board Secretariat	1. Convene shareholders' meetings and Board of Directors meetings and arrange for the agenda and other relevant matters 2. Submit proposals for the amendments of Articles of Incorporation of the Company and Corporate Governance related rules and regulations 3. Manage affairs of the Group's shareholders' meetings and Board meetings and process and report Industrial & Commercial registration changes 4. Supervise affairs of the Group's shareholders' meetings and Board meetings; monitor related risks and timely issue warnings
Audit Division	1. Carry out audits in accordance with the Internal Audit Implementation Regulations; keep records of audits and prepare audit reports 2. Study Internal Audit Implementation Regulations; convene audit committee meetings and arrange the agenda 3. Handle affairs related to operations of the subsidiary supervisory committee; monitor internal control related risks and timely issue warnings
Finance Division	1. Integrate and plan for the Group's overall financial resources 2. Long-term financial planning; establish financial accounting systems and conduct studies for further improvements 3. Support investment project evaluations; manage financial and investment risks; implement risk control mechanisms
Business Strategy Division	1. Business performance evaluation and integration; supervise business units in the execution of business plans 2. Supervise business expansion and process mechanism improvements; propose the Group's business direction; conduct research and development on business strategies 3. In charge of evaluation, planning, analysis, design and execution of investment projects; initiate interface integration, supervision or execution of major projects
Engineering Division	1. Supervise and support all engineering and technical matters, quality control, maintenance, and production management 2. Carry out major project construction and technology improvement; promote innovative research and development; formulate the Group's production management, research and development, and new product development policies 3. Establish engineering related systems and supervise the implementation of related affairs
Human Resources Division	1. Formulate personnel regulations; safe keep personnel data and records; execute personnel related matters based on management decisions; convene Remuneration committee meetings and arrange the agenda 2. Plan and establish human resource policies; propose the annual plan and budget for employee selection, training, recruitment, retention and relations 3. Handle employees' labor, health and group insurance; manage employee attendance; handle employee salary; file personnel related reports to related authorities
Legal Division	1. Provide legal opinions on legal issues within the Company's business scope; assist fellow divisions in handling relevant legal affairs

Department	Functions
	2. Promote and provide training on legal issues for employees; supervise legal affairs of the Group 3. Execute management assignments; monitor corporate legal risks and timely issue warnings
IT Division	1. Formulate short-term, mid-term and long-term information technology plans and strategies in accordance with the Company's development strategy and management requirements 2. In charge of the up-to-date and overall integration of information system framework for the Company and its subsidiaries 3. Handle all daily computer operations including file backup management, storage and information security; oversee and manage all information related risks of the Company's computer systems; support integration, planning, design or update of the Group's information systems
Sales Department	1. Conduct domestic and overseas market research; formulate sales strategies; propose and execute market expansion plans 2. Handle orders for domestic sales and exports, sales change; collect receivables; responsible for the issuance, control and safekeeping of bills of lading; inventory management; shipment review and approval; after-sales service 3. Execute management assignments and manage other operation and sales related risks
Finance Department	1. Implement the financial accounting system; prepare financial statements and analysis reports based on related procedures 2. Conduct account auditing, reporting, tax related affairs, and fixed asset insurance, etc. 3. Review and compile budgets; compare and analyze budget and actual performance; study, handle and offer suggestions for corporate tax affairs 4. Planning and process of the Company's reporting matters stipulated by the government authority, Financial Supervisory Commission and its subordinate institutions, and follow up on these matters 5. Review bills and receipts of fellow departments to ensure their compliance with the Company's rules and regulations
Administration Department	1. Issue and receive letters of the Company and the Group (if necessary); compilation, safekeeping, filing and digitalization of official corporate documents; responsible for the Group's (excluding companies in China) office automation system and also act as the window for corporate e-documents 2. Maintain and manage the Group's bulletin board; announcement, compilation, and safekeeping of rules and regulations; and printing and issuance of publications 3. Plan and execute administrative management regulations and budget, manage petty cash, expenses and receipts 4. Handle administrative affairs, management assigned matters along with other asset management related issues 5. Support the Group with overall administrative affairs

3.2 Directors and Management Team

3.2.1 Directors

1. Profile of Directors

As of 04/19/2021: book closure date for AGM

Title (Note1)	Nationality/ Place of Incorporation	Name	Gender	Date Elected or Inaugurated	Term (Years)	Date First Elected (Note 2)	Shareholding When Elected		Current Shareholding		Current Shareholding of Spouse & Minor Children		Shareholding by Nominee Arrangement		Experience & Education (Note 3)	Other Positions (JPR: Juridical Person Representative)	Executive, Directors, or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks (Note 4)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	ROC	Jason K. L. Chang	M	6/21/2019	3	5/31/2001	4,478,396	0.58	4,478,396	0.58	4,477,000	0.58	585,000	0.08%	Master, Massachusetts Institute of Technology	**Chairman of:** YJ Int'l Corp. (JPR) Bluesky Co., Ltd. (JPR) Chia Sheng Construction Corp. (JPR) Tong Yang Chia Hsin Int'l Corp. **Vice Chairman of:** EPOCH Foundation **Director of:** Chia Hsin Property Management & Development Corp. (JPR) Chia Pei Int'l Corp. (JPR) Chia Hsin Business Consulting (Shanghai) Co., Ltd. (JPR) Shanghai Jia Huan Concrete Co., Ltd. (JPR) Shanghai Chia Hsin Ganghui Co., Ltd. (JPR) Chia Hsin Pacific Limited Yonica Pte Ltd Effervesce Investment Pte Ltd Sparksview Pte Ltd Tong Yang Chia Hsin Marine Corp. (JPR) Taiwan Cement Corp. (JPR) Chia Hsin Foundation	-	-	-	-
Director	ROC	Chi-Te Chen	M	6/21/2019	3	4/30/1992	680,813	0.09	692,955	0.09%	0	0.00	0	0.00	MBA, University of California, Santa Clara	**Chairman of:** Chien Kuo Development Co., Ltd. Chien Hwei Investment Co. Ltd. Golden Canyon Venture Capital Investment Co., Ltd Rock Publishing International Chien Huei Cultural & Educational Foundation Chien Kuo Foundation for Arts And Culture. **Vice Chairman of:** Chien Kuo Construction Co., Ltd. **Director of:** Chia Hsin property Management & Development Corp. (JPR)	-	-	-	-

Title (Note1)	Nationality/ Place of Incorporation	Name	Gender	Date Elected or Inaugurated	Term (Years)	Date First Elected (Note 2)	Shareholding When Elected		Current Shareholding		Current Shareholding of Spouse & Minor Children		Shareholding by Nominee Arrangement		Experience & Education (Note 3)	Other Positions (JPR: Juridical Person Representative)	Executive, Directors, or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks (Note 4)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
																Taiwan Cement Corp. (JPR) China Real Estate Management Co., Ltd Silver Shadow Holdings Co., Ltd. Golden Canyon Co., Ltd. Chien Kuo Asia Co., Ltd.				
Director	ROC	Tong Yang Chia Hsin International Corp.		6/21/2019	3	5/31/2001	127,370,320	16.44	127,370,320	16.44	0	0.00	0	0.00	-	-	-	-	-	-
JPR of Tong Yang Chia Hsin Int'l Corp.	USA	Pan Howard Wei-Hao	M	6/21/2019	3	6/19/2013	0	0.00	0	0.00	0	0.00	0	0.00	Master of EE and MBA, Massachusetts Institute of Technology	**Director of:** Chia Hsin property Management & Development Corp, (JPR) Jaho Life Plus+ Management Corp. (JPR) Bluesky Co., Ltd. (JPR) Chia Sheng Construction Corp. (JPR) Chia Hsin Pacific Limited Yonica Pte Ltd Effervesce Investment Pte Ltd Sparksview Pte Ltd Cheng Yeh Chemical Works Ltd. (also President) Hao An Enterprise Co., Ltd. Micro Tech Enterprise Co., Ltd. CFA Society of Taiwan Chia Hsin Foundation	-	-	-	-
JPR of Tong Yang Chia Hsin Int'l Corp.	ROC	I-Cheng Liu (Note 5)	M	04/28/2020	3	04/28/2020	0	0.00	0	0.00	0	0.00	0	0.00	Wharton School of the University of Pennsylvania	-	-	-	-	-
	ROC	Jeffrey H.H. Wang (Note 5)	M	6/21/2019	3	6/27/2016	0	0.00	0	0.00	0	0.00	0	0.00	Fashion Institute of Technology, The State University of New York	**Chairman and President of:** Suzhou Chung-Hwa Chemical & Pharmaceutical Industrial Co., Ltd. **Director of:** China Chemical & Pharmaceutical Co., Ltd. (JPR) Chung-Hwa Snythesis & Biotech Co., Ltd.	-	-	-	-
Independent Director	ROC	Robert K. Su	M	6/21/2019	3	6/27/2016	0	0.00	0	0.00	0	0.00	0	0.00	Ph. D., Accounting Louisiana State University Dean of NCCU College of Commerce	Independent Director, DBS Bank (Taiwan) Ltd Independent Director, Ta-Yuan Cogen Co., Ltd. Member of Remuneration Committee & Consultant, Chien Kuo Construction Co., Ltd. Supervisor, Shun Long International Electrical Engineering Co., Ltd.	-	-	-	-

Title (Note1)	Nationality/ Place of Incorporation	Name	Gender	Date Elected or Inaugurated	Term (Years)	Date First Elected (Note 2)	Shareholding When Elected		Current Shareholding		Current Shareholding of Spouse & Minor Children		Shareholding by Nominee Arrangement		Experience & Education (Note 3)	Other Positions (JPR: Juridical Person Representative)	Executive, Directors, or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks (Note 4)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	ROC	Chia-Shen Chen	M	6/21/2019	3	6/19/2013	0	0.00	0	0.00	0	0.00	0	0.00	Ph.D., Psychology, National Taiwan University	Professor, Graduate Institute of Business Administration, College Management, NTU Independent Director of Yue Yuen Industrial (Holdings) Limited (Hong Kong) Member of Taiwan Power Company Promotional Development Committee Consultant of Industrial Technology Research Institute.	-	-	-	-
Independent Director	ROC	Kuan-Ming Chen	M	6/21/2019	3	6/19/2013	0	0.00	0	0.00	0	0.00	0	0.00	BBA, University of Southern California	Chairman of Ladybees International Limited Representative of Shanghai Zhen Wang Management Consulting Co., Ltd.	-	-	-	-

Note 1: For institutional shareholder, the name of the institution and its representatives are listed separately. Additional information should be provided as following table for the institutional shareholder.

Note 2: State the first date the person served as director or supervisor, and provide explanation for discontinuity.

Note 3: If any of the current and past experiences involve positions in the auditing CPA firm or its affiliates, details for the person's title and responsibilities shall be provided.

Note 4: If the chairman and the president or person of equivalent duties (the top manager) are the same person or spouse or first kinship relatives of each other, reason, rationality, necessity and corresponding measures (such as increasing the number of independent directors, and there should be more than half of the directors who are not part-time employees or managers of the Company etc.) shall be provided.

Note 5: Jeffrey H.H. Wang, JPR of Tong Yang Chia Hsin Int'l corp. passed away on January 13, 2020 and was automatically dismissed, and Mr. I-Cheng Liu was appointed as Director on April 28, 2020.

Table 1: Major Shareholders of the Company's Institutional Shareholders

As of 04/19/2021: book closure date for AGM

Institutional Shareholders	Major Shareholders
Tong Yang Chia Hsin International Corporation	Chia Hsin Cement Corporation (87.18%) Chia Hsin Construction & Development Corporation (10.41%) Chia Min Corporation (0.52%) Sung Ju Investment Corporation (0.42%) Ju-Ping Chang (0.25%) Yung-Ping Chang (0.22%) Chung-Lien Chung (0.19%) International Chia Hsin Corporation (0.16%) Nelson An-Ping Chang (0.12%) Robert C.K. Wang (0.11%)

Note 1: If directors or supervisors are representatives of institutional shareholders, name of the institutional shareholders shall be filled in.

Note 2: Fill in the major shareholders whose shareholdings account for the top ten of the institutional shareholders and their shareholding ratio. If the major shareholder is an institution, the following table 2 shall be provided.

Note 3: If the institutional shareholders are not company organization, the names and shareholding ratios to be disclosed shall be the names of the investors or donors and shareholding ratios shall be the investment or donation ratios.

Note 4: Above disclosure information has been provided by respective institutional shareholders.

Table 2: Major Shareholders of the Institutional Shareholders in Table 1

As of 04/19/2021: book closure date for AGM

Name of Institutional Shareholders	Major Shareholders
Chia Hsin Cement Corporation	Tong Yang Chia Hsin International Corporation (16.44%) Sung Ju Investment Corporation (8.88%) Yung-Ping Chang (5.39%) Taiwan Cement Corporation (3.54%) Ta-Ho Maritime Corporation (3.32%) Nutri Vita Inc. (2.27%) Chia Hsin Foundation (1.92%) International Chia Hsin Corporation (1.89%) Guo-Huei Gu (1.74%) Chia Hsin R.M.C. Corporation (1.70%)

Note 1: If the major shareholder in the above table 1 is an institutional shareholder, the name of the institutional shareholders shall be filled in.

Note 2: Specify the major shareholders whose shareholdings account for the top ten of the institutional shareholder and their shareholding ratio.

Note 3: If the institutional shareholders are not company organization, the names and shareholding ratios to be disclosed shall be the names of the investors or donors and shareholding ratios shall be the investment or donation ratios.

Note 4: Above disclosure information has been provided by respective institutional shareholders.

2. Professional Qualifications and Independence Analysis of Directors

Criteria / Name (note1)	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience			Independence Criteria (note2)												Number of Other Public Companies in Which the Individual is Concurrently Serving as Independent Director
	An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private College or University	A Judge, Public Prosecutor, Attorney, CPA, or Other Professional or Technical Specialist Who has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company	Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting or Otherwise Necessary for the Business of the Company	1	2	3	4	5	6	7	8	9	10	11	12	
Jason K.L. Chang			V				V	V	V		V	V	V	V	V	0
Chi-Te Chen			V	V		V	V	V	V	V	V	V	V	V	V	0
Pan Howard Wei-Hao			V	V		V	V		V	V	V	V	V	V		0
I-Cheng Liu (Appointed on 04/28/2020)			V	V	V	V	V	V	V	V	V	V	V	V		0
Jeffrey H.H.Wang (Passed away on 1/31/2020 and was automatically dismissed)			V	V		V	V		V	V	V	V	V	V		0
Robert K. Su	V			V	V	V	V	V	V	V	V	V	V	V	V	2
Chia-Shen Chen	V			V	V	V	V	V	V	V	V	V	V	V	V	0
Kuan-Ming Chen			V	V	V	V	V	V	V	V	V	V	V	V	V	0

Note 1: The number of fields is adjustable based on actual needs

Note 2: Mark "V" if applicable to the directors during the two years prior to being elected and during the term of office.

Criteria 1: Not an employee of the Company or its affiliates.

Criteria 2: Not a director or supervisor of the Company or its affiliates. Not apply to independent directors appointed in accordance with the laws of Taiwan or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or subsidiary of the same parent.

Criteria 3: Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranks in the top 10 in holdings.

Criteria 4: Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under criteria 1 or any persons in the preceding two criteria.

Criteria 5: Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the Company under Article 27, paragraph 1 or 2 of the Company Act. Not apply to independent directors appointed in accordance with the laws of Taiwan or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.

Criteria 6: Not a director, supervisor, or employee of other companies having the same person controls more than half of the Company's director seats or voting shares. Not apply to independent directors appointed in accordance with the laws of Taiwan or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.

Criteria 7: Not a director (or governor), supervisor, or employee of other companies or institutions whose chairman and president or person of equivalent duties are the same person or spouses of each other. Not apply to independent directors appointed in accordance with the laws of Taiwan or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.

Criteria 8: Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. Not apply to independent directors appointed in accordance with the laws of Taiwan or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent, if the specified company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the public company.

Criteria 9: Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative compensation exceeding NTD500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities & Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

Criteria 10: Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company

Criteria 11: Not been a person of any conditions defined in Article 30 of the Company Act.

Criteria 12: Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.

3.2.2 Management Team

Profile of President, Vice President and Other Managers

As of 04/19/2021: book closure date for AGM

Title (Note 1)	Nationality	Name	Gender	Elective Date	Current Shareholdings (Note 4)		Current Shareholdings of Spouse & Minor Children		Shareholdings by Nominee Arrangement		Experience & Education (Note 2)	Other position (JPR: Juridical Person Representative)	Managers Who are Spouses or Within Two Degree of Kinship			Remarks (Note3)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
President	ROC	Chih-Chu Chi	M	4/1/2015	68,415	0.01%	0	0.00%	0	0.00%	Dept. of Finance, China University of Technology	**Chairman of:** Chia Hsin Property Management & Development Corp. (JPR) **Director of:** Tong Yang Chia Hsin Int'l Corp. (JPR), also President Chia Pei Int'l Corp. (JPR) Blue-sky Co., Ltd. (JPR) Chia Sheng Development Corp. (JPR) Tong Yang Chai Hsin Marine Corp. (JPR) Shanghai Jia Huan Concrete Co., Ltd. (JPR) Jiangsu Jiaguo Construction Material & Storage Co., Ltd. (JPR) Jiangsu Chia Hsin real Estate Co., Ltd. (JPR)	-	-	-	-
EVP Also CEO of Headquarters Office and Chief Officer of Corporate Governance	ROC	Li-Hsin Wang	F	4/1/2015 7/11/2019	94,613	0.01%	0	0.00%	0	0.00%	MBA Waseda University	**Chairman of:** Jaho Life Plus+ Management Corp. (JPR) Chia Hsin Pacific Limited **Director of:** YJ Int'l Corp. (JPR) Chia Pei Int'l Corp. (JPR) Tong Yang Chia Hsin Int'l Corp. (JPR) Chia Hsin Business Consulting (Shanghai) Co., Ltd. (JPR) Shanghai Chia Hsin Ganghui Co., Ltd. (JPR) Shanghai Chia Peng Health care Management Consulting Co., Ltd. (JPR) Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd. (JPR) Jiapeng Gemcare Maternity (Suzhou) Co., Ltd. (JPR) Yonica Pte Ltd Effervesce Investment Pte Ltd Sparksview Pte Ltd Tong Yang Chia Hsin Marine Corp. (JPR) LDC ROME HOTELS S.R.L CHC Ryukyu COLLECTIVE KK **Executive Officer of:** CHC Ryukyu Development GK **Supervisor of:** Chia Hsin property Management & Development Corp. (JPR) Bluesky Co., Ltd. (JPR) Chia Sheng Development Corp. (JPR)	-	-	-	-
Manager	ROC	Jane Y. C. Chou	F	7/5/2013	61,325	0.01%	0	0.00%	0	0.00%	Dept. of Industrial Management, National Taiwan University of Science & Technology	**Supervisor of:** YJ Int'l Corp. Chia Pei Int'l Corp. (JPR) Jaho Life Plus+ Management Corp. (JPR) **Corporate Auditor of:** CHC Ryukyu COLLECTIVE KK	-	-	-	-
Assistant Manager	ROC	Mars Feng	M	7/11/2019	14,000	0.00%	0	0.00%	0	0.00%	Dept. of Accounting, Tamkang University	-	-	-	-	-

Note 1: Shall include profiles of President, Executive Vice President, Vice President, Department Heads, or any other equivalent positions within the Company.

Note 2: If any of the current and past experiences involve positions in the auditing CPA firm or its affiliates, details of the person's title and responsibilities shall be provided.

Note 3: Where the chairman of the Company and the president or person of equivalent post (the highest level manager) are the same person, spouse, or relatives within the first degree of kinship of each, the reason for, reasonableness, necessity thereof, and measures adopted in response thereto (such as increasing the number of independent director seats, and more than half of the directors must not concurrently serve as employees or managers) must be disclosed.

Note 4: Increase in shareholding was caused by the execution of the transfer of the Company’s treasury shares.

3.3 Remuneration of Directors, President, and Vice President

3.3.1 Remuneration of Directors and Independent Directors

Remuneration of Directors and Independent Directors

Unit: NTD thousands

Title		Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Remuneration from Non-Consolidated Affiliates or from the Parent Company
			Base Compensation (A)		Severance/ Pension (B)		Directors Compensation (C)		Allowances (D)				Salary, Bonuses and Allowances (E)		Severance/ Pension (F)		Employee Compensation (G)						
																	The Company		Companies in the Consolidated Financial Statements				
			The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	Cash	Stock	Cash	Stock	The Company	Companies in the Consolidated Financial Statements	
Director	Chairman	Jason K. L. Chang	33,939	34,818	0	0	18,000	19,800	875	1,019	2.99 %	3.15 %	0	1,160	0	0	0	0	0	0	2.99 %	3.22 %	0
	Director	Chi-Te Chen																					
	Director	Pan Howard Wei-Hao (Note 1)																					
	Director	Jeffrey H.H. Wang (Note 2)																					
	Director	I-Cheng Liu (Note 2)																					
Independent Director	Independent Director	Robert K. Su	4,050	4,050	0	0	0	0	144	144	0.24 %	0.24 %	0	0	0	0	0	0	0	0	0.24 %	0.24 %	0
	Independent Director	Kuan-Ming Chen																					
	Independent Director	Chia-Shen Chen																					

1. The directors' remuneration policy, criteria, standards, structure, and the relation between the amount of remuneration and the responsibilities, risks, time devoted and other factors are stated as follows：
   (1) Remuneration of Chairman and Directors is based on Articles of Incorporation of the Company.
   (2) The Company's Articles of Incorporation stipulates that the provision of annual profit as compensation to Directors should not be higher than 3%.
   (3) Payment of remuneration to Directors shall follow the Company’s regulations for the distribution and payment of remuneration to Directors.
   (4) Authorize the Board of Directors to pay a fixed monthly compensation based on the level of independent directors ’participation in and contribution to the Company’s operation and referenced to industry average. Attendance allowances are based on numbers of meeting attended. Additional year end pays is based on responsibilities and individual performance.
2. In addition to the disclosure in the above table, amount received by the Directors of the Company from providing services(such as acting as non-employee consultants, etc.) to all companies in the consolidated financial statements for the past year: None.

Note 1: Representative of Tong Yang Chia Hsin Int’l Corp.

Note 2: Jeffrey H.H. Wang, Representative of Tong Yang Chia Hsin Int’l Corp. passed away on January 13, 2020 and was automatically dismissed, and Mr. I-Cheng Liu was appointed as Director on April 28, 2020.

Range of Remuneration

Range of Remuneration for Directors of the Company	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements
Less than NTD 1,000,000	Jeffrey H. H. Wang, I-Cheng Liu	Jeffrey H. H. Wang, I-Cheng Liu	Jeffrey H. H. Wang, I-Cheng Liu	Jeffrey H. H. Wang, I-Cheng Liu
NTD 1,000,000 ~ NTD 1,999,999	Pan Howard Wei-Hao, Kuan-Ming Chen, Chia-Shen Chen, Robert K. Su	Pan Howard Wei-Hao, Kuan-Ming Chen, Chia-Shen Chen, Robert K. Su	Pan Howard Wei-Hao, Kuan-Ming Chen, Chia-Shen Chen, Robert K. Su	Kuan-Ming Chen, Chia-Shen Chen, Robert K. Su
NTD 2,000,000 ~ NTD 3,499,999				Pan Howard Wei-Hao,
NTD 3 ,500,000 ~ NTD 4,999,999				
NTD 5 ,000,000 ~ NTD 9,999,999				
NTD 10,000,000 ~ NTD 14,999,999				
NTD 15,000,000 ~ NTD 29,999,999	Jason K. L. Chang, Chi-Te Chen	Chi-Te Chen	Jason K. L. Chang, Chi-Te Chen	Chi-Te Chen
NTD 30,000,000 ~ NTD 49,999,999		Jason K. L. Chang		Jason K. L. Chang
NTD 50,000,000 ~ NTD 99,999,999				
Greater than or equal to NTD 100,000,000				
Total	8	8	8	8

3.3.2 Remuneration of President and Vice President

Remuneration of President and Vice President

Unit: NTD thousands

Title	Name	Salary(A)		Severance/ Pension(B)		Bonus and Allowances(C)		Employee Compensation (D)				Ratio of Total Compensation (A+B+C+D) to Net Income (%)		Remuneration from Non-consolidated Affiliates or from the Parent Company
		The Company	Companies in the consolidate financial statements	The Company	Companies in the consolidate financial statements	The Company	Companies in the consolidate financial statements	The Company		Companies in the consolidate financial statements		The Company	Companies in the consolidate financial statements	
								Cash	Stock	Cash	Stock			
President	Chih-Chu Chi	6,098	6,098	0	0	3,427	7,844	856	0	1,331	0	0.59%	0.87%	None
EVP Also CEO of Headquarters Office and Chief Officer of Corporate Governance	Li-Hsin Wang													

Range of Remuneration

Range of Remuneration for President and Vice President of the Company	Name of President and Vice President	
	The Company	Companies in the consolidated financial statements(E)
Less than NTD 1,000,000		
NTD 1,000,000 ~ NTD 1,999,999		
NTD 2,000,000 ~ NTD 3,499,999		
NTD 3 ,500,000 ~ NTD 4,999,999	Shih-Chu Chi	
NTD 5 ,000,000 ~ NTD 9,999,999	Li-Hsin Wang	Shih-Chu Chi , Li-Hsin Wang
NTD 10,000,000 ~ NTD 14,,999,999		
NTD 15,000,000 ~ NTD 29,999,999		
NTD 30,000,000 ~ NTD 49,999,999		
NTD 50,000,000 ~ NTD 99,999,999		
Greater than or equal to NTD 100,000,000		
Total	2	2

Managerial Officers Who Received Employee Compensation and the Method

04/30/2021

Unit: NTD thousands

	Title	Name	Stock	Cash	Total	Ratio of Total Amount to Net Income (%)
Managerial Officers	President	Shih-Chu Chi	0	1,216	1,216	0.07%
	EVP Also CEO of Headquarters Office and Chief Officer of Corporate Governance	Li-Hsin Wang				
	Finance Officer	Jane Y. C. Chou				
	Accounting Officer	Mars Feng				

Comparative descriptions and ratio analysis of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the past two years to Directors (including independent Directors), President, and Vice President, to the net income, including remuneration policies, criteria, and composition.

Total Remuneration Paid to Directors, President, and Vice President as a Percentage to Net Income for the Past Two Years

Year	Total Remuneration paid to Directors, President and Vice President (NTD thousands)		Ratio of Total Remuneration Paid to Directors, President and Vice President to Net Income (%) (Note 1)	
	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements
2019	47,122	54,029	3.63%	4.16%
2020	67,389	76,264	3.82%	4.32%

Note 1: Net Income after Tax refers to that stated in the Parent Company only financial statement of the fiscal year based on IFRS.

The Company’s Remuneration Policies and Criteria

1. Article 26 of the Company stipulates that if there is a profit in the current year, 0.01 percent to 3 percent of the profits shall be allocated as employees’ compensation, and not more than 3 percentage as board of directors’ compensation. If there are accumulated losses, the amount shall be reserved for covering previous losses, and the amount left will then be distributed as compensation.

2. Remuneration of the Company’s directors is in accordance with the provisions of the Company's Articles of Incorporation and linked to the performance, where the performance is evaluated based on six factors in the Board of Directors' Performance Evaluation Regulations: Implementation of Company targets and goals, knowledge on the role for the board of directors, participation in the Company's operation, internal communication, professional capability and continuous improvement, and internal control. Distribution of remuneration shall be reviewed

by the Compensation Committee, submitted to the Board of Directors for approval, and reported at the shareholders' meeting.

3. Remuneration of President and Executive Vice President is based on their individual capabilities, contribution to the Company's operation, performance, market value of the position, and the Company's future operation risks consideration, and shall be reviewed by the Compensation Committee and submitted to the Board of Directors for approval.

4. Distribution of the directors' remuneration approved by the board of directors shall be limited to those who with directorship on the day the directors' remuneration is paid. However, directors who have not been re-elected due to re-election may still receive pro rata distributions based on their term of office.

5. Remuneration is based on the overall operation and profitability of the Company, which is positively related to the Company's operation performance. It minimizes the probability and correlation of future risks and strives to balance sustainability with risk control under the specification of laws and the Company's Articles of Incorporation.

3.4 Implementation of Corporate Governance

3.4.1 Board of Directors

1. Operation of the Board of Directors

(1) A total of nine (A) meetings of the Board of Directors were held in the most recent year (Note 4). The attendance of Directors and Independent Directors were as follows:

Title	Name (Note 1)	Attendance in Person (B)	Attendance by Proxy	Attendance Rate in Person (%) (B/A) (Note 2)	Remarks
Chairman	Jason K.L. Chang	9	0	100%	-
Director	Chi-Te Chen	9	0	100%	
Director	Tong Yang Chia Hsin Int'l Corp. Representative: Pan Howard Wei-Hao	9	0	100%	
Director	Tong Yang Chia Hsin Int'l Corp. Representative: I-Cheng Liu	7	0	100%	Note 3
	Tong Yang Chia Hsin Int'l Corp Representative: Jeffrey H.H. Wang	0	0	0%	
Independent Director	Robert K. Su	9	0	100%	-
Independent Director	Chia-Shen Chen	9	0	100%	
Independent Director	Kuan-Ming Chen	6	3	67%	

Other mentionable items:

1. In case any of the following circumstances occur at the operation of the Board of Directors, it is required to clearly specify the board meeting date, session, content of motion and resolutions by the independent directors and the Company's response to their opinions.
   (1) Article 14-3 of the Securities Exchange Act: Please refer to section 3.4.11 for the major resolutions of 2020 board meetings and up to the publication date of this Annual Report. All attended independent directors unanimously approved all circumstances referred in Article 14-3 of the Security Exchange Act.
   (2) Other than the abovementioned items, it is required to specify any resolutions of the director's meeting objected to by the independent directors or subject to any reservations shown with records or declaration in writing: None
2. In case there are any directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance, participation in discussion and voting, it is required to be specified:

Meeting Session and Date	Name of Director	Content of Motion	Cause for Avoidance of Motion in Conflict of Interest	Participation in Discussions and Voting
428 Dated 01/09/2020	Jason K.L. Chang	To approve the adoption of 2019 year-end bonus policy of Chairman and managers (including employees)	Jason. K. L. Chang is Chairman of the Board	The Chairman attended the meeting in person, but recused himself from discussions and voting.
	Jason K.L. Chang	To approve the amount of 2019 bonus of the Chairman and managers	Jason K. L. Chang is Chairman of the Board	The Chairman attended the meeting in person, but recused himself from discussions and voting.
	Chi-Te Chen Pan Howard Wei-Hao	To approve the 2019 Lunar New Year compensation of the directors	To approve the amount of 2019 Lunar New Year compensation to the directors (not including the independent directors who are	Chi-Te Chen and Pan Howard Wei-Hao attended the meeting in person; Kuan-Ming Chen attended by proxy. All 3 directors

	Kuan-Ming Chen		concurrently members of the Remuneration Committee)	recused themselves from discussions and voting.
	Chia-Shen Chen Robert K. Su	To approve the 2019 compensation of members of the Remuneration Committee	To approve the proposed amount of 2019 compensation of members of the Remuneration Committee (including the independent directors who are concurrently members of the Remuneration Committee)	The independent directors attended the meeting in person, but recused themselves from discussions and voting.
430 Dated 05/06/2020	Chi-Te Chen Pan Howard Wei-Hao I-Cheng Liu	To approve the amount of compensation of directors of 2019 (Director Jason K.L. Chang, Chairman of the Board will not receive his compensation)	All aforementioned directors will receive the compensation	The directors attended the meeting in person, but recused themselves discussions and voting.
	Jason K.L. Chang	To approve the amount of 2019 compensation for managers	In 2019, Jason K.L. Chang was concurrently CEO of the Company as of July 11, 2019	The director attended the meeting in person, but recused himself from discussions and voting.
433 Dated 11/11/2020	Jason K. L. Chang Chi-Te Chen Pan Howard Wei-Hao	To discuss compensation of members of the Company who were appointed as directors and supervisors of the Company's affiliated and invested enterprises.	Due to the reason that the afore-mentioned directors were all appointed directly by the Company as directors of its affiliated and invested enterprises and will receive compensation for such appointment, the directors should recuse themselves from discussions and voting to avoid interest of conflict for this motion	The directors attended the meeting in person, but recused themselves from discussions and voting.
435 Dated 01/19/2021	Jason K.L. Chang	To approve the amount of compensation of the Chairman and managers of 2020.	Jason K.L. Chang is Chairman of the Board	The director attended the meeting in person, but recused themselves from discussions and voting.
	Chi-Te Chen Pan Howard Wei-Hao I-Cheng Liu Kuan-Ming Chen	To approve 2020 Lunar New Year compensation of the directors	To approve the amount of 2020 Lunar New Year compensation of directors (not including the independent directors who are concurrently members of the Remuneration Committee)	The directors attended the meeting in person, but recused themselves from discussions and voting.
	Chia-Shen Chen Robert K. Su	To approve 2020 Lunar New Year compensation of members of the Remuneration Committee	To approve the amount of 2020 Lunar New Year compensation of members of the Remuneration Committee (including the independent directors who are concurrently members of the Remuneration Committee)	The directors attended the meeting in person, but recused themselves from discussions and voting.

3. TWSE/GTSM listed companies should disclose information on Self Evaluation (or Peer Evaluation) of the Board of Directors which includes general evaluation cycles, evaluation periods, scope and method and contents of evaluation by filling out Table (2) Implementation of Performance Evaluation of Board of Directors.

4. Implementation of performance evaluation and objective is set forth to conduct corporate governance and to enhance the Company's board functions (e.g., establishing an Audit Committee, increasing information transparency & etc.) in the most recent year:

(1) Members of the Board of Directors have professional knowledge, skills and expertise in different fields and background and are capable to fulfill their duties. The Board of Directors should actively participate in diversified training courses to strengthen skills and knowledge in their expertise and to keep an open channel of communications with the operation team exchanging and sharing of information and experiences. For details of training records, please refer to 3.4.1 Operation of the Board of Directors.

(2) Periodically, the Company carry out Performance Evaluation of the Board of Directors. Consequently, the Company will make improvement plan based on results of evaluation to enhance capabilities of the Directors and corporate governance. (i.e. promote continuing education, formulate corporate governance related regulations, & etc.)

(3) The Company also bring in the risk management mechanism and establish Risk Management Policy to achieve the best practice principles of corporate governance.

(4) There were 9 board meetings held in the most recent year (7 times in 2020 and 2 times in 2021) up to the publication date of this Annual Report (as of April 30, 2021). Important motions of the Board of Director's Meetings are disclosed at the website of Taiwan Stock Exchange Market Observation Post in order to ensure information transparency.

Note 1: If directors or supervisors are institutional shareholders, the names of the institutional shareholders and their representatives shall be disclosed.

Note 2: (1) If any director or supervisor left his/her position before end of the year, the date the director or supervisor left and their actual attendance rate (%), which is the number of meetings the director or supervisor attended in person divided by the total number of meetings during his/her term of office shall be specified in the remarks column.
(2) If any director of supervisor was re-elected before end of the year, either the former and current directors or supervisors should be listed and dates of the re-election should be specified in the remarks column. Actual attendance rate (%) is the number of meetings the director or supervisor attended in person divided by the total number of meetings during his/her term of office.

Note 3: Jeffrey H. H. Wang, Representative of Tong Yang Chia Hsin Int'l Corp., who passed away on January 13, 2020 was automatically dismissed from his position. Number of meetings should have attended in 2020 was 1 time. In the same year on April 28, I-Cheng Liu was appointed the director. Number of meeting attended was 7 times.

Note 4: Number of meetings held in the most recent year up to the publication date of this Annual Report: 7 times in 2020 and 2 times in 2021 (as of April 30, 2021)

2. Implementation of Performance Evaluation of Board of Directors

Evaluation Cycles (Note 1)	Evaluation Periods (Note 2)	Evaluation Scope (Note 3)	Method of Evaluation (Note 4)	Contents of Evaluation (Note 5)
Once a year	January 1, 2020 to December 31, 2020	Covering the evaluation of the Board as a whole, individual directors, and functional committees	Including the internal evaluation of the Board and self -evaluation by individual board members	With reference to the sample template published by the authority, herewith the Company has established following regulations governing the performance evaluation of Board of Directors: (1) Performance Evaluation o the Board of Directors 1.1 The participation in the operation of the Company 1.2 Improvement of the quality of the decision making 1.3 Composition and structure

				1.4 Election and continuing education 1.5 Internal control (2) Performance Evaluation of Individual Directors 2.1 Alignment of the goals and missions of the Company 2.2 Awareness of the duties of a director 2.3 Participation in the operation of the Company 2.4 Management of internal relationship and communication 2.5 Director's professionalism and continuing education 2.6 Internal control. (3) Performance Evaluation of Functional Committees 3.1 Participation in the operation of the Company 3.2 Awareness of the duties of the functional committee 3.3 Improvement of quality of decisions made 3.4 Makeup of the functional committee and election of its members 3.5 Internal control

Note 1: To fill in the cycle of the performance evaluation of board of directors; e.g., once a year.

Note 2: To fill in the period of performance evaluation of the board of directors; e.g., from January 1, 2020 to December 31, 2020.

Note 3: To fill in the scope of performance evaluation covering the board as a whole, individual directors and the functional committees.

Note 4: Method of the performance evaluation including the internal evaluation of the board and self-evaluation by individual board members, peer evaluation and evaluation by appointed external professional institutions, experts or other appropriate methods.

Note 5: Contents of Evaluation should at least cover the follow aspects:

(1) Performance Evaluation of the Board of Directors: should at least cover the participation in the operation of the Company, improvement of the quality of the board of directors' decision making, composition and structure of the board of directors, election and continuing education of the directors and internal control.

(2) Performance Evaluation of Individual Directors: should at least cover the awareness of the duties of a director, alignment of the goals and missions of the Company, participation in the operation of the Company, management of internal relationship and communication and the director's professionalism and continuing education and internal control.

(3) Performance Evaluation of Functional Committees: should at least cover the participation in the operation of the Company, awareness of the duties of the functional committee, improvement of quality of decisions made by the functional committee, makeup of the functional committee and election of its members and internal control.

3. The Training Records for Directors and Independent Directors

Name of Director	Content of Course	Training Institution	Date Attended	Hours
Jason K.L. Chang	Enterprise New Value Driven by Digital Transformation	Taiwan Institute of Directors	07/28/2020	3
	Enterprise Transformation during the Changing era	Taiwan Institute of Directors	10/21/2020	3
Chi-Te Chen	Planning the Shareholder' Meeting and Case Study	Taiwan Corporate Governance Association	03/06/2020	3
	Ethical Corporate Management Best Practice Principles	Taiwan Corporate Governance Association	08/14/2020	3
Pan Howard Wei-Hao	Crisis Landing: How to Make Accurate Decision for Enterprise Crisis and Risk Management	Taiwan Institute of Directors	08/13/2020	3
	Corporate Sustainability: Screening High-quality Corporate ESG as Standard	Taiwan Institute of Directors	11/24/2020	3
I-Cheng Liu	Post Pandemic Era - State Governance for Taiwan	Taiwan Listed Company Association	06/16/2020	2
	Crisis Landing: How to Make Accurate Decision for Enterprise Crisis and Risk Management	Taiwan Institute of Directors	08/13/2020	3
	Corporate Sustainability: Screening High-quality Corporate ESG as Standard	Taiwan Institute of Directors	11/24/2020	3
Kuan-Ming Chen	Enterprise New Value Driven by Digital Transformation	Taiwan Institute of Directors	07/28/2020	3
	Reversion era of the Healthcare - Transformation and New Governance of the Industry	Taiwan Institute of Directors	09/21/2020	3
Robert K. Su	Corporate Governance – Global Political and Economic Situation Impact on Risk of Business Operation	Taiwan Academy of Banking & Finance	03/25/ 2020	3
	Data Analysis of Fraud Investigation Case Study in Relations to the Business Disputes Procedure Act	Association of Certified Fraud Examiner	07/03/2020	6
	Enterprise Transformation during the Changing Era	Taiwan Institute of Directors	07/28/2020	3
	Turning Point of Business Strategy for Enterprise in Taiwan under the Impact the Major Epidemics Attack	Taiwan Institute of Directors	08/07/2020	3
	Crisis Landing: How to Make Accurate Decision for Enterprise Crisis and Risk Management	Taiwan Institute of Directors	08/13/2020	3
	Study of Due Diligence and Sales Contract of Mergers and Acquisitions	Corporate Operation Association	08/14/2020	3
	Case Study of Mergers and Acquisitions Personnel Integration	Corporate Operation Association	08/18/2020	3

Name of Director	Content of Course	Training Institution	Date Attended	Hours
	Impact to Taiwan by the U.S /China Trade War and Coronavirus Attack	DBS Bank (Taiwan) LTD.	08/27/2020	3
	Application of Corporate Governance on Risk Management Procedures and Principles	Taiwan Corporate Governance Association	09/15/2020	3
	The Role of Institutional Investors in Corporate Governance	Taiwan Corporate Governance Association	09/18/2020	3
	Reversion Era of the Healthcare - Transformation and New Governance of the Industry	Taiwan Institute of Directors	09/21/2020	3
	2020 Substantial Beneficiaries Legal System Seminar	Corporate Governance Professionals Association	09/24/2020	3
	Introduction of Corporate Governance 3.0 – Sustainable Development Roadmap	Corporate Operation Association	10/08/2020	3
	Introduction of Amended Operations and Related Procedures of Board Meetings, Independent Directors and Remuneration Committee	Corporate Operation Association	10/08/2020	3
	Case Study of Proxy Context Occurred in the Recent Case in Connection to the Procedures of the Board of Directors and Shareholders' Meeting	Corporate Operation Association	10/13/2020	3
	Acquisition of Voting Rights under Proxy Context	Corporate Operation Association	10/19/2020	3
	Implementation of Performance Evaluation of Board of Directors	Taiwan Corporate Governance Association	10/20/2020	3
	Enterprise Transformation in the changing Era	Taiwan Institute of Directors	10/21/2020	3
	Money Laundering Prevention	DBS Bank (Taiwan) LTD.	10/27/2020	3
	Corporate Governance - Family Business Inheritance and Planning	Taipei Foundation of Finance	11/04/2020	3
	Information Security and Risk Management of FinTech II	Taiwan Academy of Banking & Finance	11/12/2020	3
	Corporate Sustainability: Screening High-quality Corporate ESG as Standard	Taiwan Institute of Directors	11/24/2020	3
	Information Security and Risk Management of FinTech III	Taiwan Academy of Banking & Finance	12/08/2020	3
Chia-Shen Chen	Turning Point of Business Strategy for Enterprise in Taiwan under the Impact the Major Epidemics Attack	Taiwan Institute of Directors	08/07/2020	3
	Crisis Landing: How to Make Accurate Decision for Enterprise Crisis and Risk Management	Taiwan Institute of Directors	08/13/2020	3

Name of Director	Content of Course	Training Institution	Date Attended	Hours
	Case study of Corporate Governance-Corporate Culture and Shareholder Activism	Taiwan Corporate Governance Association	09/11/2020	3
	Reversion Era of the Healthcare - Transformation and New Governance of the Industry	Taiwan Institute of Directors	09/21/2020	3
	Enterprise Transformation in the changing Era	Taiwan Institute of Directors	10/21/2020	3
	Corporate Sustainability: Screening High-quality Corporate ESG as Standard	Taiwan Institute of Directors	11/24/2020	3

3.4.2 Audit Committee

1. Annual Priorities of the Audit Committee

The Audit Committee is designed to assist the Board in ensuring the quality and integrity of the Company's accounting, auditing, financial reporting processes and financial controls.

The Audit Committee conducts annual reviews on the followings:

Financial reports, audit and accounting policies and procedures, internal control systems and related policies and procedures, significant assets or derivatives transactions, major loans, endorsements or guarantees, raising or issuing securities, potential conflicts of interest for managers and directors, company risk management, evaluation the effectiveness of internal control systems, CPA independence and performance evaluation, appointment, dismissal or remuneration of CPA, appointment and dismissal of finance, accounting or audit division officers, and other major matters prescribed by laws and regulations.

According to law, members of the Audit Committee shall be composed of all independent directors. The composition of the Audit Committee of the Company has complied with the above-mentioned regulation.

The Audit Committee of the Company fully understands that in order to perform its duties, it has the right to conduct any appropriate audits and investigations, and has direct communication with the Company's internal auditors, CPA, and all employees. At the same time, the Audit Committee also understands it has the right to hire and supervise lawyers, accountants or other consultants to assist the Audit Committee in performing its duties.

Please refer to the Company's website for the organization and working procedures of the Audit Committee.

2. Operation of the Audit Committee

A total of eight (A) meetings of the Audit Committee were held in the most recent year (Note 3).

The attendance of independent directors was as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Rate of Attendance in Person (%) (B/A) (Note 2)	Remarks
Independent Director	Robert K. Su	8	0	100%	Re-elected on 6/21/2019
Independent Director	Chia-Shen Chen	8	0	100%	Re-elected on 6/21/2019
Independent Director	Kuan-Ming Chen	5	3	63%	Re-elected on 6/21/2019

Other mentionable items:

1. In case any of the following circumstances occur at the operation of the Audit Committee, it is required to clearly specify the dates of meeting, sessions, contents of motion, resolutions of the Audit Committee and the Company's response thereto.

(1) Items listed in Article 14-5 of the Securities and Exchange Act:

Meeting Date (Session)	Content of Motion	Items Listed in Article 14-5 of the Securities and Exchange Act	Resolution of the Audit Committee and the Company's Response
01/09/2020 5th Meeting of the 3rd Term	1. The loan of €1.48 million to LDC ROME HOTELS S.R.L. which the Company holds 40% of its shares.	V	All members attended the meeting agreed to pass the motion items and submitted to the Board of Directors in which all attended directors approved without objection.
03/25/2020 6th Meeting of the 3rd Term	1. The 2019 internal control statement. 2. The draft of 2019 business report and financial statements. 3. The extension of the current CPAs and the service fee. 4. The proposal of 2019 earnings distribution. 5. The amendments to the 2020 Audit Plan. 6. The signing of the third Supplementary Agreement with the Company's subsidiary Chia Pei International Corp.in supplement to the existing agreement on business cooperation of East No. 14 wharf and back side of East No. 13, 14, 15 and 16 wharves and terminal at Taipei Port First Bulk Cargo Center. 7. The signing of Storage and Transport Agreement with the Company' subsidiary Chia Pei International Corp. 8. The loan of €800,000 to LDC ROME HOTELS S.R.L. which the Company holds 40% of its shares. 9. The repurchase of shares for purpose to transfer to employees.	V	
05/06/2020 7th Meeting of the 3rd Term	1. Revision of the Company's "Organizational Rules of the Audit Committee" 2. The loan of €0.8 million to LDC ROME HOTELS S.R.L. which the Company holds 40% of its shares.	V	
07/07/2020 8th Meeting of the 3rd Term	1. The endorsement of the short term loan taken out from CTBC Bank Tokyo Branch for the Company's subsidiary CHC Ryukyu Development GK in Japan.	V	

	2. Formulate the Company's "Procedures for buying back treasury shares".		
08/13/2020 9th Meeting of the 3rd Term	1. Review the Company's consolidated financial statements for the second quarter of 2020. 2. The revision of budget for the second half of 2020. 3. The loan of €0.6 million to LDC ROME HOTELS S.R.L. which the Company holds 40% of its shares.	V	
11/11/2020 10th Meeting of the 3rd Term	1. The endorsement of the loan taken out from CTBC Bank Tokyo Branch for the Company's subsidiary CHC Ryukyu Development GK in Japan. 2. The endorsement of the loan taken out from Taishin International Bank Tokyo Branch for the Company's subsidiary CHC Ryukyu Development GK in Japan. 3. The endorsement of the loan taken out from CTBC Bank Tokyo Branch for the Company's subsidiary CHC Ryukyu COLLECTIVE KK in Japan. 4. The endorsement of the loan taken out from Taishin International Bank Tokyo Branch for the Company's subsidiary CHC Ryukyu COLLECTIVE KK in Japan. 5. The Company's 100% subsidiary Chia Hsin Property Management & Development Corporation intends to dispose 23 lots of land and building located at land number 2 of Wufu Section, Luzhu District, Taoyuan City by way of public bidding. 6. The Company intends to acquire approximately 23.1% equity of LDC Hotels & Resorts from CIBC Investment Co., Ltd.	V	
12/15/2020 11th Meeting of the 3rd Term	1. The extension of contracts signed with Tong Yang Chia Hsin International Corporation for Management of Keelung Storage and Transport Center and Cement Storage Service at the Port of Taichung. 2. Formulate the Company's "Risk management policy". 3. The amendments to the authorization chart for the "Administrative Measures for Duty Authorization". 4. The 2021 Audit Plan. 5. The 2021 Budget.	V	All members attended the meeting agreed to pass the motion items and submitted to the board of directors in which all attended directors approved without objection.
03/29/2021 12th Meeting of the 3rd Term	1. The 2020 internal control statement. 2. The draft of 2020 business report and financial statements. 3. The engagement of CPAs and the service fee. 4. The proposal of 2020 earnings distribution. 5. The amendments to the Company's internal control system.	V	

(2) There were no resolved matters that did not pass the audit committee but approved by two-thirds or more of all directors.

2. If there are independent directors' avoidance of motions in conflict of interest, the names of the independent director, contents of motion, causes for avoidance and the participation in voting shall be stated:
There was no such situation.

3. Communications among independent directors, audit division officer and CPAs (such as material matters, methods and communicating results regarding the Company's financial and operations, etc.):

Audit division officer and CPAs of the Company communicated with and provided written reports to independent directors regarding the Company's financial, business, and internal control condition periodically.

(1) Independent directors and CPAs meet at least 2-3 times a year. The CPAs reported to the independent directors on the Company's financial position, the financial and overall operations of the Company's domestic and overseas' subsidiaries and discussed with the independent directors on key audit matters for the year and examination condition of internal control. Fully communicated for any material audit adjustment entries or statutes changes that affect the accounting situation. The Company's independent directors communicate well with the CPAs.

(2) The audit division prepared the monthly audit report and follow up reports, and submitted to each independent directors for review and approval. If the independent directors have any questions or instructions after reviewing the audit report, they will inquire the audit division officer or provide suggestions. The communication channel between the audit division officer and the independent directors has been functioning well.

(3) Communications between the independent directors and the audit division officer for 2020 were listed as follows:

Meeting Date	Main Communication Item	Discussion Result
01/09/2020 (BOD)	Execution report and communications regarding the audit for Oct, 2019.	Noted
03/25/2020 (BOD & Audit committee meeting)	1. Execution report and communications regarding the audit for Nov & Dec, 2019. 2. The 2019 internal control statement. 3. Revise "the 2020 Audit Plan".	1. Noted 2. After discussion, the statement was proposed to the BOD for resolution
05/06/2020 (BOD & Audit committee meeting)	1. Execution report and communications regarding the audit for Jan & Feb, 2020. 2. Revise the "Organizational Rules of the Audit Committee".	1. Independent director's suggestion: strengthen the description of the ratio or amount of sample items in the audit report 2. Handling situation: Done
07/11/2020 (BOD)	Execution report and communications regarding the audit for Mar, 2020.	Noted
08/13/2020 (BOD)	Execution report and communications regarding the audit for Apr& May, 2020.	Noted
11/11/2020 (BOD)	1. Execution report and communications regarding the audit for Jun & Jul, 2020. 2. Independent directors and the audit supervisor exchange opinions on the evaluation of the audit plan for the next year after the board meeting.	Noted
12/15/2020 (BOD & Audit committee meeting)	1. Execution report and communications regarding the audit for Aug & Sep, 2020. 2. Revise the authorization chart for the "Administrative Measures for Duty Authorization". 3. The 2021 Audit Plan.	1. Noted 2. After discussion, the statement was proposed to the BOD for resolution
01/19/2021 (BOD)	Execution report and communications regarding the audit for Oct, 2020.	Noted
03/29/2021 (BOD & Audit committee meeting)	1. Execution report and communications regarding the audit for Nov & Dec, 2020. 2. The 2020 internal control statement. 3. The amendments to the company's internal control system.	1. Noted 2. After discussion, the statement was proposed to the BOD for resolution

The three independent directors of the audit committee of the Company have made suggestions in the meetings of the audit committee or the board of directors with no objections or qualifications. If there were any specific instructions and handling situations, they have been explained in the table above.

(4) Communications between independent directors and CPAs for 2020 were listed as follows:

Meeting Date	Main Communication Item	Discussion Result
03/27/2020 (Audit committee meeting)	1. The CPAs explained the contents of the 2019 consolidated financial report and the type of audit opinion issued. 2. The CPAs explained and communicated the questions raised by the participants.	Noted and proposed to BOD for resolution
08/13/2020 (Audit committee meeting)	1. The CPAs explained the contents of the review of the consolidated financial report for the second quarter of 2020. 2. The CPAs explained and communicated the questions raised by the participants.	Noted and proposed to BOD for resolution
12/23/2020 (Discussion meeting)	1. The CPAs evaluated and explained the possible "Key Audit Matters" for the Company's financial report for 2020. 2. The CPAs explained and communicated the questions raised by the participants.	Noted
03/29/2021 (Individual symposium)	1. The CPAs explained the contents of the 2020 consolidated financial report and explanation of key audit matters and types of inspection reports issued. 2. The CPAs explained and communicated the questions raised by the independent directors.	Noted

Note 1: If any independent director left before the end of the year, the left date shall be disclosed. Rate of attendance in person (%) shall be calculated based on the number of meetings the independent director attended in person divided by the total number of meetings during his/her term of office. (No such incident this year)

Note 2: If there was re-election of independent director before end of the year, both former and current independent directors shall be listed and the date of re-election shall be disclosed. Rate of attendance in person (%) shall be calculated based on the number meetings the independent director attended in person divided by the total number of meetings during his/her term of office.

Note 3: Number of meetings in the most recent year and up to the publication date of this Annual Report: Seven meetings in 2020 and one meeting in 2021 (as of April 30, 2021.)

3.4.3 Corporate Governance Implementation Status and Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"

Status of Corporate Governance and Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
1. Does the Company establish and disclose its best practice principles of Corporate Governance based on the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"?	V		The Company's Corporate Governance Best Practice Principles was established based on the " Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies " by the Taiwan Stock Exchange and first approved by the Board of Directors at its meeting held in March 2015; and recently in May, 2020 the amendments were approved by the Board and such information was disclosed on MOPS and the Company's official website. The 427th Board of Directors' Meeting on December 13, 2019 reported the establishment of the corporate governance structure and at the 432nd Board of Directors' Meeting on August 13, 2020, the 434th Board of Directors' Meeting on December 15, 2020 and the 436th Board of Directors' Meeting on March 29th, 2020, the Company reported the progress of implementation in order to strengthen the functions of the Board of Directors and enhance the transparency of information.	None
2. Shareholding structure & shareholders' rights				
(1) Does the Company have internal operating procedure for handling shareholders' suggestions, concerns, disputes and litigation matters and implement based on the procedure?	V		(1) The Company's Corporate Governance Best Practice Principles specifies internal control procedures for handling shareholders' suggestions, concerns, and disputes and establishes a spokesperson and deputy spokesperson system. The Company also has a Board Secretariat to fully support related affairs together with the shareholder service agent "Capital Securities Corporation" to handle shareholders' suggestions, concerns, disputes and litigation matters. Shareholders attending the Board of Directors' meeting are all given appropriate time to speak and discuss motions. The Company accepts any undisputed and feasible suggestions and makes improvements accordingly. However, for suggestions with disputes are to be resolved by voting in accordance with the rules and procedure of shareholders' meetings.	None
(2) Does the Company possess a list of its major shareholders and ultimate beneficial owners of those shares?	V		(2) The Board Secretariat and the shareholder service agency "Capital Securities Corporation" will monitor and in control the whole time of the directors, managers and major shareholders holding more than 10% of the shares.	None
(3) Does the Company establish and	V		(3) Basically, asset management, finance and accounting operations of the Company's affiliates are	None

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
execute the risk management and firewall system mechanism within its conglomerate structure?			conducted independently. However, the Company has a subsidiary supervisory committee (formed by 2 to 4 directors or independent directors elected by the Board of Directors, and the President) who are responsible together with Company's Audit Division to set up task forces including risk management, sales, finance, information system, Board secretariat, operation management and investment planning division to periodically monitor its subsidiaries and affiliates' business activities and any potential risks so as to make modifications, on a timely manner, on the risk management mechanism in order to prevent frauds which may subsequently create risks to the Company.	
(4) Does the Company establish and implement internal rules against insiders trading with undisclosed information?	V		(4) The Company establishes the "Procedures for Management of the Prevention of Inside Trading", which clearly prohibits any insiders from using undisclosed information on trading of securities. Such procedures and regulations are dedicated to a special unit composed of finance, legal and other related personnel, designated by the president, responsible for execution. Also, at least once a quarter, the company will educate current insiders about the pre and post reporting of changes in insider shareholdings and provide educational materials on procedures and related laws and regulations on monthly basis by electronic transmission. From September 24, 2020 to October 22, 2020, the Directors, Independent Directors, the Board Secretariat, the Legal Division, the Audit Division and the Finance Division of the Company all designated staff to attend the "2020 Annual Briefing on Prevention of Insider Trading and Insider Stock Transactions" Seminar hosted by the Taiwan Stock Exchange, and disseminated relevant documents and educational materials to share with the colleagues on the Company's public platform. In order to ensure the company's employees and other corporate management have a better understanding of the laws and regulations related to the prevention of insider trading, a briefing was held for non-insiders on November 27, 2020, which not only explained the relevant laws and regulations but also the company's internal procedures for handling important material information to remind employees' awareness. A total of 23 participants attended this course. (with a target number of participants of 16 and rate of achievement of 144%)	None
3. Composition and Responsibilities of the Board of Directors (1) Does the Company develop and implement a diversified policy for the composition of its Board members?	V		(1) The Company takes into the consideration based on the needs of business plan and future development and in accordance with the Company's Articles of Incorporation to determine the number, nationality, background, skills and professional experiences of the directors Meanwhile, the decision serves as a reference for implementing the directors' diversity policy (Please see the following Table 1). At the present, the Company's board of directors is formed in diversity with expertise and business management experiences in various industries including	None

Evaluation Item	Implementation Status (Note)			Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			university professors serving as directors and independent directors.	
(2) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and Audit Committee?	V		(2) In addition to the establishment of a remuneration committee in December 2011 and an audit committee voluntarily beforehand in June 2013, the Company also has a "Subsidiary Supervisory Committee" established in accordance with the internal control regulations. The Committee consists of 2 – 4 directors/independent directors selected by the Board of Directors; and the President. A convener is elected by a majority vote and assembles task forces by requisitioning members from various departments and business units. The Committee fulfills its duties of supervision and management by reviewing reports or motions periodically or irregularly submitted by the task forces.	None
(3) Does the Company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for reelection?	V		(3) The Board of Director’s Meeting has approved the "Board Performance Evaluation Regulations" on May 9, 2019 and will proceed with the performance evaluation on annual basis accordingly. The 2020 performance evaluation of the Board of Directors has been approved at the Board of Directors’ Meeting on March 29, 2021; overall performance is better than 2019. The “Board Performance Evaluation Regulation" includes the following five aspects : 1. Participation in the operation of the Company; 2. Improvement of the quality of the board of directors' decision making; 3. Composition and structure of the board of directors; 4. Election and continuing education of the directors; and 5. Internal control. The Result of 2020 Performance Evaluation of the Board of Directors Meeting is as below 1. Self-evaluation of the Board of Directors: more than 95 % of the evaluation items in the above mentioned five aspects are evaluated “Excellent”. 2. Self-evaluation of the Functional Committee: more than 80 % of the evaluation items in the above mentioned five aspects are evaluated “Excellent”. Performance evaluation procedures and regulations were fully disclosed on the Market Observation Post System (MOPS) and the Company’s website.	None
(4) Does the Company regularly evaluate the independence of CPAs?	V		(4) The Company annually evaluates the independence of the CPAs and the results of the evaluation has been reported at the Audit Committee on March 25, 2020 for approval by the board of directors. According to the evaluation, Cheng-Chuan Yu and Keng-Hsi Chang, the CPAs of Deloitte Taiwan, both met the Company’s independent evaluation criteria, and were qualified to be the Company’s CPAs. For the evaluation standards of CPAs’ independence, please refer to	None

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status (Note)</th><th rowspan="2">Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td></td><td></td><td></td><td>Section 3.5 Information of Certified Public Accountants of this Annual Report.</td><td></td></tr>
<tr><td>4. Does the Company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the Board of Directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?</td><td>V</td><td></td><td>On July 11, 2019 at the Company’ 424th meeting, the Board of Directors approved to appoint the Company’s EVP, Ms. Li-Hsin Wang as the chief corporate governance officer to establish and supervise the operation of the Company’s governance unit responsible to handle matters as below :
(1) Handling of matters relating to board of directors meetings and shareholders meetings in compliance with law.
(2) Preparation of minutes of board of directors meetings and shareholders meetings.
(3) Assistance in onboarding and continuing education of the directors and supervisors.
(4) Provision of information required for performance of duties by the directors and supervisors.
(5) Assistance to the directors and supervisors in complying with laws and regulations.
(6) Other matters specified by the articles of incorporation or by contract.
The execution plan for 2020 is as follows:
<table>
<tr><th>Items</th><th>Time or Period</th><th>Description</th></tr>
<tr><td>Corporate Governance Evaluation Results</td><td>2019-2020</td><td>The sixth (2019) evaluation result: 51 ~ 65% (the fifth level) in 2020, the company strives to improve the evaluation level. Of the 82 indicators, 18 improvements have been completed for the 31 items that can be enhanced. The seventh (2020) evaluation results announced on April 29, 2021: 6 ~ 20% (the second level), progressed by 3 levels.</td></tr>
<tr><td>Appoint a chief corporate governance officer</td><td>07/11/2019</td><td>On July 11, 2019, the Company’ 424th meeting, the Board of Directors approved to appoint Executive Vice President / Li-Hsin Wang as chief corporate governance officer.</td></tr>
<tr><td>Establish the Company’s governance unit</td><td>12/13/2019</td><td>Established a corporate governance unit and set up various task groups such as risk control group, supervisory group and corporate governance evaluation group according to the different functions of corporate governance and CSR, and hold corporate governance meetings regularly.</td></tr>
</table></td><td>None</td></tr>
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<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status (Note)</th><th rowspan="2">Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td>Performance Evaluation of the Board of Directors Meeting</td><td>03/25/2020</td><td>This is the first year to conduct performance evaluation</td></tr>
<tr><td>Directors' Liability Insurance</td><td>07/07/2020</td><td>Directors' liability insurance was taken out and reported at the 431st meeting of the Board of Directors.</td></tr>
<tr><td rowspan="2">Company’s governance unit</td><td>08/13/2020</td><td>Reported the operation of the Corporate Governance unit at the 432nd Meeting of board of Directors.</td></tr>
<tr><td>12/15/2020</td><td>Reported the operation of the Corporate Governance unit at the 434nd Meeting of board of Directors.</td></tr>
<tr><td>Continuing education of the directors</td><td>Annual and irregular</td><td>The Board Secretariat has commissioned Taiwan Institute of Directors to arrange director's seminar courses and forwarded the information of relevant courses of various organizations for directors' reference in 2020.</td></tr>
<tr><td>Other important matters</td><td colspan="2">Notification of the latest laws and regulations or referral of information on policy advocacy for the directors' reference.</td></tr>
</table>
As of December 2020, the Executive Vice President(Chief of Corporate Governance officer), Mrs. Li-Hsin, Wang continued her training as follows:
<table>
<tr><th>Time</th><th>Organizer</th><th>Course</th><th>Hours</th></tr>
<tr><td>11/20~22/ 2019</td><td>2019 MIT Management Sloan School/ILP-Epoch Taiwan Workshop</td><td>Transforming KPIs: Measuring, Monitoring & Managing "Value Creation" in the Digitizing Enterprise</td><td>18</td></tr>
<tr><td>01/15/2020</td><td>Taiwan Institute of Directors</td><td>International Theme Salon - Corporate Governance and Corporate Sustainability in 2020</td><td>3</td></tr>
<tr><td>05/26/2020</td><td>Taiwan academy of banking and finance</td><td>Corporate Governance Seminar - Public Relations Crisis Management</td><td>3</td></tr>
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<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status (Note)</th><th rowspan="2">Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td></td><td></td><td></td><td>
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<tr><td></td><td></td><td>and Contingency Speech</td><td></td></tr>
<tr><td>07/28/2020</td><td>Taiwan Institute of Directors</td><td>Digital Transformation - Driving New Corporate Value</td><td>3</td></tr>
<tr><td>08/07/2020</td><td>Taiwan Institute of Directors</td><td>2020 Institute of Directors Annual Conference
The Turning Point of Taiwan Corporate Strategy under the Major Epidemic</td><td>3</td></tr>
<tr><td>08/13/2020</td><td>Taiwan Institute of Directors</td><td>How to Make Precise Decisions in a Looming Crisis - Corporate Crisis and Risk Management</td><td>3</td></tr>
<tr><td>09/21/2020</td><td>Taiwan Institute of Directors</td><td>Care for the Turning Generation - Industry Transformation and Governance</td><td>3</td></tr>
<tr><td>10/21/2020</td><td>Taiwan Institute of Directors</td><td>Business transformation in an era of change</td><td>3</td></tr>
<tr><td>11/24/2020</td><td>Taiwan Institute of Directors</td><td>Corporate Sustainability: Screening high-quality corporate ESG as standard</td><td>3</td></tr>
<tr><td>12/08/2020</td><td>Taiwan academy of banking and finance</td><td>Corporate Governance Seminar
ESG and Sustainable Governance</td><td>3</td></tr>
</table>
In addition, in order to improve the quality of corporate governance, the Company’s governance director and all members of the Board Secretariat passed the "Corporate Governance Fundamentals Test" conducted by the Securities and Futures Market Development Foundation in 2019.</td><td></td></tr>
<tr><td>5. Does the Company establish a communication channel and designate a website section for its stakeholders (including but not limited to shareholders, employees, customers and suppliers), as well as respond to all issues of stakeholders’ concerns in terms of corporate social responsibilities?</td><td>V</td><td></td><td>The Company’s website has a "Corporate Social Responsibility" and "Interested Parties Area" for investors and other interested parties to reflect related issues, and is handled by a dedicated person to maintain their rights and interests.
The Company Website: http://www.chcgroup.com.tw/index.php?route=csr/csr&cid=1.</td><td>None</td></tr>
</table>

Evaluation Item	Implementation Status (Note)			Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company appoints “Capital Securities Corporation” as the share agent to handle the affairs of the Company’s shareholders' meeting.	None
7. Information Disclosure (1) Does the Company have a corporate website to disclose information regarding business, finance and corporate governance?	V		(1) The Company’s financial standings and status of corporate governance are disclosed at both websites of the Taiwan Stock Exchange and the Company website www.chcgroup.com.tw	None
(2) Does the Company have other information disclosure channels (e.g. English website, designated personnel to handle information collection and disclosure, spokesperson system, webcasting investor conferences, etc.)?	V		(2) The Company has appointed a dedicated personnel to handle information collection and disclosure and implemented a spokesperson system. The materials of the annual investor conference will be posted on MOPS and the Company website: http://www.chcgroup.com.tw/index.php?language=en	None
(3) Does the Company announce and file annual financial report within two months after the end of the fiscal year, and announce and file the first, second and third quarter financial reports, as well as monthly operating results, before the prescribed time limit?		V	(3) The Company will carefully evaluate the feasibility of announcing and reporting the annual financial report within two months after the end of the fiscal year with the existing manpower. The Company has announced and filed the first, second and third quarter financial reports and information on monthly revenues as early as before the prescribed period.	None
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, Directors' and supervisors' training records, the implementation of risk management policies and risk assessments,	V		(1) With regards to employee rights and wellness, the Company compiled a comprehensive employee handbook, ethics regulation and employee benefits. Environmental protection is implemented in accordance with laws. (2) The Company has always paid full attention to its stakeholders’ interests; including its suppliers, investors and or other interested parties and provided appropriate protection. (3) Training of director and independent directors / supervisors: In addition to the continuous education which directors and independent directors / supervisors take on their own, the Company arranges for directors and independent directors /supervisors to take term attending the courses on IFRS, corporate governance, risk management organized by the China Corporate Governance Association, the Republic of China Securities and Futures Development Foundation, the Republic of China Chamber of Commerce and Industry. Training records of directors and independent directors / supervisors have been disclosed on the Taiwan Stock Exchange Market Observation Post System in accordance with regulations.	

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
implementation of customer relations policies, and purchasing insurance for directors and supervisors?			(4) Implementation of risk management policies and risk measurement standards 1. The Company's risk management policy was approved by the Board of Directors at its 434th meeting on December 15, 2020. In order to control risks within the risk appetite and risk tolerance level, the Company have established a three-tier risk management structure (the Board of Directors, the administration department and each related unit (each function/department of the Company or its affiliates)) to evaluate the following risks, including: hazard, operational, financial, strategic, personnel, information security, and ESG, etc. We will identify and manage risks in the following areas, and take relevant risk response measures and control activities. 2. This year is the trial run stage and the specific implementation results are as follows: (1) Set up the organizational structure and report the implementation results regularly. (2) Develop risk assessment model and implementation plan. (3) Propose "risk management policies" and related implementation details according to actual operational need. 3. The operation of risk control and management was reported in the 432nd (08/13/2020) and 434th (12/15/2020) meetings of the Board of Directors. (5) Liability insurance coverage for directors and independent directors/supervisors: The Company has purchased liability insurance for directors and managers of the Company effective since June 2012. During their term of office, directors and managers shall be liable for compensation within the scope of their duties. (6) The Rules of procedure for shareholders meetings are disclosed and information are transparent in accordance with the regulations. All shareholders are invited to participate. (7) Succession planning for members of the Board of Directors and key management personnel, which operates as follows: 1. Selection of Board Members The Company operates from the perspective of corporate governance and corporate heritage. The Compensation Committee was established in December 2011 and the Audit Committee was established in June 2012, and the process of optimizing the effectiveness of the Board of Directors has been implemented in a gradual manner. In addition to their professional background and skills, the Board members of the Company should also have expertise in the management planning and business operation of the Company. In order to enhance the professionalism and continuous improvement of the Board members, we consider to select courses that cover finance, risk management, business, commerce, legal affairs, accounting, corporate social responsibility or internal control system, and financial reporting related to the nature of the Company's industry in addition to the professional ability of each Board member, and arrange at least 6 hours of refresher courses per year for each Board member to ensure that they have a substantial degree of industry knowledge and acquire new knowledge. The succession plan of the Chairman of the Board of Directors is a continuation of the previous model of nurturing key personnel in the corporate group by assigning reserve personnel to train overseas (e.g., to participate in important projects such as the construction of cement plants). The Company also plans to expand the participation of senior managers in the Group's operations through job rotations and assignments, in order to develop the ability to formulate strategies and macroscopic vision, and to familiarize them	

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			with the operations of the Board of Directors. In the midst of the corporate group's transformation, the Company has also assigned executives and reserve talents at various levels to execute overseas new business preparation projects to cultivate their cross-disciplinary functions. 2. Key Management Levels The Company attaches importance to the development of human resources at all levels and has established a management succession plan. Our management succession plan (including the development of talent reserves) is based on cross-company "unit rotation/experiential learning" and "project assignment" within the corporate group to strengthen the functions of operational decision-making thinking and development of strategic partnerships. The duration of the program for each key position is divided into three categories: one (inclusive) to three years, three (inclusive) to five years, and five (inclusive) years or more, and personal development plans are promoted according to the nature of their duties, through which trainees are able to integrate and utilize various resources to develop their abilities in line with the management philosophy. At the same time, the Human Resources Division will plan courses to strengthen management functions in order to prepare talents at all levels to assume important management positions in the future. The courses include but are not limited to supervisory roles and team building, goal management and annual planning, efficient communication and teamwork, performance interview and employee motivation, effective communication and teamwork, etc.	

9. Summary of Improvements as a result of the latest Corporate Governance Evaluation regulations announced by Taiwan Stock Exchange.

No.	Items of Corporate Governance Evaluation	Implementation and Improvement
1.1	Will the Company upload the English version of this Annual Report 7 days before the shareholders' meeting?	The shareholders' meeting was held on June 22, 2020, and the English annual report was uploaded 10 days before. (06/11/2020).
1.15	Has the Company established and disclosed on the Company's website internal rules and practices that prohibit insiders, such as directors or employees, from	The Company has established the "Procedures for Management of the Prevention of Insider Trading" and has disclosed the specific implementation of these

	using information that is not available on the stock market to make profits?	procedures on the Company's website.
2.2	Has the Company established a policy on diversity of board members and disclosed the management objectives and implementation of the diversity policy on the Company's website and annual report?	The composition of the Board of Directors is based on a combination of industry experience, professional ability and years of experience as a director of individual directors, and specific information is disclosed on the Company's website and in this table.
2.21	Does the Company have a corporate governance officer in charge of corporate governance-related matters, and does he/she explain on the Company's website and in this Annual Report the scope of duties, business execution priorities for the year, and the status of training?	The Board of Directors approved the appointment of the corporate governance officer on July 11, 2019, and disclosed the relevant information on the Company's website and in the note of item 8 in this form.
2.22	Does the Company have risk management policies and procedures approved by the board of directors that disclose the scope of risk management, organizational structure and its operation?	The "Policy of Risk Management" was approved by the Board of Directors on December 15, 2020 and is disclosed on the Company's website and in the note of item 8 in this form.
2.23	Does the Company's Board of Directors' performance evaluation plan, as approved by the Board of Directors, specify that an external evaluation will be conducted at least once every three years, and that the evaluation will be conducted in accordance with the deadlines set in the plan, and that the implementation status and evaluation results will be disclosed on the Company's website or in this Annual Report?	The Board of Directors approved the "Board Performance Evaluation Method" on May 9, 2019, and the results of the evaluation for FY2019 and FY2020 were reported to the Board of Directors on March 25, 2020 and March 29, 2021.
3.5	Has the Company uploaded its English annual financial report 7 days before the shareholders' meeting?	The shareholders' meeting was held on June 22, 2009, and the English annual financial report was uploaded 27 days ago. (05/25/2020).
3.6	Does the Company disclose its interim financial report in English within two months after the deadline for filing interim financial reports in Chinese?	Disclose the English consolidated or individual financial reports for the first to third quarters of 2020, and the English financial reports for each quarter have been filed within two months after the deadline for filing the Chinese financial reports.
4.1	Does the Company have an appropriate governance structure to establish and review CSR policies, systems or related management practices, and disclose them on the Company's website and annual report?	The Company's website discloses the corporate governance structure and responsibilities in the Investor Relations section.

4.16	Does the Company has established and detailed a system for reporting illegal (including corrupt) and unethical behavior by internal and external personnel on the Company's website.	The Company's website has disclosed the reporting channels and handling process, including the establishment of an independent reporting mailbox or hotline for internal and external use, and the information to be provided by the whistleblower, and the whistleblower protection system, etc.

Note: State a brief description in the Abstract Explanation column regardless whether yes or no is selected.

Table 1: Diversified Capabilities of the Directors

Title	Name	Nationality	Gender	Seniority as the Director of the Company	Diversified Capabilities						
					Finance	Commerce	Banking	Risk Management	Operation Management	Instructor	Industry Experience
Chairman	Jason K. L. Chang	ROC	M	20 years	V	V	V	V	V		Cement
Director	Chi-Te Chen	ROC	M	29 years	V	V	V	V	V		Construction
	Pan Howard Wei-Hao	USA	M	8 years	V	V	V	V	V		Chemical Engineering
	I-Cheng Liu	ROC	M	1 year	V	V	V	V	V		Finance
Independent Director	Robert K. Su	ROC	M	5 years	V	V	V	V		V	Financial Accounting & Business Valuation
	Chia-Shen Chen	ROC	M	8 years	V	V	V	V		V	Human Resource Management
	Kuan-Ming Chen	ROC	M	8 years	V	V	V	V	V		Electronics

3.4.4 Composition, Responsibilities, and Operation of the Remuneration Committee

1. Professional Qualifications and Independence Analysis of Remuneration Committee Members

Title	Criteria / Name	Meeting One of the Following Qualification Requirement, Together with at Least 5 Years Work Experience			Independent Criteria（Note 1）										Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member	Remarks
		An instructor An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialist Who has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company	Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	1	2	3	4	5	6	7	8	9	10		
Independent Director	Chia-Shen Chen	V			V	V	V	V	V	V	V	V	V	V	0	Re-elected on 6/21/2019
Other	Chi-Lin Wea			V	V	V	V	V	V	V	V	V	V	V	3	Re-elected on 6/21/2019
Independent Director	Robert K. Su	V			V	V	V	V	V	V	V	V	V	V	2	Re-elected on 6/21/2019

Note 1： Mark "V" if applicable to a member during the two years prior to being elected or during the term(s) of office.

Criteria 1: Not an employee of the Company or its affiliates.

Criteria 2: Not a director or supervisor of the Company or its affiliates. Not apply to independent directors appointed in accordance with the laws of Taiwan or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or subsidiary of the same parent.

Criteria 3: Not a natural-person shareholder who holds shares, together with those held by the person’s spouse, minor children, or held by the person under others’ names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranks in the top 10 in holdings.

Criteria 4: Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under criteria 1 or any persons in the preceding two criteria.

Criteria 5: Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the Company under Article 27, paragraph 1 or 2 of the Company Act. Not apply to independent directors appointed in accordance with the laws of Taiwan or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.

Criteria 6: Not a director, supervisor, or employee of other companies having the same person controls more than half of the Company's director seats or voting shares. Not apply to independent directors appointed in accordance with the laws of Taiwan or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.

Criteria 7: Not a director (or governor), supervisor, or employee of other companies or institutions whose chairman and president or person of equivalent duties are the same person or spouses of each other. Not apply to independent directors appointed in accordance with the laws of Taiwan or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.

Criteria 8: Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. Not apply to independent directors appointed in accordance with the laws of Taiwan or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent, if the specified company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the public company.

Criteria 9: Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative compensation exceeding NTD500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities & Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

Criteria 10: Not been a person of any conditions defined in Article 30 of the Company Act.

Responsibilities of the Remuneration Committee

The responsibilities of the Remuneration Committee are to assess the salary and remuneration policies and systems of the directors and managers of the Company from a professional and objective position, and make recommendations to the Board of Directors for reference in their decision-making.

Authorities of the Remuneration Committee

The Remuneration Committee shall, with duty of good care, faithfully perform the following duties and submit its recommendations to the Board of Directors for discussion:

1. Set up and regularly review the policies, systems, criteria and structures of the performance evaluation and remuneration for the Company's directors, independent directors, and managers.
2. Regularly review remuneration of the Company’s directors, independent directors, and managers.

2. Operation of the Remuneration Committee

(1) There are 3 members in the Remuneration Committee.

(2) Terms of the current members: 6/21/2019 ~ 6/20/2022.

A total of seven (A) Remuneration Committee meetings were held in the most recent year. The attendance of the members were as follows:

Title	Name	Attendance in Person (Ｂ)	Attendance by Proxy	Attendance Rate in Person (%) (Ｂ/Ａ) (Note)	Remarks
Convener	Chia-Shen Chen	7	0	100%	
Member	Chi-Lin Wea	7	0	100%	
Member	Robert K. Su	7	0	100%	
Other mentionable items： 1. If the Board of Directors declines to adopt or modifies a recommendation of the Remuneration Committee, it should specify the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the Company’s response to the Remuneration Committee’s opinion (e.g., the remuneration passed by the Board of Directors exceeds the recommendation of the Remuneration Committee, the circumstances and cause for the difference shall be specified): None. 2. If resolutions of the Remuneration Committee were objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members’ opinions and the response to members’ opinion should be specified: None.					

Note:

(1) If any member of the Remuneration Committee left before the end of the year, the date of resignation shall be disclosed. Attendance rate in person (%) shall be calculated based on the number of meetings the member attended divided by the total number of meetings during his/her term of office of.

(2) If there was re-election for members of the Remuneration Committee before the end of the year, the names of both the former and current members shall be listed and specify whether the members are former, new, or re-elected, as well as the date of the election shall be disclosed. Attendance rate in person (%) shall be calculated based on the number of meetings the member attended in person divided by the total number of meetings during his/her term of office.

(3) Number of meetings held in the most recent year and up to the publication date of this Annual Report include: Five meetings in 2020 and two meetings in 2021. (as of April 30, 2021)

Motions Discussed and Resolution Status of the Remuneration Committee were as follows:

Meeting Date	Members Attended	Content of Motion	Avoidance of Motion in Conflict of Interest	Discussion & Resolution Status
03/12/2020 4th Meeting of The 4th Term	Chia-Shen Chen, Chi-Lin Wea, Robert K. Su	2019 compensation amount recommendation for employees and directors		All attended members unanimously resolved the amount of compensation recommended for employees and directors. Actual provision % shall be calculated based on audited amount of net income before tax.
04/22/2020 5th Meeting of The 4th Term	Chia-Shen Chen, Chi-Lin Wea, Robert K. Su	Distribution of 2019 compensation for employees and directors		Unanimously resolved and proposed to Board of Directors for resolution.
07/22/2020 6th Meeting of The 4th Term	Chia-Shen Chen, Chi-Lin Wea, Robert K. Su	Revision of the organization regulation of the Remuneration Committee		Unanimously resolved and proposed to Board of Directors for resolution.
10/22/2020 7th Meeting of The 4th Term	Chia-Shen Chen, Chi-Lin Wea, Robert K. Su	2019 remuneration of corporate directors and supervisors of affiliates and other invested companies		Unanimously resolved and proposed to Board of Directors for resolution.
12/30/2020 8th Meeting of The 4th Term	Chia-Shen Chen, Chi-Lin Wea, Robert K. Su	Amount of employee stock subscription for managerial officers		Unanimously resolved and proposed to Board of Directors for resolution.
		Amount of year-end bonus for managerial officers		Unanimously resolved and proposed to Board of Directors for resolution.
		Additional payment of Lunar New Year for Directors		Unanimously resolved and proposed to Board of Directors for resolution.
		Additional payment of Lunar New Year for Remuneration Committee members	No discussion based on avoidance of interest	All members attended in person but recused themselves from the discussion and voting and submitted to the Board of Directors for resolution.
03/11/2021 9th Meeting of The 4th Term	Chia-Shen Chen, Chi-Lin Wea, Robert K. Su	2020 compensation amount recommendation for employees and directors		All attended members unanimously resolved the amount of compensation recommended for employees and directors. Actual provision % shall be calculated based on audited amount of net income before tax.
04/22/2021 10th Meeting of The 4th Term	Chia-Shen Chen, Chi-Lin Wea, Robert K. Su	Distribution of 2020 compensation for employees and directors		Unanimously resolved and proposed to Board of Directors for resolution.
		Review 2nd share subscription amount for managers and employees		Unanimously resolved and proposed to Board of Directors for resolution.

3.4.5 Fulfillment of Corporate Social Responsibilities and Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies"

Evaluation Item	Implementation Status(Note 1)			Deviations from the "CSR Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Explanation(note 2)	
1. Does the Company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?(Note 3)	V		The Company's risk management policy has been approved by the 434th board meeting on December 15, 2020. In order to control the risk within the risk appetite and risk tolerance, the board meeting - headquarters office - each related department (the Company or affiliates functions / Department) three-tier implementation of the risk management framework and assessment of the following risks, including: hazard, operation, finance, strategy, personnel, information security and ESG-oriented risk identification and management, etc., and take relevant risk response measures and control activities. The status of risk control operation has been reported in the 432nd board meeting (August 13, 2020) and the 434th board meeting (December 15, 2020).	None
2. Does the Company establish a CSR unit (full or part-time), with dedicated first-line managers authorized by the Board to be in charge of proposing the CSR policies and reporting to the Board?	V		The Company's Headquarters Office is the dedicated unit to promote CSR. It organizes cross-department and cross-corporate project teams to handle CSR related issues based on different projects. From the year of 2019, the Company's ESG implementation is regularly reported in the board meetings.	None
3. Environmental issues (1) Does the Company establish proper environmental management systems based on the characteristics of the Company's business operations?	V		(1) The personnel in the environmental safety department is responsible for formulating the Company's safety, environmental protection and occupational health systems. The Company is now following professional organizations' guidance on greenhouse gas inventory and other operations related to energy management systems. It is expected to obtain ISO14064-1 Greenhouse Gas Verification Statement and ISO50001 Energy Management System Verification Statement in the year of 2021. For each investment, the Company also establishes appropriate environmental management systems according to the characteristics of the industry. For example, the	None

Evaluation Item	Implementation Status(Note 1)			Deviations from the "CSR Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Explanation(note 2)	
			postpartum care center is following the WELL Building Standard™ (has obtained the WELL platinum certification), and for the environmental management, the newly built Hotel Collective in Okinawa is following LEED standard for green building (In progress of applying for certification).	
(2) Does the Company endeavor to utilize advanced and efficient use of renewable resources to reduce their impact on the environment?	V		(2) To reduce the impact of environmental load, the Company takes actions to utilize the resources in an efficient manner, such as refusing to use disposable tableware and protected species/plants ingredients in restaurants operated by CHC group.	None
(3) Does the Company assess the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	V		(3) The Company understands that climate change is an issue that must be faced in terms of sustainable development and has conducted relevant risk assessments to identify potential risks and opportunities. Corresponding measurement policies have been developed. Please refer to the "Risk Management" section of the Company's 2019 CSR report for details.	None
(4) Does the Company monitor the greenhouse gas emissions, water consumption and total weight of waste in the past two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water consumption, or other waste management?	V		(4) The Company's statistics include the water consumption, total waste weight, and greenhouse gas emission in the past two years. In order to save energy and reduce carbon footprint, the Company will set annual goals to implement water and electricity conservation policies. Please refer to the "Environment Management "section of the Company's 2019 CSR report.	None
4. Social issues (1) Does the Company formulate	V		(1) CHC Group is committed to safeguard the basic human rights of employees. Human	None

Evaluation Item	Implementation Status(Note 1)			Deviations from the "CSR Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Explanation(note 2)	
appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?			rights policy has been established, which focuses on the implementation of diverse and inclusive workplaces and ensuring equal job opportunities, smooth communication channels, providing a safe and healthy working environment, personal data protection. Review and evaluation of human rights related systems and actions has been conducted in a regular basis. The policy was signed and implemented by the chairman in January 2020.	
(2) Does the Company have reasonable employee benefits measures (including salaries, leave, and other benefits, etc.), and appropriately reflect operating performance or results in employee compensation?	V		(2) The Company has reasonable employee welfare measures: 1. There are "Employee Compensation Management Measures", in which regulations related to employees' salaries are reasonably stated. There is also a "Performance Management Method", which is conducted for employee assessments, and to determine the amount of bonuses/employee compensation based on business performance and employee performance. 2. The working hours and vacations of employees are detailed in the Company's "Working Rules", which are in compliance with "Labor Standards Act", "Regulations of Leave-Taking of Workers", "Act of Gender Equality in Employment". 3. The company provides group insurance for employees, provides childcare welfare subsidies to serve employees with children under 12 years of age, and regularly allocates funds to the "Employee Welfare Committee" to provide employees with appropriate care in various aspects.	None
(3) Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		(3) The Company provides regular health check-ups for employees; those with health condition will receive health guidance from the medical institution. The Company also provide staff fitness and sports facilities, such as fitness centers, yoga rooms, etc., and organizes health lectures to help employees adjust their physical and mental health and relieve stress. CHC group owned factories will carry out occupational safety drills and set up emergency response plans, designated environmental safety personnel is responsible for the matter.	None

Evaluation Item	Implementation Status(Note 1)			Deviations from the "CSR Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Explanation(note 2)	
(4) Does the Company provide its employees with career development and training sessions?	V		(4) The Company has established "Education and Training Management Measures" to train employees in the skills required for career development.	None
(5) Does the Company comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of its products and services, and implement relevant consumer protection policies and grievance procedures?	V		(5) The Company complies with relevant laws and regulations to ensure consumer rights. The Company has a customer service mailbox and a dedicated customer service line, which are clearly displayed on the company's website.	None
(6) Does the Company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational safety and health, or labor and human rights? If so, describe the results.	V		(6) In terms of supplier selection, in addition to quality, price, payment terms, coordination, and delivery date, the Company pays attention to social image and social evaluation (Including integrity management, environmental protection, occupational safety and hygiene, labor human rights, etc.). The Company has formulated and implemented the "Supplier Management Policy" in June 2020, and subsidiaries are requested to refer to the policy. At the same time, the "Supplier Management Policy" is published on the company's official website as to let suppliers be aware of and to act in compliance with the policy. Suppliers are evaluated on a regular basis. If there is a violation of the commitment to fulfill corporate social responsibility, the transaction frequency and transaction amount between the company and the supplier will be reduced. If there is a major violation, the contract will be terminated and no further transactions will be accepted.	None
5. Does the company reference internationally accepted reporting	V		The Company compiles a corporate social responsibility report with reference to internationally accepted report preparation standards to disclose the company's non-financial information. BSI British Standards Association will be appointed to act as a third-party	None

Evaluation Item	Implementation Status(Note 1)			Deviations from the "CSR Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Explanation(note 2)	
standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third party verification unit?			verification unit to provide AA1000 medium guarantee to the Company's 2019 CSR Report.	

6. Describe the difference, if any, between the actual practice and the CSR Principles, if the Company has implemented its CSR principles based on "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies":

The Company established the "Corporate Social Responsibility Policy" in March 2015 in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies". Further in May 2020, based on the newly revised "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" the Company has formulated the "Code of Practice for Corporate Social Responsibility" to replace the original policy. The code of practice was submitted to the board meeting for review and approval. At present, the company's operations are implemented in accordance with the established code of practice, thus there is no difference.

7. Other important information to facilitate better understanding of the Company's CSR practices:

(1) The Company is committed to build a joyful workplace. In the year of 2020, the following are performed: Trial implementation of flexible working hours; supporting multiple recreational clubs such as ice skating, ukulele and boxing; holding employee badminton competition; and increasing facilities in employee fitness center.

(2) Continued to support Epoch Foundation for the Garage + program from 2014 by providing free premises to the creative team for office use with rental fees of about 5 million NTD per year to assist young people in entrepreneurship, thus increasing the employment rate. Due to the remarkable outcome of the case, the Company decided to expand the scale. The area of office premises provided was increased in August 2020, and the annual subsidy for rental fees increased to approximately 7.5 million NTD.

(3) In the year of 2020, COVID-19 pandemic occurred in Taiwan. To express thanks and gratitude to medical staff, the company initiated and cooperated with local restaurants to deliver meals to Taipei MacKay Memorial hospital and Tri-Service General Hospital on International Nurses Day with a total of 800 delicious meals which promoted the social integration.

(4) COVID-19 pandemic has impacted the disadvantaged groups in Okinawa, Japan. In the beginning of May 2020, Hotel Collective made 350 nutritious lunch boxes and provided to local child welfare agencies.

(5) The Company’s donations to people/organizations in need:

1. In the year of 2020, donated 100,000 NTD to Jieh Huey Social Welfare & Charity Foundation to care for the disadvantaged and disabled in rural areas.
2. When the new crown pneumonia virus initially spread everywhere, there was a serious shortage of foreign medical materials. In April 109, the Company purchased 20,000 KN95 masks overseas and donated them to the MIT volunteer team in the United States. The total cost together with shipping costs was 34,000 US dollars.

(6) Chia Hsin Foundation held regular public welfare activities in the year of 2020:

1. The 61st Chia Hsin Foundation Scholarships in 2020, a total 3.59 million NTD was awarded to students from disadvantaged families with excellent academic performance; the 56th Chung Hwa-Chia Hsin Sports Scholarship was 1.145 million NTD.
2. Subsidized fees for schoolchildren tutoring in rural areas with approximately 2.91 million NTD.

(7) CHC group actively introduce international quality certification standards related to environmental sustainability to new business projects. For example, Hotel Collective is applying for LEED green building certification, aiming to thoroughly managed water, energy, and waste recycling; The postpartum care center, on the other hand, followed the WELL Building Standard™ specification, by following the ten concepts in WELL including air, water, nourishment, light, movement, thermal comfort, sound, materials, mind, and community has developed the most suitable living environment for healthy living, and has obtained WELL Platinum certification in September 2020. The central kitchen has passed HACCP and ISO22000 dual certifications shortly after the construction completed in 2019.

(8) To show the gratitude to local residents of Okinawa for their support to the Company, during the soft opening period in January 2020, Hotel Collective allowed local people to complimentary enter the hotel to enjoy a world-class photography art feast which demonstrated the Company's dedication in Okinawa and enrichment of Taiwan-Japan culture exchange. With "Open the Emotion" as the concept, the Company hosted the "ForeMost World Photography Awards Exhibition." For the first time, more than 300 award-winning works from the four major international photography exhibitions in France, the United States, Japan, and Russia were gathered in one place. In addition, Okinawa theme special exhibition was added. Mr. John Tao, a well-known Taiwanese photographer who has won an international award, was invited to go to Okinawa to take pictures, with a multi-faceted photographic work of culture, tradition, life, etc., which perfectly ties Okinawa's artistic connection with the world.

Note 1: If "Yes" is checked in the implementation status, should describe the key policies, strategies, measures, and results adopted; if "No" id checked in the implementation status, should give reasons and describe relevant policies, strategies, and measures to be adopted in the future.

Note 2: Companies who have compiled CSR report may cite the source from specific pages of their CSR reports instead.

Note 3: The materiality principle refers to environmental, social, or corporate governance issues that have a material impact on the investors or other stakeholders of the Company.

3.4.6 Fulfillment of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"

Evaluation Item	Implementation Status (Note)			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
1. Establishment of ethical corporate management policies and programs				
(1) Does the Company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?	V		(1) The Company's "Code of Ethical Conduct" and "Ethical Corporate Management Best Practice Principles" have been adopted by the Meeting of the Board of Directors in May 2014. The last amendments of the above two policies have also been adopted by the Meeting of the Board of Directors on November 11, 2020. The relevant updates are disclosed at the Company's internal website and also on MOPS. In light of the Board of Directors and management's full commitments to enforcement of these above policies, the Company has stated in all agreements entered into the actions to be taken if the above ethical corporate management principles are violated.	None
(2) Does the Company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the Company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles	V		(2) To ensure the implementation of "Ethical Corporate Management Best Practice Principles" and avoid any risk of unethical and dishonest behaviors, the Company has duly established the accounting, the internal control systems and relevant management guidelines to help execute these principles, which are also evaluated and amended on a regular basis. The designated Audit Division shall submit report on unethical and dishonest acts which are business-related to the management. The violators will be punished and posted based on the above ethical corporate management policies.	None

Evaluation Item	Implementation Status (Note)			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
for TWSE/GTSM Listed Companies”? (3) Does the Company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?	V		(3) As a precautionary measure to avoid any business related unethical or dishonest behavior, the Company has clearly provided the operating procedures, code of conduct, disciplinary actions, and appeal procedures for violations in its “Ethical Corporate Management Operating Procedures and Behavior Guidelines”. In addition, the Company regularly promotes the same in its “Employee Handbook” and relevant operation manuals for employees to follow accordingly.	None
2. Fulfill ethical corporate management policies (1) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	V		(1) The Company regularly reviews and evaluates all business partners’ ethical records and terminates relationship with those partners of unsatisfactory results. The ethics-related clauses are incorporated in the Company’s agreements with the suppliers based on its “Ethical Corporate Management Best Practice Principles” and “Supplier Management Policies”. Suppliers’ review is also conducted on a regular basis.	None
(2) Does the Company have a dedicated unit for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?		V	(2) The Headquarters Office is responsible for an annual report on Corporate Social Responsibility (CSR) including formulating ethical corporate management policies and overseeing its operations. Although the Headquarters Office is not directly supervised by the Board of Directors, it also makes status reports on the implementation and supervision to the Board of Directors on a regular basis.	None
(3) Does the Company establish policies to	V		(3) The Company provided that no manager shall engage in anything falling in their work	None

Evaluation Item	Implementation Status (Note) Yes	No	Abstract Explanation	Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
prevent conflicts of interest and provide appropriate communication channels, and implement it?			scope involving conflicts of interest of the Company unless restrictions are resolved or waived otherwise by the Board of Directors and the Shareholders' Meeting. Once a conflict of interest exists, such member shall not participate in the discussion and shall not exercise voting rights attached thereto in order to avoid any violation of ethical corporate management principles. However, such member is entitled to tender a written statement on this particular issue which is an integral part of the meeting minutes. The standard procedure for employees to report any potential cases of conflicts of interest is set up by the Company.	
(4) Does the Company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?	V		(4) The Company has also established the accounting and the internal control systems and relevant management procedures to enforce these ethical principles. Based on the results of risk assessment, the Audit Division has formulated its audit plan, which enables it to conduct an annual review of internal control, exams its effectiveness and revises the audit plan accordingly if needed.	None
(5) Does the Company regularly hold internal and external educational trainings on ethical corporate management?	V		(5) Internal training workshops on ethical corporate management are held annually for employees. All relevant ethical corporate management policy updates are also announced in the Company's internal meetings from time to time. In 2020, a total of four internal and external training workshops on ethical corporate management which employees have attended.	None
3. Operation of reporting channel (1) Does the Company establish both a reporting/incentive system and	V		(1) "Internal Procedures for Reporting Illegal, Unethical and Dishonest Acts" has been adopted by the 426th Meeting of the Board of Directors on November 13, 2019. The	None

Evaluation Item	Implementation Status (Note)			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
reporting hotline? Can the accused be reached by an appropriate designated person for follow-up?			Company has assigned its Audit Division to help collect complaints via three following channels: a direct complaint hotline at Tel: 886-2-2551-2317, a regular mail with attention to the Manager, the Audit Division and an exclusive complaint email address at chcgroup.audit@gmail.com Based on the above procedures, whistleblower(s) that have provided sufficient and proper evidence will be rewarded upon completion of the investigation.	
(2) Does the Company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?	V		(2) A standard investigation procedure is established to review the relevant complaints on any illegal, unethical and dishonest acts. After the initial investigation by the Audit Division, a Special Committee may be assigned to do further in-depth investigation if needed and to report its final result to the Chairman of the Company. In circumstances of complaints involving Company Directors or senior management, the Special Committee will report to the Head of the Audit Committee. All complaints and investigation documents will be kept in absolute confidentiality for five years.	None
(3) Does the Company provide proper whistleblower protection?	V		(3) The Company makes every effort to provide the whistleblower(s) with protection, including all of personal identification, accusation details and relevant information of both the whistleblower(s) and the accused are kept as extreme confidential.	None
4. Strengthening information disclosure Does the Company disclose its ethical corporate management policies and results of its implementation on the Company's website and MOPS?	V		Code of Ethical Conduct "and "Ethical Corporate Management Best Practice Principles" are disclosed on the Company's website and its internal bulletin board for employees to follow accordingly, also on MOPS.	None
5. If the Company has established the ethical corporate management policies based on the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please describe any discrepancies between the policies and their implementation: No discrepancies found.				

6. Other important information to facilitate a better understanding of the Company's ethical corporate management practices: (e.g., review and amendment of the policies) The Company’s “Ethical Corporate Management Best Practice Principles” and “Code of Ethical Conduct” have been amended and adopted by the Meeting of the Board of Directors on November 11, 2020. Meanwhile, in order to provide employees with the operating procedures and behavior guidelines, the Company’s “Ethical Corporate Management Operating Procedures and Behavior Guidelines” has also been adopted by the same above Meeting of the Board of Directors. The Company complies with the Company Law, the Securities and Exchange Act, relevant regulations for listed companies, and other relevant laws and regulations on business practices which collectively form the basis of our implementation of ethical corporate management. Please refer to Ethical Corporate Management and Code of Ethical Conduct in the Company’s CSR Report.

Note: Provide an appropriate explanation regardless whether yes or no is selected.

3.4.7 Access to Corporate Governance Guidelines and Regulations

The Company has established Corporate Governance related regulations which can be found in the Company's website as follow under the "Investor Information/Corporate Governance and Important Internal Regulations" section.
http://www.chcgroup.com.tw

3.4.8 Other Important Information to Facilitate Better Understanding of the Company's Corporate Governance Practices

The Company will stay focused on Corporate Governance related issues and trends. Relevant personnel are encouraged to participate in various corporate governance courses or seminars, such as practical workshops for directors and supervisors, IFRS seminars or courses, and the setting and operation of the Remuneration Committee. In addition, the Company is also group member of the Internal Audit Association of the Republic of China, the Accounting Research and Development Foundation, the Information Managers Association, the Public Issuing Company Stock Association, attending regular members meetings and seminars on topics relating to fraud and corporate governance, cyber security, and accounting manager's continuing educations to improve the operation of corporate governance and reduce the occurrence of risks.

Managers attending Corporate Governance related Educational and Training Courses or Seminars were as follows:

Title	Name	Content of Course	Date Attended	Hours
President	Shih-Chu Chi	Identification of climate change and opportunity risk	08/11/2020	2
		Ethical corporate management best practice principles	08/11/2020	2
		Reversion era of the healthcare - Transformation and new governance of the industry	09/21/2020	3
		Corporate transformation during the changing era	10/21/2020	3
		Corporate Sustainability: Screening high-quality corporate ESG as standard	11/24/2020	3
		Prevention of insider trading	11/27/2020	1.5
		Looking at the international situation from TSMC	12/17/2020	2
EVP Also CEO of Headquarters Office and Chief Officer of Corporate Governance	Li-Hsin Wang	"Director's Lecture"-Sustainability Series 1: International Theme Salon: Looking forward to corporate governance and corporate sustainability in 2020	01/15/2020	3
		Corporate Governance Seminar: PR speak strategy for crisis management and response	05/26/2020	3
		Corporate new value driven by digital transformation	07/28/2020	3
		2020 annual meeting of the Institute of Directors: Turning point of business strategy for enterprise in Taiwan under the impact of the major epidemic attack	08/07/2020	3

Title	Name	Content of Course	Date Attended	Hours
EVP Also CEO of Headquarters Office and Chief Officer of Corporate Governance	Li-Hsin Wang	Identification of climate change and opportunity risk	08/11/2020	2
		Ethical corporate management best practice principles	08/11/2020	2
		Crisis Landing, how to make accurate decision for corporate crisis and risk management	08/13/2020	3
		Reversion era of the healthcare - Transformation and new governance of the industry	09/21/2020	3
		Corporate transformation in the changing era	10/21/2020	3
		Corporate Sustainability: Screening high-quality corporate ESG as standard	11/24/2020	3
		Corporate governance lecture (the 69th course): ESG & sustainability governance	12/08/2020	3
		Looking at the international situation from TSMC	12/17/2020	2
Finance Officer	Jane YC Chou	How to turn crisis into opportunities in the post-epidemic era for corporate finance department	05/15/2020	1
		Looking at future industrial ecological changes from the crisis thinking of the catering industry	07/22/2020	2
		Crisis or opportunity? Next step for Tourism, Hotel and lodging industry	07/24/2020	2
		Corporate new value driven by digital transformation	07/28/2020	3
		The future of retail, the transfer of physical and virtual channels	07/29/2020	2
		Consumer behavior trends in the post-epidemic era	07/31/2020	2
		Identification of climate change and opportunity risk	08/11/2020	2
		Ethical corporate management best practice principles	08/11/2020	2
		Crisis Landing, how to make accurate decision for corporate crisis and risk management	08/13/2020	3
		2020 Taiwan business key forum: Analyze post-epidemic timing, Standing on Taiwan capital market	08/27/2020	1.5
		Reversion era of the healthcare and life science - Transformation and new Governance of the industry	09/21/2020	3
		"2020 Controller Seminar" Searching key password for performance improvement: Strategy, Management, and Innovation	09/24/2020	3
		SinoPac cooperates with China Export-Import bank seminar	10/16/2020	3

Title	Name	Content of Course	Date Attended	Hours
		Corporate transformation in the changing era	10/21/2020	3
		Information security	11/05/2020	1
		Greenhouse gas inventory	11/23/2020	2
		2020 Cathy sustainable finance and climate change summit	12/10/2020	5
		Looking at the international situation from TSMC	12/17/2020	2
Accounting Officer	Mars Feng	Corporate new value driven by digital transformation	07/28/2020	3
		Identification of climate change and opportunity risk	08/11/2020	2
		Ethical corporate management best practice principles	08/11/2020	2
		Crisis Landing, how to make accurate decision for Corporate crisis and risk management	08/13/2020	3
		Climate-related Financial Disclosures suggestions (TCFD)	08/26/2020	3
		“2020 Controller Seminar” Searching key password for performance improvement: Strategy, Management, and Innovation	09/24/2020	3
		2020 Annual prevention of insider trading and insider equity trading publicity seminar	10/22/2020	3
		Accounting officer continuing education based on ”Regulations Governing the Qualification Requirements & Professional Development of Accounting Officer of Issuers, Security Firms , and Security Exchange.”	11/16/2020	12
		Corporate Sustainability: Screening high-quality corporate ESG as standard	11/24/2020	3
		Looking at the international situation from TSMC	12/17/2020	2

3.4.9 Internal Control System Execution Status

1. Internal Control Statement

Chia Hsin Cement Corporation Limited

Statement of Internal Control System

Date: March 29, 2021

Based on the findings of a self-assessment, Chia Hsin Cement Corporation Limited (CHC) states the following with regard to its internal control system during the year 2020:

1. The board of directors and management of CHC are responsible for establishing, implementing, and maintaining an adequate internal control system. Our internal control is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency of our reporting, and compliance with applicable rulings, laws and regulations.

2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. The effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and CHC takes immediate remedial actions in response to any identified deficiencies.

3. CHC evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the Regulations). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities.

4. CHC has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.

5. Based on the findings of such evaluation, CHC believes that, on December 31, 2020, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.

6. This Statement is an integral part of CHC's annual report for the year 2020 and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.

7. This statement was passed by the Board of Directors in their meeting held on March 29, 2021, with all 7 attending directors affirming the content of this Statement.

Chia Hsin Cement Corporation Limited

Jason K.L. Chang ,

Chairman

Shih-Chu Chi,

President

Shih chi Chi.

2. CPA's audit report if the Company engaged CPA to audit its internal control system: None.

3.4.10 Penalties for Violations of Regulations or the Company's Internal Control System in the Past Year and up to the Publication Date of this Annual Report and Improvement Measures: None.

3.4.11 Major Resolutions of Shareholders' Meeting and Board Meetings in the Past Year and Up to the Publication Date of this Annual Report

1. Major Resolutions of the Annual General Shareholders' Meeting

Year	Date	Major Resolutions	Remarks
2020	06/22/2020	1. Approved 2019 Business and Financial Statements. 2. Approved the proposal of 2019 earrings distribution that to set aside NTD771,780,548 as dividend to shareholders (estimated NTD1.00 cash dividend per share). The above dividend shall be first distributed from 2018 net profit after tax. 3. Approved the amendments to the "Rules of Procedure for the Shareholders' Meetings".	1. Announcement has been made on the same date and in accordance with resolution of the shareholders' meeting. 2. Due to share repurchase by the Company, the number of outstanding common shares has changed accordingly. Based on the result of adjustment of cash dividend ratio, the Board Meeting on July 7th, 2020 resolved that the amount of cash dividend per share at NTD1.00186280. The Board Meeting also resolved to set 7/29/2020 as the record date for cash dividend distribution and completed on 8/28/2020. 3. Announcement was made on the same date and in accordance with the resolution of shareholders' meeting.

2. A Total of Nine Board Meetings Were Held During January 1, 2020 to April 30, 2021. Major Resolutions of Each Meeting Were as Follows:

Meeting	Date	Major Resolutions
428	01/09/2020	1. Approved the loan of €1.48 M to LDC ROME HOTELS S.R.L., which the Company holds 40% of its shares. 2. Approved the adoption of 2019 year-end bonus policy for the Chairman and managers (including employees). 3. Approved the amount of 2019 bonus of the Chairman and managers. 4. Approved the amount of Lunar New Year bonus of the directors (not including the independent directors who are concurrently members of the Remuneration Committee). 5. Approve the proposed amount of Lunar New Year bonus of members of the Remuneration Committee (including the independent directors who are concurrently members of the Remuneration Committee).
429	03/25/2020	1. Approved the 2019 compensation distribution of employees and directors. All attended directors unanimously agreed that the Chairman will not receive his personal compensation and the directors will receive 50% of their compensation. The distribution of compensation will thus be calculated accordingly and resolution will be reported at the General Shareholders' Meeting for acceptance. 2. Approved the adoption of 2019 compensation distribution policy of employees. 3. Approve the adoption of 2019 year-end bonus policy. 4. Approved the signing of the third Supplementary Agreement with the Company's subsidiary Chia Pei International Corp. in supplement to the existing agreement for

Meeting	Date	Major Resolutions
		business cooperation of East No. 14 wharf and back side of East No. 13, 14, 15 and 16 wharves and the terminal at Taipei Port First Bulk Cargo Center. 5. Approved the signing of Storage and Transport Agreement with the Company's 100% owned subsidiary Chia Pei International Corp. 6. Approved the 2019 Internal Control Statement. 7. Approved the amendment of 2020 Audit Plan. 8. Approved the extension of the CPAs and their service fees. 9. Approved the draft of 2019 Business Report and Financial Statement for acceptance at the General Shareholders' Meeting. 10. Approved the 2019 earnings distribution proposal for acceptance at the General Shareholders' Meeting. 11. Approved the repurchase of 7,000 common shares to be transferred to employees. The resolution will be reported at the General Shareholder's' Meeting. 12. The Board of Directors resolved to convene 2020 General Shareholders' Meeting. 13. Approved the loan in the amount of € 800,000 to LDC ROME HOTELS S.R.L. which the Company holds 40% of the shares.
430	05/06/2020	1. Approved the amount of 2019 compensation to employees and directors. 2. Approved the amount of 2019 compensation to managers. 3. Approved the amendment of "Rules of Procedure for the Shareholders' Meetings". 4. Approved the amendment of "Rules of Procedure for the Board Meetings". 5. Approved the amendment of "Corporate Governance Best Practice Principles". 6. Approved the amendment of "Corporate Social Responsibility Best Practice Principles". 7. Approved the amendment of "Audit Committee Charter". 8. Approved the new credit line signed with First Bank. 9. Approved the new credit line signed with Bank SinoPac. 10. Approved the loan in the amount of € 800,000 to LDC ROME HOTELS S.R.L. which the Company holds 40% of the shares. 11. The Board of Directors resolved to change the venue of the 2020 Annual General Shareholders' Meeting and adjustment of the meeting agenda.
431	07/07/2020	1. Approved the ex-dividend date for distribution of 2019 cash dividends and the adjustment of cash dividends payout ratio. 2. Approved the endorsement guarantee of a bank loan from CTBC Bank Tokyo Branch to the Company's subsidiary CHC Ryukyu Development GK in Japan. 3. Approved the amendment of "Rules and Procedures for Share Repurchase".
432	08/13/2020	1. Approved the amendment of "Remuneration Committee Charter". 2. Approved the loan in the amount of € 600,000 to LDC ROME HOTELS S.R.L. which the Company holds 40% of the shares. 3. Approved the revision of 2020 Budget.
433	11/11/2020	1. Based on the Company's Principles for the Appointment of Representative Directors and Supervisors and Compensation, the Board approved the review and evaluation of those corporate directors and supervisors of its affiliates and invested companies for their 2019 compensation. 2. Approved the amendment of "Ethical Corporate Management Best Practice Principles" 3. Approved the amendment of "Guidelines for the Adoption of Codes of Ethical Conduct". 4. Approved the amendment of "Procedures for Ethical Management Guidelines for Conduct". 5. Approved the endorsement guarantee of a bank loan from CTBC Bank Tokyo Branch to the Company's subsidiary CHC Ryukyu Development GK in Japan. 6. Approved the endorsement guarantee of a bank loan from Taishin International Bank Tokyo Branch to the Company's subsidiary CHC Ryukyu Development GK in Japan. 7. Approved the endorsement guarantee of a bank loan from Taishin International Bank Tokyo Branch to the Company's subsidiary CHC Ryukyu COLLECTIVE KK in Japan. 8. Approved the endorsement guarantee of a bank loan from CTBC Bank Tokyo Branch to the Company's subsidiary CHC Ryukyu COLLECTIVE KK in Japan. 9. To announce the Board's resolution that its subsidiary Chia Hsin Property Management Development Corp. will conduct an open tender for disposal of 23

Meeting	Date	Major Resolutions
		pieces of Type B industrial zone land and buildings located at Sublot 2, Wufu Lot, Luzhu District, Taoyuan City. 10. To announce the Board's resolution to approve the Company's acquisition of 23.1% sharing holding of LDC Hotels & Resorts. (Remark: CTBC Investment Co., Ltd.)
434	12/15/2020	1. Approved the renewal of the management contract for Keelung Storage and Transportation Center and service contract for cement storage warehousing with its subsidiary TYCH Int'l. 2. Approved the amendment of the list delegation authorization approval imposed by the Company's Regulations Governing Duty Delegation. 3. Approved the adoption of 2021 Audit Plan. 4. Approved the adoption of "Risk Management Policy" 5. Approved the same credit lines signed with the financial institutions for 2021. 6. Approved the 2021 budget.
435	01/19/2021	1. Approved the manager's subscription details for handling "The First Rules on Transfer Repurchased Shares to Employees for the Year of 2018". 2. Approved the amount of 2020 bonus of the Chairman and managers. 3. Approved the amount of Lunar New Year bonus of the directors (not including the independent directors who are concurrently members of the Remuneration Committee). 4. Approved the proposed amount of Lunar New Year bonus of members of the Remuneration Committee (including the independent directors who are concurrently members of the Remuneration Committee). 5. Approved the special motion to report the investment risk profiling questionnaire for the Company's foreign currency account at BNP Paribas Wealth Management Bank, Hong Kong Branch.
436	03/29/2021	1. Approved the 2020 compensation distribution of employees and directors and to report at the General Shareholders' Meeting for acceptance. 2. Approved the amendment of "Internal Control System". 3. Approved the 2020 Internal Control Statement. 4. Approved the engagement of the CPAs and their service fees. 5. Approved the draft of 2020 Business Report and Financial Statement for acceptance at the General Shareholders' Meeting. 6. Approved the 2020 earnings distribution for acceptance at the General Shareholders' Meeting. 7. The Board of Directors resolved to convene the 2021 General Shareholders' Meeting.

3.4.12 Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors in the Past Year and up to the Publication Date of this Annual Report: None.

3.4.13 Resignation or Dismissal of Key Individuals, including Chairman, President, CEO, and Officers of Accounting, Finance, Internal Audit, Corporate Governance and R&D in the Past Year and up to the Publication Date of this Annual Report: None.

3.5 Information Regarding the Company's Certified Public Accountant

3.5.1 Audit Fee

Information of Audit Fee Range

Accounting Firm	Name of CPA		Period Covered by CPA's Audit	Remarks
Deloitte Taiwan	Cheng-Chuan Yu	Keng-Hsi Chang	2020.01.01~2020.12.31	

Unit: NTD thousands

Fee Range \ Fee Items		Audit Fee	Non-Audit Fee	Total
1	Under 2,000		V	
2	2,000（inclusive）～4,000			
3	4,000（inclusive）～6,000			
4	6,000（inclusive）～8,000	V		V
5	8,000（inclusive）～10,000			
6	Over 10,000（inclusive）			

1. If amount of non-audit fee paid to the CPA, the CPA firm or its affiliates above one-fourth of the total audit fee, related information shall be disclosed as follows:

Information of Audit Fee

Unit: NTD thousands

Accounting Firm	Name of CPA	Audit Fee	Non-Audit Fee					Period Covered by CPA's Audit	Remarks
			System Design	Company Registration	Human Resource	Others (Note 1)	Subtotal		
Deloitte Taiwan	Cheng-Chuan Yu Keng-Hsi Chang	7,630	-	-	-	200	200	01/01/2020~ 12/31/2020	

Note 1：Transfer pricing: 200.

2. Audit fee of the year is less than that of the previous year after changing CPA firm: NA.

3. Audit fee of the year is less than that of the previous year by over 10%: NA.

4. Evaluation of the external auditors' independence:

   The Audit Committee regularly monitors the independence of external auditors by conducting the following evaluation and reports to the Board of Directors.

   (1) The auditors' independence declaration.

   (2) All audit services shall be approved by the Audit Committee before engagement.

   (3) Annually evaluates the independence of the external auditors and summarizes the independent

evaluation results by conducting the auditor independent survey (Note).

Note: Important evaluation items of the external auditors' independence:

<table>
<tr><th rowspan="2">Items</th><th rowspan="2">Content</th><th colspan="2">Meet or Not</th></tr>
<tr><th>Meet</th><th>Not</th></tr>
<tr><td>1</td><td>The professional accountants should avoid and not accept the engagement when they may have involved in any direct or material indirect interests which may impair their impartiality and independence.</td><td>V</td><td></td></tr>
<tr><td>2</td><td>A professional accountant shall have independence of mind and in appearance, to provide audit, review, or verification on financial statements, special audit, and express an opinion. The members of the audit team, accounting firm and any of its affiliates shall also maintain their independence.</td><td>V</td><td></td></tr>
<tr><td>3</td><td>A professional accountant shall be honest, objective and keeping the spirit of independence.</td><td>V</td><td></td></tr>
<tr><td>4</td><td>Whether the independence is impaired by self-interest, self-assessment, defense, familiarity and force.</td><td></td><td>V</td></tr>
<tr><td>5</td><td>Is not under any of the followings：
(1)The CPA has not been punished by the Competent Authority referred to in Article 37 of Securities and Exchange Act.
(2) The CPA has not served as the Company's auditor for seven consecutive years or have impaired their independence.
(3) The CPA has not use his power to compete unfairly.</td><td>V
V
V</td><td></td></tr>
</table>

3.5.2 Replacement of Certified Public Accountant

1. Information of former CPAs

<table>
<tr><td>Date of Replacement</td><td colspan="3">Approved by Board of Directors on March 29, 2021</td></tr>
<tr><td>Reasons and Explanation of Replacement</td><td colspan="3">In compliance with regulatory requirements on rotation, the Company changed the accountants Cheng-Chuan Yu and Keng-Hsi Chang to Chiang-Hsun Chen and Keng-Hsi Chang starting from the first quarter of 2021.</td></tr>
<tr><td rowspan="3">State whether the Appointment is Terminated or Rejected by the Consignor or CPAs</td><td>Parties
Status</td><td>CPA</td><td>Consignor</td></tr>
<tr><td>Appointment terminated</td><td>NA</td><td>NA</td></tr>
<tr><td>Appointment rejected (discontinued)</td><td>NA</td><td>NA</td></tr>
<tr><td>The Opinions other than Unqualified Opinion Issued in the Past Two Years and the Reasons for the Said Opinions</td><td colspan="3">None</td></tr>
</table>

<table>
<tr><td rowspan="6">Is there any disagreement in opinion with the issuer</td><td rowspan="4">Yes</td><td></td><td>Accounting principle or practice</td></tr>
<tr><td></td><td>Disclosure of financial statements</td></tr>
<tr><td></td><td>Auditing scope or procedures</td></tr>
<tr><td></td><td>Others</td></tr>
<tr><td>No</td><td colspan="2">V</td></tr>
<tr><td colspan="3">Explanation</td></tr>
<tr><td>Supplementary Disclosure (Disclosures Specified in Article 10.6.1.4~7 of the Standards)</td><td colspan="3">None</td></tr>
</table>

2. Information of successor CPAs

Accounting Firm	Deloitte Taiwan
CPA	Chiang-Hsun Chen and Keng-Hsi Chang
Date of Engagement	Approved by Board of Directors on March 29, 2021
Prior to the Formal Engagement, Any Inquiry or Consultation on the Accounting Treatment or Accounting Principles for Specific Transactions, and the Type of Audit Opinion that Might be Rendered on the Financial Report	None
Written Opinions from the Successor CPAs that are Different from the Former CPA's Opinions	None

3. Former CPA's reply to sub-paragraph 1 and sub-paragraph 2-3, paragraph 6, Article 10 of the Regulations Governing Information to be Published in Annual Reports of Public Companies: None

3.5.3 The Company's Chairman, President, and Managers in Charge of its Finance and Accounting Operations Held Any Positions in the Company's Independent Auditing Firm or its Affiliates in the Past Year: None.

3.6 Changes in the Transfer and Pledge of Shareholding of Directors, Managers, and Shareholders with 10% Shareholding or More

1. Changes in Shareholding of Directors, Managers and Major Shareholders

Title (Note 1)	Name	2020		Current Year Up to 04/19/2021	
		Net Change in Shareholding (Note 3)	Net Change in Share Pledged	Net Change in Shareholding (Note 4)	Net Change in Share Pledged
Chairman	Jason K.L. Chang	0	0	0	0
Director	Chi-Te Chen	12,142	0	0	0
Director	Tong Yang Chia Hsin Int'l Corp.	0	0	0	0
Representative of Corporate Director	Pan Howard Wei-Hao	0	0	0	0
Representative of Corporate Director	I-Chen Liu (Note 2) Jeffrey H.H. Wang (Note 2)	0	0	0	0
Independent Director	Robert K. Su	0	0	0	0
Independent Director	Chia-Shen Chen	0	0	0	0
Independent Director	Kuan-Ming Chen	0	0	0	0
President	Chih-Chu Chi	0	0	59,000	0
Executive V.P. Also CEO of Headquarters Office and Chief Officer of Corporate Governance	Li-Hsin Wang	0	0	51,000	0
Finance Officer	Jane Y.C. Chou	0	0	27,000	0
Accounting Officer	Mars Feng	0	0	14,000	0
Major Shareholder (16.44%)	Tong Yang Chia Hsin Int'l Corp.	0	0	0	0

Note 1: Shareholders with 10% shareholdings or more shall be stated separately as Major shareholder.

Note 2: Jeffrey H.H. Wang, the representative director of Tong Yang Chi Hsin Int'l Corp. passed away on Jan. 13, 2020 and was automatically dismissed, and Mr. I-Cheng Liu was appointed as Director on April 28, 2020.

Note 3: Refer to the following 2. Shares Trading with Related Parties for the details of shareholding change of Director Chi-Te Chen.

Note 4: Increase in shareholding was caused by the execution of the transfer of the Company's treasury shares.

2. Shares Trading with Related Parties

Name	Reason for Transfer	Date of Transaction	Transferee	Relationship between Transferee and Directors, Supervisors, Managers and Major Shareholders	Shares	Transaction Price (NTD)
Chi-Te Chen	Inheritance	10/21/2020	Chiu Yue-E Chen	Mother & Son	12,142	-

3. Shares Pledge with Related Parties: None.

3.7 Relationship among the Company's Top Ten Shareholders

Relationship among the Company's Top Ten Shareholders

Name (Note 1)	Personal Shareholding		Spouse's & Minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship between the Company's Top Ten Shareholders, or Spouses or Relatives within Two Degrees of Kinship (Note 3)		Remarks
	Shares	(%)	Shares	(%)	Shares	(%)	Name	Relationship	
Tong Yang Chia Hsin Int'l Corp.	127,370,320	16.44	0	0	0	0	Int'l Chia Hsin Corp.	Supervisor	-
Tong Yang Chia Hsin Int'l Corp. Representative：Jason K.L. Chang	4,478,396	0.58	4,477,000	0.58	585,000	0.08	Yung-Ping Chang Taiwan Cement Corp. Chia Hsin Foundation	Father & Son Director (JPR) Director	-
Sung Su Investment Corp.	68,780,239	8.88	0	0	0	0	None	None	-
Sung Su Investment Corp. Representative: Yung-Ping Chang	41,748,178	5.39	6,797,543	0.88	0	0	Nelson An-Ping Chang Hsien-Ping Chang Chang Koo, Huai-Ju Jason K.L. Chang Int'l Chia Hsin Corp.	2nd degree kinship 2nd degree kinship 2nd degree kinship Father & Son Director	-
Yung-Ping Chang	41,748,178	5.39	6,797,543	0.88	0	0	Same as above	Same as above	-
Taiwan Cement Corp.	27,419,416	3.54	0	0	0	0	Ta-Ho Marinetime Corp.	Parent/Subsidiary	-
Taiwan Cement Corp. Representative: Nelson An-Ping Chang	6,852,956	0.88	241,252	0.03	0	0	Yung-Ping Chang Hsien-Ping Chang Chang Koo, Huai-Ju Ta-Ho Marinetime Corp. Chia Hsin R.M.C. Corp.	2nd degree kinship 2nd degree kinship Spouse Director(JPR) Director	-
Ta-Ho Marinetime Corp.	25,761,288	3.32	0	0	0	0	Taiwan Cement Corp.	Parent/Subsidiary	-
Ta-Ho Marinetime Corp. Representative: Li-Wen Tsai	0	0	0	0	0	0	None	None	-
Nutri Vita Inc.	17,550,817	2.27	0	0	0	0	None	None	-
Nutri Vita Inc. Representative: Hsien-Ping Chang	1,000	0.00	0	0	0	0	Yung-Ping Chang Nelson An-Ping Chang Chang Koo, Huai-Ju Tong Yang Chia Hsin Int'l Corp. Chia Hsin R.M.C. Corp. Int'l Chia Hsin Corp.	2nd degree kinship 2nd degree kinship 2nd degree kinship Supervisor Supervisor Supervisor	-
Chia Hsin Foundation	14,842,899	1.92	0	0	0	0	None	None	-

Name (Note 1)	Personal Shareholding		Spouse's & Minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship between the Company's Top Ten Shareholders, or Spouses or Relatives within Two Degrees of Kinship (Note 3)		Remarks
	Shares	(%)	Shares	(%)	Shares	(%)	Name	Relationship	
Chia Hsin Foundation Representative: Nelson An-Ping Chang	6,852,956	0.88	241,252	0.03	0	0	Yung-Ping Chang Hsien-Ping Chang Chang Koo, Huai-Ju Ta-Ho Marinetime Corp. Chia Hsin R.M.C. Corp.	2nd degree kinship 2nd degree kinship Spouse Director(JPR) Director	-
Int'l Chia Hsin Corp.	14,640,437	1.89	0	0	0	0	Tong Yang Chia Hsin Int'l Corp.	Director	-
Int'l Chia Hsin Corp. Representative: Shiao-Lin Chen	0	0	0	0	0	0	Tong Yang Chia Hsin Int'l Corp.	Supervisor(JPR)	-
Guo-Huei Gu	13,491,408	1.74	0	0	0	0	None	None	-
Chia Hsin R. M. C. Corp.	13,151,113	1.70	0	0	0	0	Taiwan Cement Corp.	Director	-
Chia Hsin R. M. C. Corp. Representative: Chang Koo, Huai-Ju	241,252	0.03	6,852,956	0.88	0	0	Yung-Ping Chang Hsien-Ping Chang Nelson An-Ping Chang	2nd degree kinship 2nd degree kinship Spouse	-

Note 1: Separately identify the names of the top 10 shareholders and, where the shareholder is an institutional shareholders, separately list the names of the institutional shareholder and its representative.

Note 2: Separately indicate the shareholding (%) under the person's own identity, spouse & minor children, and by nominee arrangement.

Note 3: The shareholders listed above include institutional and individuals, and the relationship is disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

3.8 Comprehensive Shareholding Information Relating to the Company, Directors, Managers, and Companies Through Direct and Indirect Control

Comprehensive Ownership Information

Unit：Share；%

Affiliated Companies （Note 1）	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/Managers		Comprehensive Ownership	
	Shares	%	Shares	%	Shares	%
Chis Hsin Construction & Development Corp.	31,458,920	43.87	284,421	0.40	31,743,341	44.27
Tong Yang Chia Hsin International Corp.	257,073,050	87.18	505,806	0.17	257,578,856	87.35
Chia Hsin Pacific Ltd.	19,186,070	74.16	6,257,179	24.18	25,443,249	98.34
Chia Hsin Property Management & Development Corp.	100,000,000	100.00	0	0	100,000,000	100.00
Chia Pei International Corp.	19,560,000	100.00	0	0	19,560,000	100.00
Bluesky Co., Ltd.	8,300,000	100.00	0	0	8,300,000	100.00
YJ International Corp.	228,000,000	100.00	0	0	228,000,000	100.00
Jaho Life Plus+ Management Corp.	40,000,000	100.00	0	0	40,000,000	100.00
LDC ROME	(Note 2)	40.00	0	0		40.00
L'Hotel De Chine Corporation	67,998,915	23.10	0	0	67,998,915	23.10

Note 1: The affiliated companies stated are long-term investments accounted for using equity method as of 31 December 2020 by the Company.
Note 2: Investment amount: EUR17,071,000.

4. Capital Overview

4.1 Capital and Shares

4.1.1 Source of Capital

Source of Capital

Date	Issue Price Per Share	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount NTD	Shares	Amount NTD	Source of Capital NTD	Capital Increased by Assets Other Than Cash	Other
12/31/2007	10	779,639,050	7,796,390,500	673,687,050	6,736,870,500		None	None
02/04/2008	10	779,639,050	7,796,390,500	671,888,050	6,718,880,500	a 17,990,000		
08/29/2008	10	779,639,050	7,796,390,500	739,076,855	7,390,768,550	b 671,888,050		
12/02/2008	10	779,639,050	7,796,390,500	725,830,855	7,258,308,550	c 132,460,000		
03/18/2009	10	779,639,050	7,796,390,500	717,877,855	7,178,778,550	d 79,530,000		
08/18/2010	10	779,639,050	7,796,390,500	732,235,412	7,322,354,120	e 143,575,570		
08/04/2011	10	779,639,050	7,796,390,500	754,202,474	7,542,024,740	f 219,670,620		
08/19/2012	10	1,500,000,000	15,000,000,000	776,828,548	7,768,285,480	g 226,260,740		
01/18/2016	10	1,500,000,000	15,000,000,000	774,780,548	7,747,805,480	h 20,480,000		

Note: Source of capital are as follows,

a. Share repurchase and cancellation of NTD 17,990,000
b. Capital increase from retained earnings of NTD 671,888,050
c. Share repurchase and cancellation of NTD 132,460,000
d. Share repurchase and cancellation of NTD 79,530,000
e. Capital increase from retained earnings of NTD 143,575,570
f. Capital increase from retained earnings of NTD 219,670,620
g. Capital increase from retained earnings of NTD 226,260,740
h. Share repurchase and cancellation of NTD 20,480,000

Share Type	Authorized Capital			Remarks
	Outstanding Shares	Unissued Shares	Total Shares	
Common Share	774,780,548	725,219,452	1,500,000,000	Listed Shares

Information for Self Registration

Securities Type	Preparing to Issue Amount		Issued Amount		Purpose and Effect for Issued Shares	Issue Period for Unissued Shares	Remarks
	Total Shares	Authorized Amount (NTD)	Shares	Price (NTD)			
NA							

4.1.2 Structure of Shareholdings

Structure of Shareholdings

As of 04/19/2021: book closure date for AGM

Item	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	0	7	240	54,864	144	55,255
Shareholding (Shares)	0	3,713,338	409,326,963	314,131,507	47,608,740	774,780,548
Percentage	0%	0.48%	52.83%	40.55%	6.14%	100%

4.1.3 Shareholding Distribution Status

Shareholding Distribution Status

As of 04/19/2021: book closure date for AGM

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1 ~ 999	37,179	4,838,092	0.63%
1,000 ~ 5,000	12,962	27,829,795	3.59%
5,001 ~ 10,000	2,460	18,532,658	2.39%
10,001 ~ 15,000	845	10,436,468	1.35%
15,001 ~ 20,000	432	7,979,121	1.03%
20,001 ~ 30,000	409	10,250,362	1.32%
30,001 ~ 50,000	330	13,236,141	1.71%
50,001 ~ 100,000	278	20,328,713	2.62%
100,001 ~ 200,000	146	20,508,746	2.65%
200,001 ~ 400,000	82	23,173,008	2.99%
400,001 ~ 600,000	33	16,490,107	2.13%
600,001 ~ 800,000	19	13,277,464	1.71%
800,001 ~ 1,000,000	15	13,620,682	1.76%
1,000,001 or over	65	574,279,191	74.12%
Total	55,255	774,780,548	100%

Preferred Shares

As of 04/19/2021: book closure date for AGM

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage
NA	NA	NA	NA
Total	NA	NA	NA

4.1.4 Major Shareholders

List of Major Shareholders

As of 04/19/2021: book closure date for AGM

Name of Shareholders	Shareholding	
	Shares	Percentage
Tong Yang Chia Hsin Int’l Corp.	127,370,320	16.44%
Sung Ju Investment Corp.	68,780,239	8.88%
Yung-Ping Chang	41,748,178	5.39%
Taiwan Cement Corp.	27,419,416	3.54%
Ta-Ho Marinetime Corp.	25,761,288	3.32%
Nutri Vita Inc.	17,550,817	2.27%
Chai Hsin Foundation	14,842,899	1.92%
Int’l Chia Hsin Corp.	14,640,437	1.89%
Guo-Huei Gu	13,491,408	1.74%
Chia Hsin R. M. C. Corp.	13,151,113	1.70%

4.1.5 Information on Share Price, Net Worth, Earnings, Dividends and Related Information

Share Price, Net Worth, Earnings, Dividends and Related Information

Item \ Year			2019	2020	From Beginning of Current Year to 04/30/2021 (Note 8)
Market Price per Share (Note 1)	Highest		22.85	22.7	28.15
	Lowest		13.45	12.55	16.40
	Average		16.69	17.40	22.89
Net Worth per Share (Note 2)	Before Distribution		29.45	31.21	-
	After Distribution		28.45	(Note 2) 29.81	-
Earnings per Share (EPS)	Weighted Average Outstanding Shares (Thousand shares)		643,812	(Note 2) 643,427	-
	EPS(NTD) (Note 3)		2.02	2.74	-
Dividends per Share	Cash Dividends		1.0	1.4	-
	Stock Dividends	Dividends from Retained Earnings	-	-	-
		Dividends from Capital Surplus	-	-	-
	Accumulated Undistributed Dividends (Note 4)		-	-	-
Return on Investment	Price / Earnings Ratio (Note 5)		8.26	6.35	-
	Price / Dividend Ratio (Note 6)		16.70	12.43	-
	Cash Dividend Yield Rate (Note 7)		6.0%	8.0%	-

*If there is stock dividend from Retained Earnings or Capital Surplus, the market price and cash dividend information retroactively adjusted according to the number of shares issued shall be disclosed.

Note1: List the highest and lowest market prices of common share in each year, and calculate the average market price of each year based on the annual transaction value and volume.

Note2: Fill in information based on number of outstanding shares as year end and according to the distribution resolution of current year's Shareholders' meeting.

Note3: If retrospective adjustments are required due to stock dividend distribution, earnings per before and after the distribution shall be listed.

Note4: If issuance terms of equity security stipulates that the dividends have not been paid in the current year can be accumulated to the year when there is a surplus, the accumulated unpaid dividends up to the current year shall be disclosed separately.

Note5：Price / Earnings Ratio＝Average Market Price/Earnings per Share

Note6：Price / Dividend Ratio＝Average Market Price/Cash Dividends per Share

Note7：Cash Dividend Yield Rate＝Cash Dividends per Share/Average Market Price

Note8：Net worth per share and earnings per share shall be disclosed if the most recent quarter information was reviewed by the CPAs up to the publication date of this Annual Report; the rest of the fields shall be disclosed with information up to the publication date of this Annual Report.

4.1.6 Dividend Policy and Implementation Status

1. Dividend Policy

Article 26 of the Company's articles stipulates that the Board of Directors shall be authorized to set dividend policies as the basis for earnings distribution proposal. The Company adopts a residual dividend approach and considers its capital expenditures and financial requirements in the coming year. If there is profits at the close of each fiscal year, the Company first covers its accumulated losses, pays income taxes, sets aside reserves, and pays compensation for directors and employees. The remaining balance is distributable earnings for the fiscal year. At least 50% of the distributable earnings of the fiscal year shall be distributed as dividend for shareholders.

The amount of cash dividend shall be more than 10% of the total dividend distribution of the fiscal year for the shareholders and the balance can be stock dividend.

If it is necessary to change the aforementioned dividend policy due to changes in the requirements of government authorities or the Taiwan Stock Exchange, amendments to laws and regulations, changes in the domestic or foreign political or economic situation, major capital expenditures made by the Company, the Company being unable to acquire sufficient capital, or other factors that cannot be controlled by the Company, the Chairman is authorized to revise the dividend policies based on the circumstances and submit the revision proposal to the Board of Directors for discussion.

2. Implementation Status

The Company’s 2020 earnings distribution proposed by the Board was as follows:

The proposal of dividend per common share is NTD 1.4 with cash dividend of NTD 1.4 and stock dividend of NTD 0.0, which was passed at the meeting of the Board. Ex-dividend date will be set after the distribution proposal resolves by the annual shareholders’ meeting.

4.1.7 Impact of Stock Dividend Proposed on the Company's Operation Performance and Earnings per Share

<table>
<tr><td colspan="3" rowspan="2">Year
Item</td><td>2021 Forecasts</td></tr>
<tr><td>(2020 Earnings Distribution)</td></tr>
<tr><td colspan="3">Beginning Paid-in Capital of Common Share (NTD)</td><td>7,747,805,480</td></tr>
<tr><td rowspan="3">Stock and Cash Dividends for 2020</td><td colspan="2">Cash Dividend per Share (NTD)</td><td>NTD 1.40</td></tr>
<tr><td colspan="2">Number of Stock dividend per Share for Capitalization from Retained Earnings</td><td>0.0</td></tr>
<tr><td colspan="2">Number of Stock Dividend per Share for Capitalization from Capital Surplus</td><td>0.0</td></tr>
<tr><td rowspan="7">Changes in Performance</td><td colspan="2">Operating Profit (Thousand NTD)</td><td>(Note)</td></tr>
<tr><td colspan="2">Percentage Changes in Operating Profit Compared with Previous Year</td><td>(Note)</td></tr>
<tr><td colspan="2">After-tax Net Profit (Thousand NTD)</td><td>(Note)</td></tr>
<tr><td colspan="2">Percentage Changes in After-tax Net Profit Compared with previous Year</td><td>(Note)</td></tr>
<tr><td colspan="2">Earnings per Share (NTD)</td><td>(Note)</td></tr>
<tr><td colspan="2">Change in Earnings per Share Compared with Previous Year</td><td>(Note)</td></tr>
<tr><td colspan="2">Annual Average Return on Investment (Reversal of Annual Average Price/Earnings Ratio)</td><td>(Note)</td></tr>
<tr><td rowspan="6">Pro Forma Earnings per Share (EPS) and Price/Earnings Ratio</td><td rowspan="2">If Stock Dividend for Capitalization from Retained Earnings All Converted to Cash Dividend</td><td>Pro Forma EPS (NTD)</td><td>(Note)</td></tr>
<tr><td>Pro Forma Annual Average Return on Investment</td><td>(Note)</td></tr>
<tr><td rowspan="2">If No Stock Dividend for Capitalization from Capital Surplus</td><td>Pro Forma EPS (NTD)</td><td>(Note)</td></tr>
<tr><td>Pro Forma Annual Average Return on Investment</td><td>(Note)</td></tr>
<tr><td rowspan="2">If No Stock Dividend for Capitalization from Capital Surplus and Stock Dividend for Capitalization from Retained Earnings All Converted to Cash Dividend</td><td>Pro Forma EPS (NTD)</td><td>(Note)</td></tr>
<tr><td>Pro Forma Annual Average Return on Investment</td><td>(Note)</td></tr>
</table>

Note: Not applicable since stock dividend was not proposed to the current year annual shareholders' meeting.

4.1.8 Compensation of Employees and Directors

1. The percentage or range of compensation for employees and directors specified in the Company's Articles of Incorporation:

   Should there be profit in a year, the Company shall appropriate compensation for employees and directors at the rates of 0.01% to 3% and no more than 3%, respectively. When there are accumulative deficits, the Company shall retain the amount to cover the deficits before appropriating the above mentioned compensation. The compensation for employees and directors shall be approved by the Board and reported at the shareholders' meeting.

2. Bases for estimating compensation for employees and directors of the period, for calculating compensation for employees in stock, and for accounting solution for differences between actually distributed amount and estimated amount:

   The differences will be adjusted in the next accounting year as a change in accounting estimates.

3. Information on the proposal on compensation distribution passed by the Board of Directors:

   (1) The amount of compensation for employees and directors distributed in cash or in stock. Should there be any difference from the estimated amount of the expense recognized for the year, the difference, its causes, and solutions shall be disclosed.

   The current COVID 19 pandemic is still unstable in the foreseeable future, but the overall operating performance and board performance are well above expectations. In accordance with board compensation regulation, and to reflect the positive outcomes from previous performances, the Board of Directors decided to compensate employees with an average of 4.1 months' salary as year-end bonuses to reward and motivate the employees.

   On March 29, 2021, the Board of Directors approved the amount of compensation for employees and directors with NTD 7,200,000 and NTD 18,000,000, respectively. The amount of compensation for employees and directors in 2020 was the same as estimated in the book.

   (2) The proportion of amount equivalent to the stock distributed as compensation for employees in the earrings after tax in the Parent Company Only financial statement of the period and the total amount of compensation for employees:

   As no compensation was distributed in stock, this clause is not applicable.

4.1.9 Buy-Back of Treasury Stock

1. Repurchase Already Completed

As of 12/31/2020

Batch Order	The Ninth Batch
Purpose of Buy-back	Transfer to employees
Timeframe of Buy-back	2020/03/26-2020/05/22
Price Range	NTD 14.79 ~ 15.96 per share
Type and Number of Shares Repurchased	1,435,000 shares of Common stock
Value of Shares Repurchased	NTD22,239,663
Number of Shares Repurchased as a Percentage of the Total Shares to Be Repurchased.	20.5%
Shares Cancelled/Transferred	-
Accumulated Number of Repurchased Shares Held by the Company	4,435,000 shares of Common stock
Accumulated Number of Repurchased Shares held as a Percentage to the Total Outstanding Shares Issued by the Company	0.57%

2. Any Repurchase Still in Progress: None

4.2 Issuance of Corporate Bonds: None.

4.3 Issuance of Preferred Shares: None.

4.4 Issuance of Global Depository Receipts: None.

4.5 Issuance of Employee Stock Warrants: None.

4.6 Issuance of New Restricted Employee Shares: None.

4.7 Status of New Share Issuance in Connection with Mergers and Acquisitions: None.

4.8 Financing Plan and Implementation: None.

5 Operational Highlights

5.1 Business Activities

5.1.1 Business Scope

Sector	Proportion of Operations
Cement	49%
Storage and Logistic	29%
Real Estate	13%
Hospitality	9%

5.1.2 Industry Overview

1. Cement Sector

Current Status and Future Development

The Company's cement sales market focuses mainly in central and northern Taiwan. The domestic cement market is matured with stable demand. Though, the global economy is affected by the COVID-19 pandemic, which causes high uncertainty in the external environment. Fortunately, Taiwan's domestic COVID-19 pandemic has been properly controlled, and the domestic economy was minimally affected. According to the 2020 statistic of Taiwan Cement Manufacturers' Association, the domestic cement production was 11,785,977 metric tons, a 4.6% annual growth and the domestic cement consumption was 12,077,852 metric tons, a 6.74% increase from previous year. Average consumption per capita per year was 512 kilograms. It is anticipated that the cement demand will see a slight increase in 2021 due to the development of major domestic infrastructures.

Unit: metric tons

Year \ Item	Domestic Cement Production	Domestic Cement Consumption (Sum of Domestic and Imported Cement Sales)
2019	11,267,211	11,314,770
2020	11,785,977	12,077,852
Difference	518,766	763,082

Following the increase in environmental awareness and the more active international efforts to reduce greenhouse gas and carbon emissions in recent years, cement industry will have more stringent requirements for environmental protection. Only manufacturers who can meet governmental standards and international trends can continue to achieve sustainable operations.

Supply Chain Relationship

The upstream, midstream, and downstream cement sales include: cement production supplier, marine shipping industry, cement storage industry, land transportation and distribution industry, ready-mixed concrete industry, cement product manufacturing industry, construction industry, and etc.

Product Development Trends and Competitions

Among all cement products, Portland Type I cement is the most commonly used in the domestic market. However, the public construction demand for Portland Type II cement is seeing a trend of significant increase in the recent years. Although the Company currently only manages the sale of Portland Type I, with the commonality of storage and transportation equipment in the industry, we will be able to include Portland Type II cement sales at any time if there is a demand in the future.

2. Storage and Logistic Sector

Current Status and Future Development

The Storage and Logistics Sector of the Company mainly provides handling service for industrial bulk raw materials. The handling volume at the ports fluctuates with the condition of the domestic economy. In 2020, the bulk cargo volume handled at Taipei Port was 10,351,797 metric tons, a 15.05% growth from last year; Keelung Port was 4,696,291 metric tons, a 1.5% slight decrease compared to that of last year; Taichung Port was 46,205,315 metric tons, remaining the same as last year.

Handling Volume at Each Port　　　　　　　　　　　　　　　Unit: metric tons

Year \ Port	Taipei Port	Keelung Port	Taichung Port
2019	8,997,563	4,767,771	46,218,439
2020	10.351,797	4,696,291	46,205,315
Difference (%)	15.05%	-1.5%	-0.03%

Source: Official website of each Port Bureau

Supply Chain Relationship

Warehousing and distribution related industries include: transportation, warehousing, loading and unloading, handling, packaging, distribution processing, delivery, information platform, and related merchants.

Product Development Trends and Competitions

Port handling volume reflects the prosperity of the domestic economy, and it is also affected by the market demand where each port is located. As a result, the demands brought by major economic developments and old building reconstructions in the northern part of Taiwan will be the driving force in promoting the handling volume. Port handling will be affected by the logistics cost on the demand side, leading small clients to choose ports closer to its market or large clients to directly apply for new dock establishments. However, with the rise of environmental awareness, owning the rights to operate the ports and providing low-air pollution products and solutions are important to remain competitive in the market.

3. Real Estate Sector

Current Status and Future Development

The 2020 Taiwan commercial real estate transaction amount reached 121.3 billion NTD with an annual growth rate of 35%, setting a new height since 2012. In the commercial leasing market, more and more old commercial buildings were put into urban renewal and urban unsafe & old buildings reconstruction programs, which reduces the inventory in the supply side, causes the insufficiencies in the A-type commercial offices in Taipei City and raises the leasing rates with current leasing rate maintained at 2,344 NTD per ping and vacancy rate at 2.52%.

The industrial real estate market, on the other hand, continues its rigid demand from last two years as Taiwanese businessmen return to invest. With domestic technology industry's major expansions of factories in 2020, the annual transaction amount of industrial lands, factories, and factory offices benefited and reached 111.9 billion NTD with an annual growth rate of 33%. As the major force in the market, the above transactions make up more than half of the total commercial real estate transaction amount. Taoyuan, Taichung, and New Taipei City, among all, issued the largest areas of approved building license. In the southern part of Taiwan, such as Kaohsiung QiaoTou Industrial Zone and Nanzi Industrial Zone, following the development of Southern Taiwan Science Park project, will be the key location for future developments. This trend will help Taiwan's southern city to gradually develop as a high-technology cluster.

Supply Chain Relationship

For property management, our main upstream industries include: real estate developers, real estate investment, and etc.; midstream industries include: construction, engineering consulting, building materials, interior design, and etc.; downstream industries include: property management, real estate brokerage, support service, and other support commercial services.

Product Development Trends and Competitions

The real estate market is affected by multiple factors, including the macro economy, financial markets, governmental policies, demographic dividends, international trades, industrial developments, and international competition. Due to Taiwan's declining population growth and aging society, the demographic dividend is disappearing and the impacts on residential real estate will progressively emerge in the long run. Vacant houses and aging buildings are the issues the residential market facing. As a result, it is key for policy makers to push for urban renewal and unsafe & old building reconstruction programs. In addition, incorporating the needs for an aging society in the reconstructed products will be the new market trend.

On the other hand, the commercial real estate market is seeing a disparate trend. In recent years, with Taiwan core technology industry's leading in the global market and the reorganization of supply chain, demand for commercial real-estate, especially the industrial factories and offices, is surpassing the supply. From traditional factories, modern logistics, to green energy industries and data centers, the demand side is showing dynamic qualities and strong needs. In order to maintain product competitiveness, the surrounding environment and public developments have to correspond with the user's needs.

4. Hospitality Sector

Current Status and Future Development

In 2020, the global hospitality industry is facing an unprecedented crisis due to the COVID-19 pandemic. Borders and cities are closed in order to contain the spread of the virus before universal vaccination. According to the Cirium Data & Analytics for Aviation and Travel (The Cirium Airline Insights Review 2020), the global air traffic has declined 67% to 16.8 million flights, regressing to 1999's volume. Among which international flights compose only 3.8 million of the total flights, with the rest being domestic flights. Additionally, due to border restrictions, the global tourism population has decreased over one billion, and the tourism revenue has decreased by 1.3 trillion USD, far more severe than the impacts of the financial crisis in 2008.

Taiwan is one of the few countries that has the coronavirus contained as the global pandemic continues to rage, making it possible for residents in Taiwan to travel domestically. Resort hotels are benefiting from the flourishing domestic tourism, but the city hotels that rely on international travelers suffer a greater impact. These hotels in the cities can only sustain through their F&B outlets and partial domestic tourism.

The pandemic situation in Japan is more severe than in Taiwan. Although during the mid-year the number of positive Coronavirus cases was contained, it soon got out of control due to the "Go to Travel" tourism promotion implemented by the Japanese Tourism Bureau. Thus, the domestic travel in Japan has been fluctuating.

Under border restrictions, international travelers were unable to enter Okinawa after March of 2020, leaving only domestic travelers to sustain its tourism market. However, considering the limitations in medical supplies in Okinawa, the local government announced the state of emergency in April and in July, respectively, to lower domestic travelers. The Okinawa tourism population in 2020 was 3.73 million, a 63.2% decrease from the previous year, regressing to 1997's tourism volume. More so, the international travel in Okinawa is declining with a landslide. The international traveling population was only 277 thousand, a 91.2% drastic decrease from last year.

The Okinawa economy was hit hard by the global pandemic. Many businesses such as hotels, restaurants, and retail stores are severely affected. Many small scaled businesses choose to shut down in response. Prospecting 2021, Japan has started distributing vaccinations in February and aims to fully distribute to the entire population before the Tokyo Olympics. With universal vaccination, Japan hopes to reach group immunity and start a positive market cycle for its domestic tourism.

In the healthcare industry, Taiwan's postpartum centers have increased substantially. In recent years, postpartum centers in Taipei City and New Taipei city have reached 12l locations, a 98.36% growth compared to ten years ago. This is because postpartum care has become the modern market trend, transforming medically specialized organizations into more diverse and exquisite service organizations. This transformation of postpartum care will attract more consumers and provide more options.

Supply Chain Relationship

The Company's hospitality sector provides lodging and care services, which belong to the midstream of the overall industry. Online travel agencies, traditional travel agencies, women and infant's professional medical facilities, maternity and baby supply, knowledge training centers, and health consulting are the related upper, middle, and lower stream industries. Our food and beverages service purchases from upstream suppliers for fresh foods, beverages, and general items.

Product Development Trends and Competitions

From the tourism development trend, we can see that the portion of business travel has decreased. Before the coronavirus pandemic, video conference software and live communication software had rapidly developed. Companies have started to utilize cloud technologies for cross border meetings. Cloud meetings have been developing even faster after the pandemic, causing business travels to gradually decline. Sales visits and large MICE conference customers, however, due to the irreplaceable characteristics, are still businesses that the international, tier-one city hotels strive for.

In the healthcare trend, preventative medicine, residential environment quality, and early childhood education have started to receive more attention. In addition, the Coronavirus pandemic has facilitated the development of AIOT (Artificial Intelligence Meets the Internet of Things). The integration of AIOT in care services is the core value for the future development of the industry.

5.1.3 Technology and Research & Development Status

The Company works closely with the industry for technological research and development. We introduce closely evaluated, mature applications into the service and healthcare industry systems to strengthen service qualities and reduce labor intensity.

5.1.4 Long-Term and Short-Term Development Plans

Short-Term

1. Cement Sector

Strengthen sales channel of the cement market in Taiwan.

2. Storage and Logistic Sector

Sustain existing clients and continue to expand new sales.

3. Real Estate Sector

Revitalize less-utilized assets through dynamic land development and property leasing.

4. Hospitality Sector

Strengthen the know-how for the lodging and healthcare industry. Foster talent, establish core advantages, and integrate smart technologies in the operations.

Long-Term

1. Cement Sector

Maintain strategic investment in Taiwan Cement Corporation and indirectly benefit from the investment interests in the Chinese and European cement markets.

2. Storage and Logistic Sector

Maintain the variety and stability of goods and reduce seasonal fluctuations to sustain stable profits.

3. Real Estate Sector

In order to reach the goals of asset revitalization and the growth in leasing profits, continue to develop current assets and promote developmental leasing.

4. Hospitality Sector

Establish and develop independent brand in the healthcare industry.

Establish and develop a dual-track system in the hospitality industry through the managing of our own Hotel Collective brand and the collaboration with the International IHG brand.

5.2 Market, Production, and Sales Overview

5.2.1 Market Analysis

1. Cement sector

Sales Regions, Market Share, Future Supply and Demand, and Future Growth of Main Products

The Company's cement sales mainly focus on Central and Northern Taiwan. Domestic cement market is a mature industry with limitations to grow. However, following the gradual increase of projected subcontracting budget and the increase in environmental protection and green energy construction, the 2021 domestic cement demand and consumption is estimated to increase by a slight growth compared to 2020.

Competitive Niche

The Company has a standing history in cement operations. We have established sales channels and a strong client foundation. Currently at Keelung Port and at Taichung Port, we each have large cement silos with the storage capacity of 38,000 and 45,000 metric tons. These delivery locations are in close proximity to the markets, covering the economic belt in the western strip. We provide convenience of services to our clients.

Favorable Factors for Industry Development

Taiwan's cement industry is mature, and the price and the supply are relatively stable. In addition, with the returning of Taiwanese businessmen and the development of the technology industry, the demand side is showing a steady growth.

Unfavorable Factors for Industry Development and Countermeasures

Due to the limited resources and energy policies in Taiwan, the cement industry has to cooperate to reduce greenhouse gas and carbon emissions. However, this increases the operational cost.

Countermeasures: The Company's cement sector has transformed from being a cement manufacturer to a cement distributor. In terms of strategic investment, we select investment targets that conform to the circular economy

2. Storage and Logistic Sector

Sales Regions, Market Share, Future Supply and Demand, and Future Growth of Main Products

Taipei Port First Bulk Cargo Center's handling business mainly serves wholesalers and manufacturers in the sand, coal, and bulk cargo industries in Northern Taiwan. In 2020, the Company handled 4,749,747 metric tons of bulk cargo, accounting for approximately 46% of the total related handling volume in Taipei Port. Both the market demand for sand and gravel in Northern Taiwan and the economic growth rate are simultaneously showing slight growth. The supply side, on the other hand, is easily affected by climate (typhoon, abnormal rainfall) impacts on the dredging volume of rivers. It can also be easily affected by local government policies on mining, quarrying, related production, and transportation cost, causing fluctuations in supply.

Competitive Niche

Port operation business is a concession industry with a high barrier of entry.

Favorable Factors for Industry Development

The terminal adopts environmental friendly unloading and warehousing operations as the current trend. Currently, the bulk cargo operations in Keelung Port have not yet adopted hermetic handling operations. Due to the limited backline hinterland, it is difficult to install related environmental protection facilities. Therefore, in the future, in accordance with domestic environmental protection standards, the port's sand, gravel, and bulk cargo handling business is expected to gradually move out, giving Taipei Port First Bulk Cargo Center an advantage.

Unfavorable Factors for Industry Development and Countermeasures

Under the condition that Northern Taiwan is not a main development area for traditional manufacturing, and the increasing governmental control of coal emissions, demand for coal in the north is difficult to increase, which affects the coal unloading business.

Countermeasures: In addition to the loading and unloading business of sand, gravel and coal, Taipei Port First Bulk Cargo Center strives to expand the handling business of other bulk cargoes.

3. Real Estate Sector

Sales Regions, Market Share, Future Supply and Demand, and Future Growth of Main Products

The real estate sector focuses on business operations such as asset leasing, asset management, and asset development. The Company's revenue from real estate sector in 2020 was 259,243,000 NTD, remain stable compared to 259,776,000 NTD in 2019; the annual average occupancy rate of Chia Hsin Building was 94.49%, and the rental income increased by 4.60%; Gangshan factory average leasing rate was 61.04%, a 19.47% increase in leasing revenue.

Due to Zhonghe factory large area lease termination, the other leasing revenue decreased by 22.96%. However, with the introduction of new leasing clients for the Zhonghe factory in 2021, the leasing revenue growth is optimistic.

On the other hand, the disposal amount for the Taoyuan Luzhu assets in 2020 was 1,686,299,000 NTD, brought in 1.569 billion NTD in profits after deducting the transaction fees and the holding costs.

Competitive Niche

Chia Hsin Building is located on Zhongshan North Road, also known as the "Taipei Omotesando", between the Shuanglian and Minquan West Road MRT stations. It takes only a 3-minute walk from the MRT stations, and a 5-minute car ride from Taipei Main Station. The surrounding area has perfect living functions, many well-known hotels, restaurants, banks, and post offices. It is a high-end office building with convenient transportation.

The Company’s Gangshan factory is located at Jiaxin East Road, Gangshan District, Kaohsiung City. Amongst, the old Gangshan factory has a total area of 47,690.29 ping with a neat terrain. It is a rare large-scale industrial area. It takes 10 minutes to drive to Zhongshan Gaogangshan Interchange and Nangangshan MRT Station.

Favorable Factors for Industry Development

(1) The return funds of Taiwanese companies accompanied with low interest rates led to a boom in Taiwan's housing market in 2020.

(2) Commercial real estate has benefited from Taiwan’s core technology industry leading in the international market and the reorganization of supply chain. Thus, the demand in Taiwan for commercial real-estate, especially the industrial factories and offices, is surpassing the supply.

Unfavorable Factors for Industry Development and Countermeasures

While the stock of residential buildings continues to increase, the low birth-rate and aging population trend presents a long-term risk to the residential real estate market.

Due to the impact of Coronavirus pandemic, commercial real estate is expected to be polarized. Commercial buildings can still enjoy fixed revenue from low vacancy rates and the increase in rental income during the contract period. However, investors will be more cautious considering retail department stores’ challenges to closeout vacancies and to growth.

Countermeasures: With the main task of the revitalizing existing assets, to avoid the economic fluctuations of a single commodity, and in response to changes in the industry and market demand structure, various types of products and output will be adjusted in a timely manner.

4. Hospitality Sector

The hospitality sector mainly has two product lines: Lodging and healthcare industries.

Lodging

Sales Regions, Market Share, Future Supply and Demand, and Future Growth of Main Products

The Company's new city resort hotel brand, Hotel Collective, has been officially open for operation in Naha, Okinawa, Japan in 2020. Hotel Collective has a total of 260 rooms, accounting for 3.72% of the 6,990 rooms in Okinawa city hotels market. Due to difficulties in acquiring large areas of land in Naha City, it is hard to develop large tourist hotels. Most of the new supply are urban business hotels. Hotel Collective's main competitors are the Hyatt Regency Naha, Rihga Royal GRAN Hotel, and The Naha Terrace.

Due to the pandemic, the overall hotel industry in Okinawa has been greatly affected. The occupancy rate has decreased by 60% to 70%. Hotel Collective's annual operating income in 2020 was 417,374,812 JPY. In the severe situation of the epidemic, the hotel still accommodated 20,824 staying guests and 57,914 catering guests. And it still received high satisfaction from the guests. On Booking.com, we scored 9.1 points and won the 2021 Guest Rating Excellence Award. We also scored 9.2 points on Hotel.com and won the Loved by Guest Award in the luxury hotel category.

Competitive Niche

(1) The hotel is located in the center of Kokusai street, a prime location for tourism.

(2) The hotel's hardware facilities are the most advanced in the industry, and the first to introduce giant LED screens in the banquet hall.

(3) The hotel's room and bathroom space are more than double of the other Japanese-style city hotels.

(4) The hotel has multinational employees, which gives great advantages in receiving international tourists.

Favorable Factors for Industry Development

(1) The second runway of Okinawa airport was completed and opened in 2020, increasing the frequency of take-offs and landing. This increases the number of tourists from Japan and overseas to visit.

(2) As border restrictions are lifted, international tourism will gradually recover. However, it is expected that inter-continental tourism will recover slower due to the uncertain recovery time of the global pandemic. Therefore, short-distance international tourism will be travelers' first choice. Japan, expected to earlier stabilize the pandemic with the popularization of vaccines, is bound to be the best choice for East Asia tourism. In addition, Okinawa has always been a tourist attraction in Japan; so when the epidemic is contained, it should usher in a strong rebound.

Unfavorable Factors for Industry Development and Countermeasures

(1) The tension between Japan and South Korea has further affected the decline of South Korean tourists' willingness to visit Okinawa. However, the tourism rate is expected to recover following the improvement of the two countries' relationship.

Countermeasures: Hotel Collective's target customer groups are mainly Japanese domestic tourists. However, to reduce the risk of geopolitics, the hotel supplements its target customer groups by Taiwanese tourists.

(2) The Coronavirus pandemic affects global tourists' willingness to travel, which in turn impacts Okinawa's tourism.

Countermeasures: Japan expects to vaccinate the entire population by mid-2021, which will drive the recovery of Japanese domestic tourism. The hotel will prioritize Japanese domestic tourists as the main sales target and promote the catering service to the local Okinawa people. In addition, wedding banquets that were postponed due to the impact of the pandemic are expected to provide optimistic growth in performance.

Healthcare

Sales Region, Market Share, Future Supply and Demand, and Future Growth of Major Products

Our postpartum brand Gemcare Maternity Center mainly operates in the Greater Taipei area. However, before the pandemic, 20% of our customers were foreigners. In 2020, Gemcare Dunhua Center joined the operations with the original flagship Zhongshan center. The two centers have a total of 44 beds, accounted for 1.52% of the total 2,891 beds in Taipei City. Last year, Taiwan had a negative population growth rate for the first time. The number of births hitting record low, was 165,000, an annual decrease of 7.04%. Coupled with the impact of the pandemic and border controls, visitors to the country were greatly reduced. This caused the overall occupancy rate at Gemcare to fall to 65%, but it was still better than the average occupancy rate of 46.74% in Taipei City.

Competitive Niche

(1) The composition of our Gemcare Maternity Center team is different from other institutions. In addition to the professional nursing team, besides professional nursing care, we also implement hotel-style services to create honeymoon-like staying experiences for the moms.

(2) Both the Gemcare Dunhua Center and the Gemcare Zhongshan Center received the platinum certification from IWBI (International WELL Building Institute), also known as the "Oscar Awards" in the architecture industry. We provide a safe, healthy, and comfortable environment for the moms and their babies.

(3) Leading in the professional care industry, we launched the "Holistic Health Care" approach, in which ten professionals, including registered nurse, lacractors, nurse practitioner, Chinese medical physician, nutritionists, physiotherapists, pediatricians, obstetricians, physicians, and psychiatrist, provide the most holistic care for the moms and their babies.

(4) We also cooperated with the professional fetal examination authority "Fetal Clinic" and the "Anerkang Pediatric Clinic" specializing in infant development, to provide mothers with professional consultation and planning from pregnancy to postpartum.

Favorable Factors for Industry Development

(1) Consumers have changed their views on postpartum care and have accepted the professional care from the institutions.

(2) The declining birthrate leads to parents' willingness to use more resources and funds to obtain the best and most professional services for themselves and their babies. This upgrades the value of the industry.

(3) In dual income families, working mothers need more efficient physical and mental recovery after giving birth in addition to gaining knowledge on how to care for babies. We provide a full range of services for their postpartum care in the institution.

(4) With the development of technologies such as AI, 5G and AIOT, care has become more intelligent, which not only reduces administrative procedures and improves customer satisfaction but also predicts risks.

Unfavorable Factors for Industry Development

(1) Declining birthrate is becoming more and more severe, causing the demographic dividend to gradually disappear. The speed of entering a super-aged society is accelerating.

(2) The number of new entrants in the industry has increased; however, most of them are not established by traditional medical institutions. There are mostly established by real estate developers who aimed to close out building spaces and chose the line of postpartum industry. This has caused a substantial increase in the supply of beds in recent years.

Countermeasures:

(1) In response to the declining birth rates, Gemcare provides professional care and hotel-style services. Instead of engaging in price competition, we strive to increase the value of the overall industry.

(2) Health care is the core competence of our current business body. We also plan to expand into the senior care industry to provide a more holistic care and service for the elderlies in the future. Starting with establishing a good foundation in maternal and child care, we will, then, develop care for people of all ages.

(3) We keep an optimistic attitude and the willingness to learn from each other when facing competition in the industry. In addition, we will provide managing and counselling services to pass on the ideology of "Renzhichu".

5.2.2 Important Applications and Production Processes of Main Products

Important Applications of Main Products

1. Cement Sector

The Company primarily sells Portland Type I Cement, also known as the ordinary cement. This kind of cement can be widely utilized in construction of bridges, highways, drainage equipment, dams, dikes, docking facilities, military equipment, houses, skyscrapers in civil engineering, and building surface modification.

2. Storage and Logistic Sector

The handling, storage, and transfer service has facilitated the circulation of goods, making it possible for traded commodities to be transported to specific locations through relay stations.

3. Real Estate Sector

Currently, the Company's real estate business mainly focuses on leasing lands and buildings. Our tenants mainly use these spaces to set up factories or offices.

4. Hospitality Sector

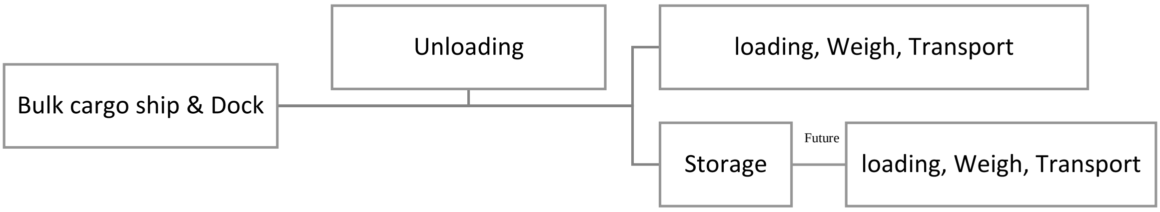
Our hospitality sector mainly operates guest rooms, food and beverages services, and care services. We aim to provide good and lasting impressions to our guests.

Production Processes of Main Products

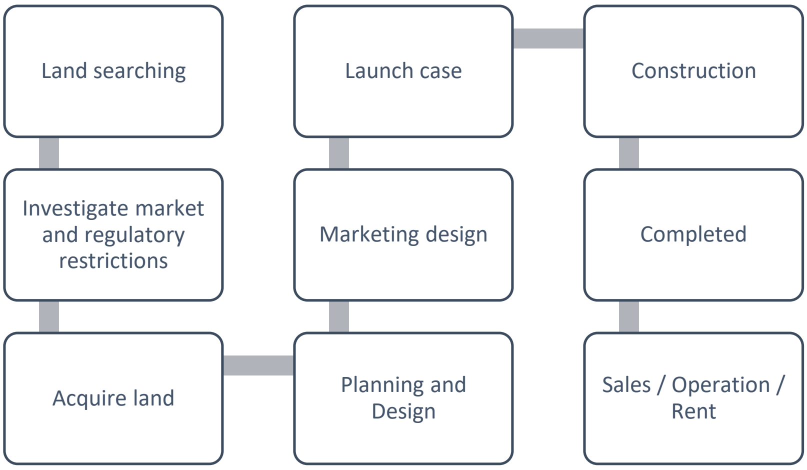
1. Cement Sector

The Company is a distributor in Taiwan. We purchase cement both domestically and internationally to ship it to the large silos at Keelung Port and Taichung Port (the capacity of the two ports are 38,000 metric tons and 45,000 metric tons respectively). Then, we sell it in separate packages or in bulk to our clients.

2. Storage and Logistic Sector



3. Real Estate Sector



4. Hospitality Sector

In our food and beverage services, we purchase fresh food, beverages, and general products to provide delicacies for the consumers. And for our lodging services, after accepting guests' reservations through our official website, online travel agencies, traditional agencies, and or corporate collaborations, we purchase guestroom related products from vendors to give our guests the best staying experiences.

5.2.3 Supply of Main Raw Materials

1. Cement Sector

According to Taiwan Cement Manufacturers' Association's 2020 annual production statistics, Taiwan's domestic production of cement is 11,785,977 metric tons, a 4.6% growth from the previous year. The total annual consumption of cement is 12,077,852 metric tons, a 6.74% growth from the previous year. The supply and demand of cement is at an equilibrium. Our main cement suppliers are Taiwan Cement Corporation and Asia Cement Corporation.

2. Storage and Logistic Sector

Our Storage and Logistics Sector that provides only handling services has no concern in raw material supply.

3. Real Estate Sector

Our real estate sector is mainly responsible for managing CHIA HSIN Building, Dagangshan mining area, Gangshan old factories, and Kaohsiung Kuojian Rd. Land assets.

4. Hospitality Sector

Lodging Sector: The Company provides 260 guest rooms at Hotel Collective, Japan and a total of 44 beds at the two Gemcare Maternity Center in Taiwan.

Food & Beverage Sector: Through organic and sustainable consumption, we promote local sustainability. We not only work with upstream superb quality food suppliers, we also purchase from organic food suppliers such as Yonglin Farm. Aligning with our corporate value, we also support small, independent suppliers.

5.2.4 Major Suppliers and Customers in the Past Two Years

1. Major Suppliers in the Past Two Years

Unit：NTD thousands

Item	2020				2019			
	Company Name	Amount	As % of Total Net Purchase	Relation with the Company	Company Name	Amount	As % of Total Net Purchase	Relation with the Company
1	Taiwan Cement	453,720	45%	The Company is Director of Taiwan Cement	Taiwan Cement	484,963	48%	The Company is Director of Taiwan Cement
2	Asia Cement	457,700	46%	None	Asia Cement	457,700	46%	None
3	Others	89,510	9%		Others	62,991	6%	
	Total Net Purchase	1,000,930	100%		Total Net Purchase	1,005,654	100%	

Note 1: Major suppliers refer to those accounted for 10 percent or more of the Company's total net purchase in the past two years. Where the name of the supplier is prohibited by contract from revealing, or where a trading counterpart is an individual who is not a related party, code can be used in place of the actual name.

Note 2: For the listed company, the most recent quarterly financial information which has been audited or reviewed by the accountant, prior to the publication date of this Annual Report, should be disclosed

2. Major Customers in the Past Two Years

Unit: NTD thousands

Item	2020				2019			
	Company Name	Amount	As % of Total Net Revenue	Relation with the Company	Company Name	Amount	As % of Total Net Revenue	Relation with the Company
1	Lian Hsin Construction Material	253,197	12%	None	Lian Hsin Construction Material	210,220	11%	None
2	Hua Ya Power	189,998	9%	None	Hua Ya Power	194,062	10%	None
3	Goldsun Development & Construction	172,998	8%	None	Goldsun Development & Construction	172,343	9%	None
4	Nan Ya Plastics	125,974	6%	None	Nan Ya Plastics	116,922	6%	None
5	Huei Yow Cement	87,085	4%	None	Tong Chen Construction Material	99,746	5%	None
6	Others	1,229,165	61%		Others	1,090,709	59%	
	Total Net Revenue	2,058,417	100%		Total Net Revenue	1,884,002	100%	

Note 1: Major customers refer to those accounted for 10 percent or more of the Company's total net revenue in the past two years. Where the name of the customer is prohibited by contract from revealing, or where a trading counterpart is an individual who is not a related party, code can be used in place of the actual name.

Note 2: For the listed company, the most recent quarterly financial information which has been audited or reviewed by the accountant, prior to the publication date of this Annual Report, should be disclosed.

5.2.5 Production Volume and Value in the Past Two Years

Capacity/Quantity: MT
Amount: NTD thousands

Year / Output / Major Products (or by Department)	2020			2019		
	Capacity	Quantity	Amount	Capacity	Quantity	Amount
Portland Type I Cement	-	458,000	1,015,566	-	473,700	1,046,267
Clinker	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	-	458,000	1,015,566	-	473,700	1,046,267

Note 1: Production capacity refers to the quantity that the Company can produce under normal operation using existing production facilities after measuring necessary shutdowns, holidays and other factors.
Note 2: Where the production of individual products is substitutable, the combined production capacity may be calculated and annotated.

5.2.6 Sales Volume and Value in the Past Two Years

Quantity: MT
Amount: NTD thousands

Year / Sales / Major Products (or by Department)	2020				2019			
	Domestic		Export		Domestic		Export	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Portland Type I Cement	455,210	1,002,463	-	-	466,846	1,022,319	-	-
Clinker	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Total	455,210	1,002,463	-	-	466,846	1,022,319	-	-

5.3 Profile of Employees in the Past 2 Years and up to the Publication Date of this Annual Report

Employees Information for the Past two Years and Up to the Publication Date of this Annual Report

1. The Company

Year		2020	2019	Current Year Up to 04/30/2021
Number of Employees	Regular Employees	84	80	86
	Contracted Employees	0	0	0
	Total	84	80	86
Average age		46.15	45.75	45.86
Average Years of Service		11.53	11.41	11.22
Education Distribution Percentage (%)	Ph.D.	0.00	0.00	0.00
	Masters	22.62	25.00	22.09
	Bachelor’s Degree	69.05	67.50	69.77
	Senior High School	7.14	7.50	6.98
	Below Senior High School	1.19	0.00	1.16

2. All Companies in the Consolidated Financial Statements

Year		2020	2019	Current Year Up to 04/30/2021
Number of Employees	Regular Employees	405	366	454
	Contracted Employees	29	44	49
	Total	434	410	503
Average age		41.94	41.64	40.49
Average Years of Service		5.32	5.64	4.78
Education Distribution Percentage (%)	Ph.D.	0.00	0.00	0.00
	Masters	6.22	7.07	5.37
	Bachelor’s Degree	68.20	64.63	62.62
	Senior High School	19.59	22.93	23.26
	Below Senior High School	5.99	5.37	8.75

5.4 Environmental Protection Expenditures

1. Losses or penalties caused by environmental pollution in the past year and up to the publication date of this Annual Report: None.

2. Specific actions:
In view of the Company's concerns regarding environmental protection, companies of the Group continue to invest or improve pollution prevention equipment or energy-saving technologies. Specific actions in the past two years were as follows:

Unit: NTD thousands

Company/Unit	2020	2019	Remarks
Chia Hsin Ryukyu Collective KK	2,370	1,040	Hotel Collective applied for the LEED (Leadership in Energy and Environmental Design) green building certification, estimated to invest additional NTD 5.12 million in 2021 in the equipment improvement and certification application, and expected to obtain certification before the end of the 3rd quarter.
Tong Yang Chia Hsin Int'l Corp.	320	630	Replaced the lighting fixtures of Taichung Storage Center with LED lights；Replaced part of electrical equipment with high-efficiency model.
Chia Pei Int'l Corp.	1,230	460	Replaced the lighting fixtures of Taipei Port First Bulk Cargo Center plant areas with LED lights；Replaced part of electrical equipment with high-efficiency model；Improved the water sprinkler equipment to prevent dust pollution.
Chia Hsin Property Management & Development Corp.		220	Replaced the lighting fixtures in the public aisles of Chia Hsin Building.
	3,000		Replaced the main air-conditioning unit of the 2nd Chia Hsin Building with a newer energy-saving model.
Jaho Life Plus+ Management Corp. & Gemcare Maternity Centers	5,600		To build a new type of high-quality postpartum care center, offer mothers, newborns and staff a better healthy life and working environment, applied for WELL (Note) healthy building certification which has specific standard requirements for indoor air quality purification and monitoring, potable water quality and maintenance, soft light source provision, and sound environment construction. The certification application

			was entrusted to consultant to provide professional advice, and the related improvement projects were gradually carried out to meet the requirements of the regulations. Both Zhongshan Center and Dunhua Center obtained the certification in the 3rd quarter of 2020. Note: The WELL Building Standard was published by the U.S. International WELL Building Institute (IWBI) in 2014 and the certification is managed by the Green Business Certification Inc. (GBCI)

3. Major environmental protection expenditures in the next three years:
   The construction of InterContinental Okinawa Chura SUN Resort at Toyosaki, Okinawa will adopt InterContinental Hotel Group (IHG) Five-star high specification standards. The Company expects to invest a significant amount in environmental related expenditures relating to energy and water savings in the future years. Overall cost estimates will be determined after the construction design plan is finalized.
4. Implementation of the restriction of the use of Hazardous Substances (RoHs) issued by the European Union and the avoidance of influence on investor rights:
   Not applicable to the Company's scope of business.

5.5 Employee Relations

Current Major Labor-Management Negotiations and Implementation Status

1. Convening Labor-Management Meetings

We hold labor-management council meetings periodically, which serves as:

(1) A channel to hear employees' voices and to align perspectives from the Company and its employees, thus enhancing both parties' corporation.

(2) A place to negotiate labor conditions.

(3) An occasion to arrange and plan employee benefits.

(4) A way to improve work efficiency.

In each of the meetings, both parties are able to use their best efforts to communicate and reach a consensus for a successful outcome.

2. Convening Employee's Welfare Committee Meetings

We hold regular Committee of Employees' Welfare board meetings, which the missions include:

(1) To review, promote and supervise matters regarding employee's welfare.

(2) To plan, keep, and safe guard the employee welfare fund.

(3) To allocate, audit, and prepare statement of income and expenditure regarding employee welfare operation.

(4) To monitor employee welfare related matters.

3. Convening Meetings of the Supervisory Committee for Employees' Retirement Preparation Fund

We hold periodic meetings to fulfill the following missions:

(1) To review the temporary suspension on the allocation of the retirement preparation fund.

(2) To examine the amount of retirement preparation fund allocations.

(3) To examine matters regarding collections and deposits of the retirement preparation fund.

(4) To examine payment made to or from the retirement preparation fund.

(5) To supervise other retirement preparation fund related matters.

4. Implementation of Employ Welfare and Retirement Program

In addition to being insured under Labor Insurance and National Health Insurance as required by relevant regulations for employees, all employees are provided with group insurance program with a life insurance company. Apart from annual health examination, specified inspection items are tailor-made for the employees of Chia-Pei International Corporation and Tong Yang Chia Hsin International Corporation who work at the ports. The Employee Welfare Committee provides varied benefits such as gifts for major holidays, birthdays, as well as wedding allowance, funeral allowance, hospitalization condolence payments, gratitude for the retired and the dismissed, employee's and children's education grants, etc. Besides the Labor Standards Law regarding pension charges, the Company also provide a variety of programs and activities.

5. Implementation of Employee Training

(1) HR Division establishes internal training plans based on the development and human resource requirement of the Company. An organization wide talent review was conducted in the beginning of 2020 to identified the skill sets needed, in terms of hierarchy and department, both professionally and generally.

For internal training, HR held 17 general training sessions with a total of 35.5 hours for 350 people; for external training, 108 people participated in courses with a total 530 hours.

(2) To increase workplace safety and employee health awareness, we also facilitated and conducted workplace safety and health related certification trainings.

Training: 1 session of CPR+AED with a total of 2 hours for 68 people (85% of the employees attended);

Workplace health and safety certifications: 1 manager obtained class 1 labor safety and health affair certification, 1 manager obtained class 2 labor safety and health affair certification, 1 obtained fire prevention and control certification, 2 obtained first aid treatment certification, 2 obtained AED certification.

Work place certifications: CPR+AED Ready Certification, Healthy Workplace Certification.

6. Certification Acquired by Employees

The requirement for certification is on a case by case basis and largely depends on the need of a job. The Company encourages employees to take part in on-the-job training to be certified. Among all of our employees, we have two CFA certified, one CIA certified, two R.O.C. CPA certified, one certified mining-engineer, one certified land registration agent, four certified stacking operating technicians, four stationary crane operating technicians, and as for qualification: one mining-safety-procedure-training, five for basic corporate governance ability exam, three for Level-A-electricians, one for HACCO, five for labor safety and health management training, one firefighting administrator training, and two for dust and oxygen-deficient air operation management training.

7. Protection Measures for Work Safety and Personal Safety

In promoting workplace safety, the Company is fully in compliance with Occupational Safety and Health Act. We sent employees to take part in government-planned training and strictly requested subcontractors to maintain safety protocols and conduct disaster prevention drill. As for personnel safety, the Company provides comprehensive safety measures: all employees are provided with group medical insurance program with a life insurance company, apart from labor insurance and national health insurance. For expatriate employees and those on business trips abroad, an additional overseas travel insurance and accident medical insurance are provided.

8. Employee Behavior and Code of Ethics

For a long time, the Company holds on to its business philosophy of honesty. We have the right people in the right places with the proper amount of work load, so all can maximize work efficiency. The Company emphasizes the importance of self-restraint, ethics, and all employees act in compliance with relevant work rules and personnel management regulations.

9. Losses Resulted from Labor Dispute up to the Publication date of this Annual Report:

None.

5.6 Important Contracts

Important Contracts

Nature of Contract	Counterparty	Period	Major Contents	Restrictions
Lease Agreement (Note 1)	Chia Hsin Cement Corporation / Keelung Harbor Bureau	23 years and 9 months starting on 10/07/2000	The Company rented land between the back side of Wharf W33 and the west wave breaker from Keelung Harbor Bureau, and built a cement silo and auxiliary equipment in the name of Keelung Harbor Bureau as advance rental payments. Ownership belongs to Keelung Harbor Bureau in accordance with Article 12 of the Commercial Harbor Law.	
Lease Agreement (Note 1)	Chia Hsin Cement Corporation / Keelung Harbor Bureau	35 years and 5 months starting on 12/10/2009	The Company leased wharfs (E13, E14 and E15) at Taipei Port First Bulk Cargo Center from Keelung Harbor Bureau, and agreed to construct wharf E16 and jointly construct warehouse facilities, offices and storage and transport equipment at the back side of the Center. The facilities and equipment are used for loading & unloading, storage and transport of coal, gravel and bulk and general cargo.	
Storage and Transport Agreement	Chia Hsin Cement Corporation / CHC Resources Corporation	10/25/2010 - 05/10/2045	The Company built warehouse facilities at the back side of wharfs (E14, E15 and E16) at Taipei Port First Bulk Cargo Center and mainly uses the facilities for storage and transport of slag powder and related products of CHC Resources Corporation. The warehouse is managed by CHC Resources Corporation, which is responsible for work safety, environmental protection, site utilization, facility operation and maintenance, and insurance within the contract period.	
Share S&P Agreement	Chia Hsin Cement Corporation/CTBC Investment Co., Ltd	11/19/2020	Acquisition of equity shares in LDC Hotels & Resorts	
Port of Taichung No. 27 Wharf Lease Agreement	Tong Yang Chia Hsin International Corporation/ Port of Taichung, Taiwan International Ports Corporation, Ltd.	12/01/2014 - 12/31/2024	Rented Port of Taichung No. 27 Wharf 1st line land, cement silo and auxiliary facilities	
Lease Agreement	Chia Hsin Property Management & Development Corporation/Nat'l Taiwan University	05/16/2014 - 05/15/2024	Long term rental of Japanese-style house and attached buildings on Hangzhou South Road, Taipei City from Nat'l Taiwan University	
Lease Agreement	Chia Hsin Property Management & Development Corporation / Gipin Health	08/16/2015 - 05/15//2024	Long term rental of Japanese-style house and attached buildings on Hangzhou South Road, Taipei City	
Leasing Agreement	Chia Hsin Property Management & Development Corporation / POYA Int'l Co., Ltd.	12/01/2015 - 11/30/2035	Rental of two lots of land at Watsu Section, Gangshan District, Kaohsiung City (No. 2197-4 and No. 2205), total 8,413 ping	

Nature of Contract	Counterparty	Period	Major Contents	Restrictions
Leasing Agreement	Chia Hsin Property Management & Development Corporation / Family Mart	01/01/2016 - 12/31/2035	Rental of six lots of land (No. 2197) at Watsu Section, Gangshan District, Kaohsiung City, total 15,130.37 ping	
Lease Agreement	Chia Hsin Property Management & Development Corporation / Family Mart	01/01/2017 - 12/31/2035	Increase rental of land No. 2197-3, 965.88 ping at Watsu Section, Gangshan District, Kaohsiung City	
Real Estate S&P Agreement	Chia Hsin Property Management & Development Corporation/ Taiwan Cement Corporation	11/30/2020	Disposal of 23 lots of land located at No. 2 land, Wufu Section and 3 buildings at Liufu Rd., Luzhu District, Taoyuan City	
Loading/ Unloading, Storage and Transport Agreement	Chia Pei Int'l Corp./ Nan Ya Plastic, Hua Ya Power	08/01/2020 - 07/31/2026	Provide unloading, storage, and truck loading services of coal at Taipei Port First Bulk Cargo Center	
Lease Agreement	Jaho Life Plus+ Management Corp./ Chen Xiuxia, Chen Xiuchuan, Chen Xiulong, Chen Xiumin, Chen Xiufeng, Chen Zhangji, Chen Weiyuan, Chen Weida	01/01/2018 - 12/31/2028	Long term rental of a building at 230 Dunhua North Road, Songshan District, Taipei City	
Construction Design and Supervision Contract	CHC Ryukyu Development GK/Kengo Kuma & Associates	05/28/2018 - Completion date	Construction planning, design, and supervision of Toyosaki project	
Management Agreement	CHC Ryukyu Development GK/IHG Japan (Management) LLC	Signed on 08/17/2019	Hotel operation and management of Toyosaki project	
Compensation Agreement for Acquisition for Reserve	Shanghai Jia Huan Concrete Co., Ltd./ Shanghai Xuhui District Land Reserve Center / Shanghai Xuhui District Binjiang Development Investment Construction Co., Ltd.	Agreement signed on 08/29/2018 The procedure for changing the registration of land property right certificate has not been completed yet	Disposal of land at No. 2200, Longwu Road, Xuhui District, Shanghai	
Lease Agreement	Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd./ Yangzhou Tianlegang Holiday Concourse	12/01/2018 - 02/28/2034	Long term rental of a building in Yangzhou	
Renovation Construction Contract	Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd./Nanjing Jinhong Decoration Engineering Co., Ltd.	02/08/2020- Completion date	Renovation construction	

Note 1: Pursuant to Article 9 of the Taiwan International Ports Corporation, Ltd. Establishment Act, the contract between the Company and Keelung Harbor Bureau was transferred to Taiwan International Ports Corporation, Ltd. on March 1st, 2012.

6. Financial Information

6.1 Five Year Financial Summary

Condensed Balance Sheet and Statements of Comprehensive Income –IFRS

Condensed Consolidated Balance Sheet-IFRS

Unit：NTD thousands

Item \ Year		Financial Summary for the Past Five Years（Note 1）				
		2020	2019	2018	2017	2016
Current Assets		11,726,520	10,657,604	11,150,914	9,106,166	9,443,483
Property, Plant and Equipment		6,195,433	6,535,574	3,467,524	2,852,330	2,026,241
Intangible Assets		11,347	5,518	-	-	-
Other Assets		22,712,927	21,521,938	17,367,191	16,359,490	14,659,193
Total Assets		40,646,227	38,720,634	31,985,629	28,317,986	26,128,917
Current Liabilities	Before Distribution	3,042,465	3,700,460	3,195,396	2,317,056	1,981,486
	After Distribution	(Note 2)	4,360,993	3,856,136	2,644,659	2,112,528
Non-Current Liabilities		12,586,413	11,343,949	7,870,414	6,740,090	8,334,173
Total Liabilities	Before Distribution	15,628,878	15,044,409	11,065,810	9,057,146	10,315,659
	After Distribution	(Note 2)	15,704,942	11,726,550	9,384,749	10,446,701
Equity Attributable to Owners of the Company		24,182,147	22,813,442	19,019,812	17,511,786	14,103,781
Share Capital		7,747,805	7,747,805	7,747,805	7,747,805	7,747,805
Capital Surplus		960,402	847,377	703,931	642,168	617,579
Retained Earnings	Before Distribution	11,653,749	10,660,775	9,672,041	9,074,455	8,335,423
	After Distribution	(Note 2)	9,888,994	8,900,260	8,687,065	8,180,467
Other Equity		4,939,214	4,654,268	2,082,579	1,196,784	(1,447,600)
Treasury Shares		(1,119,023)	(1,096,783)	(1,186,544)	(1,149,426)	(1,149,426)
Non-Controlling Interest		835,202	862,783	1,900,007	1,749,054	1,709,477
Total Equity	Before Distribution	25,017,349	23,676,225	20,919,819	19,260,840	15,813,258
	After Distribution	(Note 2)	23,015,692	20,259,079	18,933,237	15,682,216

Note 1：The financial information has been audited by CPAs.

Note 2：Distribution of 2020 earnings is pending for resolution by AGM.

Condensed Consolidated Statements of Comprehensive Income-IFRS

Unit：NTD thousands

Item \ Year	Financial Summary for the Past Five Years（Note 1）				
	2020	2019	2018	2017	2016
Operating Revenue	2,058,417	1,884,002	2,092,406	2,095,607	3,140,190
Gross Profit	(143,741)	198,597	288,488	282,321	95,421
(Loss) Profit from Operations	822,567	(434,786)	(103,601)	(229,484)	(457,478)
Non-Operating Income and Expenses	1,283,475	1,420,557	531,481	1,311,027	536,639
Profit Before Income Tax from Continuing Operations	2,106,042	985,771	427,880	1,081,543	79,161
Net Profit from Continuing Operations	1,836,495	818,510	254,597	977,309	9,806
Net Profit from Discontinued Operations	1,499	590,161	514,526	-	-
Net Profit for the Year	1,837,994	1,408,671	769,123	977,309	9,806
Other Comprehensive Income (Loss) (Net of Tax)	300,229	3,141,141	711,350	2,725,318	1,836,923
Total Comprehensive Income (Loss) for the Year	2,138,223	4,549,812	1,480,473	3,702,627	1,846,729
Net Profit Attributable to Owners of the Company	1,764,366	1,297,473	699,755	895,198	24,889
Net Profit Attributable to Non-Controlling Interest	73,628	111,198	69,368	82,111	(15,083)
Total Comprehensive Income Attributable to Owners of the Company	2,051,467	4,326,485	1,384,470	3,538,372	1,793,477
Total Comprehensive Income Attributable to Non-Controlling Interest	86,756	223,327	96,003	164,255	53,252
Earnings per Share (NTD)	2.74	2.02	1.09	1.39	0.04

Note 1：The financial information has been audited by CPAs.

Condensed Parent Company Only Balance Sheet-IFRS

Unit：NTD thousands

Item \ Year		Financial Summary for the Past Five Years（Note 1）				
		2020	2019	2018	2017	2016
Current Assets		3,915,414	3,709,387	3,650,324	3,552,127	3,542,396
Property, Plant and Equipment		820,507	959,470	1,099,989	1,227,458	1,421,643
Intangible Assets		-	-	-	-	-
Other Assets		28,243,095	25,798,495	20,358,821	18,226,318	14,937,494
Total Assets		32,979,016	30,467,352	25,109,134	23,005,903	19,901,533
Current Liabilities	Before Distribution	2,379,296	2,110,520	1,600,289	1,421,867	1,197,923
	After Distribution	(Note 2)	2,882,301	2,372,070	1,809,257	1,352,879
Non-Current Liabilities		6,417,573	5,543,390	4,489,033	4,072,250	4,599,829
Total Liabilities	Before Distribution	8,796,869	7,653,910	6,089,322	5,494,117	5,797,752
	After Distribution	(Note 2)	8,425,691	6,861,103	5,881,507	5,952,708
Share Capital		7,747,805	7,747,805	7,747,805	7,747,805	7,747,805
Capital surplus		960,402	847,377	703,931	642,168	617,579
Retained Earnings	Before Distribution	11,653,749	10,660,775	9,672,041	9,074,455	8,335,423
	After Distribution	(Note 2)	9,888,894	8,900,260	8,687,065	8,180,467
Other equity		4,939,214	4,654,268	2,082,579	1,196,784	(1,447,600)
Treasury Shares		(1,119,023)	(1,096,783)	(1,186,544)	(1,149,426)	(1,149,426)
Total Equity	Before Distribution	24,182,147	22,813,442	19,019,812	17,511,786	14,103,781
	After Distribution	(Note 2)	22,152,909	18,359,072	17,184,183	13,972,739

Note 1：The financial information has been audited by CPAs.

Note 2：Distribution of 2020 earnings is pending for resolution by AGM.

Condensed Parent Company Only Statements of Comprehensive Income-IFRS

Unit：NTD thousands

Item \ Year	Financial Summary for the Past Five Years（Note 1）				
	2020	2019	2018	2017	2016
Operating Revenues	1,186,875	1,249,323	1,204,046	1,173,223	1,283,278
Gross Profit	(20,676)	29,299	7,448	46,157	118,552
(Loss) Profit from Operations	(237,300)	(214,529)	(173,787)	(112,898)	(15,353)
Non-Operating Income and Expenses	2,056,785	1,593,740	944,776	1,075,860	59,145
Profit Before Income Tax from Continuing Operations	1,819,485	1,379,211	770,989	962,962	43,792
Net Profit from Continuing Operations	1,764,366	1,297,473	699,755	895,198	24,889
Net Profit from Discontinued Operations	-	-	-	-	-
Net Profit for the Year	1,764,366	1,297,473	699,755	895,198	24,889
Other Comprehensive Income (Loss) (Net of Tax)	287,101	3,029,012	684,715	2,643,174	1,768,588
Total Comprehensive Income (Loss) for the Year	2,051,467	4,326,485	1,384,470	3,538,372	1,793,477
Earnings per Share (NTD)	2.74	2.02	1.09	1.39	0.04

Note 1：The financial information has been audited by CPAs.

Auditors' Opinion for the Past Five Years

Year	Name of the CPA	Audit Opinion
2016	Cheng-Chuan Yu, Keng-Hsi Chang	Unqualified
2017	Cheng-Chuan Yu, Keng-Hsi Chang	Unqualified
2018	Cheng-Chuan Yu, Keng-Hsi Chang	Unqualified
2019	Cheng-Chuan Yu, Keng-Hsi Chang	Unqualified
2020	Cheng-Chuan Yu, Keng-Hsi Chang	Unqualified

6.2 Five Year Financial Analysis

Consolidated Financial Analysis-IFRS

Item	Year	Financial Analysis (Note 1) 2020	2019	2018	2017	2016
Financial Structure (%)	Debt Ratio	38.45	38.85	34.60	31.98	39.48
	Ratio of Long-Term Capital to Property, Plant and Equipment	606.96	535.84	830.28	911.57	1,191.74
Solvency (%)	Current Ratio	385.43	288.01	348.97	393.01	476.59
	Quick Ratio	380.09	284.83	321.92	359.07	428.15
	Interest Earned Ratio (Times)	1,387.47	884.56	593.43	1,170.83	141.31
Operating Performance	Accounts Receivable Turnover (Times)	8.41	7.05	8.17	7.20	9.13
	Average Collection Period (Days)	43	52	45	51	40
	Inventory Turnover (Times)	18.77	2.8	1.43	1.24	2.14
	Accounts Payable Turnover (Times)	12.59	8.44	9.48	7.23	7.82
	Average Days in Sales	19	130	255	295	171
	Property, Plant and Equipment Turnover (Times)	0.32	0.38	0.66	0.86	1.44
	Total Assets Turnover (Times)	0.05	0.05	0.07	0.07	0.12
Profitability	Return on Assets (%)	4.96	4.27	2.78	3.90	0.63
	Return on Equity (%)	7.55	6.32	3.83	5.57	0.07
	Pre-Tax Income to Paid-In Capital (%) (Note 6)	27.18	12.72	5.52	13.96	1.02
	Net Profit Margin (%)	89.29	74.77	36.76	46.64	0.31
	Earnings per Share (NTD)	2.74	2.02	1.09	1.39	0.04
Cash Flow	Cash Flow Ratio (%)	17.45	0.00	0.00	17.41	20.94
	Cash Flow Adequacy Ratio (%)	15.70	17.68	29.24	29.79	34.03
	Cash Reinvestment Ratio (%)	0.00	0.00	0.00	0.86	1.15
Leverage	Operating Leverage	0.16	(0.53)	(3.25)	(1.58)	(0.29)
	Financial Leverage	1.25	0.78	0.54	0.69	0.7

Analysis of deviation for the past two years if the difference ratio reaching 20% or above.

1. Increase of current ratio and quick ratio: Mainly due to the gains from disposal of investment properties by subsidiary CHPMD and the disposal cash flow turn into bank deposits with original maturities over three months but less than one year, resulting in the increase of both current assets and working capital.
2. Increase of inventory turnover and decrease of average days in sales: Mainly due to the CHCDC's no longer accounted for as subsidiary causing decrease of average inventory, resulting in the increase of inventory turnover and decrease of average days in sales.
3. Increase of accounts payable turnover: Mainly due to the starting operation of Hotel Collective, resulting in an increase of cost.
4. Increase of earnings per share: Mainly due to the gains from disposal of investment properties by subsidiary CHPMD resulting in an increase of net profit.
5. Increase of interest earned ratio, pre-tax income to paid-in capital, operating leverage, financial leverage: Mainly due to the gains from disposal of investment properties by subsidiary CHPMD, resulting in the increase of profit from operations, profit before income tax and net profit.

Note 1: The financial data has been reviewed by CPAs.

Note 2: The calculation formulas of the analysis are as follows,

1. Financial Structure
   (1)Debt ratio=total liabilities/total assets
   (2)Ratio of long-term capital to property, plant and equipment= (total equity+non-current liabilities)/net property, plant and equipment
2. Solvency
   (1)Current ratio=current assets/current liabilities
   (2)Quick Ratio= (current assets-inventories-prepaid expenses)/current liabilities
   (3)Interest earned ratio=profit before income tax & interest/interest expenditure
3. Operating performance
   (1)Accounts receivable turnover=net sales/average trade receivables (including A/R and N/R from business operating)
   (2)Average collection period=365/ (accounts receivable turnover)
   (3)Inventory turnover=cost of sales/average inventory
   (4)Accounts payable turnover=cost of sales/average trade payables (including A/P and N/P from business operating)
   (5)Average days in sales=365/inventory turnover
   (6)Property, plant and equipment turnover=operating revenue/average net property, plant and equipment
   (7)Total assets turnover=operating revenue/average total assets
4. Profitability
   (1)Return on assets= [net profit for the year+interest expense*(1-tax rate)]/average total assets
   (2)Return on equity=net profit for the year/average total equity
   (3)Net profit margin=net profit for the year/operating revenue
   (4)Earnings per share= (net profit attributable to owners of the Company-preferred stock dividend)/weighted average outstanding shares (Note 3)
5. Cash flows
   (1)Cash flow ratio=net cash flow provided by operating activities/current liabilities
   (2)Cash flow adequacy ratio=net cash flow provided by operating activities for the latest 5 years/(capital expenditure+inventory increase+cash dividend) for the latest 5 years
   (3)Cash reinvestment ratio= (net cash flow provided by operating activities-cash dividend) / (gross property, plant and equipment+long-term investment+other non-current assets+working capital) (Note 4)
6. Leverage
   (1)Operating leverage= (net operating revenue-variable operating costs and expenses) /profit from operations (Note 5)
   (2)Financial Leverage=profit from operations/ (profit from operation-interest expenses)

Note 3: Giving special attention to the following matters during measurement when applying the above formula for calculation of earnings per share:

1. Measurement should be based on the weighted average number of common shares, not the number of issued shares at year end.
2. In any case where there is a cash capital increase or treasury stock transaction, the period of time in circulation shall be considered in calculating the weighted average number of shares.
3. In the case of capital increase out of earnings or capital surplus, the calculation of earnings per share for the past fiscal year and the fiscal half-year shall be retrospectively adjusted based on the capital increase ratio, without the need to consider the issuance period for the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, the dividend of the current year (whether issued or not) shall be subtracted from the net profit after tax, or added to the net loss after tax. In the case of non-cumulative preferred shares, if there is net profit after tax, dividend on preferred shares shall be subtracted from the net profit after tax; if there is loss, then no adjustment need be made.

Note 4: Give special attention to the following matters when carrying out cash flow analysis:

1. Net cash flow from operating activities means net cash in-flow amounts from operating activities listed in the statement of cash flows.
2. Capital expenditures means the amounts of cash out-flows for annual capital investment.
3. Inventory increase will only be entered when the ending balance is larger than the beginning balance. An inventory decrease at year end will be deemed zero for calculation.
4. Cash dividend includes cash dividends from both common shares and preferred shares.
5. Gross property, plant and equipment value means the total value of property, plant and equipment prior to the subtraction of accumulated depreciation.

Note 5: Operating costs and operating expenses shall be separated by their nature into fixed and variable categories. When estimations or subjective judgments are involved, give special attention to their reasonableness and to maintaining consistency.

Note 6: In the case of a company whose shares have no par value or have a par value other than NTD10, for the calculation of the above-mentioned paid-in capital ratio, the ratio of equity attributable to owners of the parent as stated in the balance sheet shall be substituted.

Parent Company Only Financial Analysis-IFRS

Item	Year	Financial Analysis (Note 1)				
		2020	2019	2018	2017	2016
Financial Structure (%)	Debt Ratio	26.67	25.12	24.25	23.88	29.13
	Ratio of Long-Term Capital to Property, Plant and Equipment	3,729.37	2,955.47	2,137.19	1,758.43	1,315.63
Solvency (%)	Current Ratio	164.56	175.76	228.10	249.82	295.71
	Quick Ratio	162.21	173.82	227.10	246.59	287.77
	Interest Earned Ratio (Times)	2,048.97	1,519.99	1,145.49	1,484.64	149.22
Operating Performance	Accounts Receivable Turnover (Times)	6.06	5.26	5.18	5.67	4.90
	Average Collection Period (Days)	60	69	70	65	75
	Inventory Turnover (times)	22.47	41.60	45.49	19.77	14.43
	Accounts Payable Turnover (Times)	7.60	6.47	7.34	7.09	6.05
	Average Days in Sales	16	9	8	19	26
	Property, Plant and Equipment Turnover (Times)	1.33	1.21	1.03	0.89	1.02
	Total Assets Turnover (Times)	0.04	0.04	0.05	0.05	0.07
Profitability	Return on Assets (%)	5.80	4.95	3.15	4.44	0.51
	Return on Equity (%)	7.51	6.20	3.83	5.66	0.19
	Pre-Tax Income to Paid-In Capital (%) (Note 6)	23.48	17.80	9.95	12.43	0.57
	Net Profit Margin (%)	148.66	103.85	58.12	76.30	1.94
	Earnings per Share (NTD)	2.74	2.02	1.09	1.39	0.04
Cash Flow	Cash Flow Ratio (%)	2.21	0	0	13.83	17.90
	Cash Flow Adequacy Ratio (%)	8.06	27.22	32.12	40.48	33.66
	Cash Reinvestment Ratio (%)	0	0	0	0.18	0.67
Leverage	Operation Leverage	(0.38)	(0.53)	(0.59)	(1.85)	(15.93)
	Financial Leverage	0.72	0.69	0.70	0.62	0.15

Analysis of deviation for the past two years if the difference ratio reaching 20% or above.

1. Increase of ratio of long-term capital to property, plant and equipment: Mainly due to the increase of long term loans and increase in the share of profit recognized under equity method from the gains of investment properties disposed by subsidiary CHPMD, resulting in an increase of net value.
2. Decrease of inventory turnover and increase in average days in sales: Mainly due to the 2,100 metric tons of inventory surplus of Keelung Port station, resulting in an increase of average inventory.
3. Increase of interest earned ratio, return on equity, pre-tax income to paid-in capital, net profit margin, earnings per share: Mainly due to the increase in the share of profit recognized under equity method from the gains of investment properties disposed by subsidiary CHPMD, resulting in the increase of both profit before income tax and net profit.
4. Decrease of cash flow adequacy ratio: Mainly due to the acquisition of equity shares in LDC Hotels & Resorts, resulting in an increase of capital expenditure.
5. Operation leverage: Mainly due to the re-negotiation of facilities usage fees agreement with Chia Pei International Corp. in April, 2020, resulting in the decrease of warehousing and storage service revenue.

Note 1: The financial data has been reviewed by CPAs.

Note 2: The calculation formulas of the analysis are as follows,

1. Financial Structure
   (1)Debt ratio=total liabilities/total assets
   (2)Ratio of long-term capital to property, plant and equipment= (total equity+non-current liabilities)/net property, plant and equipment
2. Solvency
   (1)Current ratio=current assets/current liabilities
   (2)Quick Ratio= (current assets-inventories-prepaid expenses)/current liabilities
   (3)Interest earned ratio=profit before income tax & interest/interest expenditure
3. Operating performance
   (1)Accounts receivable turnover=net sales/average trade receivables (including A/R and N/R from business operating)
   (2)Average collection period=365/ (accounts receivable turnover)
   (3)Inventory turnover=cost of sales/average inventory
   (4)Accounts payable turnover=cost of sales/average trade payables (including A/P and N/P from business operating)
   (5)Average days in sales=365/inventory turnover
   (6)Property, plant and equipment turnover=operating revenue/average net property, plant and equipment
   (7)Total assets turnover=operating revenue/average total assets
4. Profitability
   (1)Return on assets= [net profit for the year+interest expense*(1-tax rate)]/average total assets
   (2)Return on equity=net profit for the year/average total equity
   (3)Net profit margin=net profit for the year/operating revenue
   (4)Earnings per share= (net profit attributable to owners of the Company-preferred stock dividend)/weighted average outstanding shares (Note 3)
5. Cash flows
   (1)Cash flow ratio=net cash flow provided by operating activities/current liabilities
   (2)Cash flow adequacy ratio=net cash flow provided by operating activities for the latest 5 years/(capital expenditure+inventory increase+cash dividend) for the latest 5 years
   (3)Cash reinvestment ratio= (net cash flow provided by operating activities-cash dividend) / (gross property, plant and equipment+long-term investment+other non-current assets+working capital) (Note 4)
6. Leverage
   (1)Operating leverage= (net operating revenue-variable operating costs and expenses) /profit from operations (Note 5)
   (2)Financial Leverage=profit from operations/ (profit from operation-interest expenses)

Note 3: Giving special attention to the following matters during measurement when applying the above formula for calculation of earnings per share:

1. Measurement should be based on the weighted average number of common shares, not the number of issued shares at year end.
2. In any case where there is a cash capital increase or treasury stock transaction, the period of time in circulation shall be considered in calculating the weighted average number of shares.
3. In the case of capital increase out of earnings or capital surplus, the calculation of earnings per share for the past fiscal year and the fiscal half-year shall be retrospectively adjusted based on the capital increase ratio, without the need to consider the issuance period for the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, the dividend of the current year (whether issued or not) shall be subtracted from the net profit after tax, or added to the net loss after tax. In the case of non-

cumulative preferred shares, if there is net profit after tax, dividend on preferred shares shall be subtracted from the net profit after tax; if there is loss, then no adjustment need be made.

Note 4: Give special attention to the following matters when carrying out cash flow analysis:

1. Net cash flow from operating activities means net cash in-flow amounts from operating activities listed in the statement of cash flows.
2. Capital expenditures means the amounts of cash out-flows for annual capital investment.
3. Inventory increase will only be entered when the ending balance is larger than the beginning balance. An inventory decrease at year end will be deemed zero for calculation.
4. Cash dividend includes cash dividends from both common shares and preferred shares.
5. Gross property, plant and equipment value means the total value of property, plant and equipment prior to the subtraction of accumulated depreciation.

Note 5: Operating costs and operating expenses shall be separated by their nature into fixed and variable categories. When estimations or subjective judgments are involved, give special attention to their reasonableness and to maintaining consistency.

Note 6: In the case of a company whose shares have no par value or have a par value other than NTD10, for the calculation of the above-mentioned paid-in capital ratio, the ratio of equity attributable to owners of the parent as stated in the balance sheet shall be substituted.

6.3 Audit Committee's Review Report

Chia Hsin Cement Corporation

Audit Committee's Review Report

We have examined the Company's 2020 Business Report, Financial Statements of December 31, 2020, and the proposed plan to distribute earnings, and we did not find any improper items in the above-mentioned reports and statements. We hereby report to the 2021 General Meeting of Shareholders in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law as such.

Independent Directors:

Su, Robert K.

Chen, Chia-Shen

Chen, Kuan-Ming

Mar. 29, 2021

6.4 Consolidated Financial Statements

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies that are required to be included in the consolidated financial statements of affiliates of Chia Hsin Cement Corporation as of and for the year ended December 31, 2020, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements of parent and subsidiary companies prepared in conformity with International Financial Reporting Standard No. 10, “Consolidated Financial Statements” In addition, relevant information required to be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, Chia Hsin Cement Corporation and subsidiaries did not prepared a separate set of consolidated financial statements of affiliated enterprises.

Very truly yours,

CHIA HSIN CEMENT CORPORATION

JASON K. L. CHANG
Chairman

March 29, 2021

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Chia Hsin Cement Corporation

Opinion

We have audited the accompanying consolidated financial statements of Chia Hsin Cement Corporation and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter of the Group's consolidated financial statements for the year ended December 31, 2020 is stated as follows:

<u>Sales of Cement to the Main Clients</u>

The operating revenue of the Group mainly comes from the sale of cement. For the year ended December 31, 2020, the amount of revenue from the sales of cement was $1,008,790 thousand, which accounted for 49% of the consolidated total operating revenue. Due to the concentration of sales to target clients in the Group's cement business, longer credit period or turnover days of those clients and the materiality of the transactions, we considered the transactions with such clients as a key audit matter.

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

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

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

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

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

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

Other Matter

We have also audited the parent company only financial statements of Chia Hsin Cement Corporation as of and for the years ended December 31, 2020 and 2019 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Cheng Chuan Yu and Keng Hsi Chang.

Chang Keng Hsi

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 29, 2021

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

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

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

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	2020		2019	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 3,375,981	8	$ 2,066,897	6
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	1,091,077	3	1,619,603	4
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	2,713,193	7	2,631,817	7
Financial assets at amortized cost - current (Notes 4 and 14)	4,065,846	10	3,418,015	9
Notes receivable (Notes 4, 5, 9 and 27)	147,422	1	165,280	1
Trade receivables (Notes 4, 5, 9 and 27)	108,712	-	61,142	-
Trade receivables from related parties (Notes 4, 5, 27 and 37)	4,041	-	2,680	-
Finance lease receivables - current (Notes 4, 5 and 11)	2,618	-	2,504	-
Other receivables (Notes 4 and 10)	33,016	-	403,004	1
Other receivables from related parties (Notes 4 and 37)	19,435	-	125,707	-
Current tax assets (Notes 4 and 29)	1,197	-	775	-
Inventories (Notes 4 and 12)	61,497	-	44,910	-
Prepayments (Note 21)	100,846	-	72,733	-
Disposal groups held for sale (Notes 4 and 13)	-	-	42,537	-
Refundable deposits - current (Note 4)	1,639	-	-	-
Total current assets	11,726,520	29	10,657,604	28
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	10,895,230	27	10,548,178	27
Financial assets at amortized cost - non-current (Notes 4, 14 and 38)	25,794	-	23,588	-
Investments accounted for using the equity method (Notes 4 and 16)	3,628,571	9	2,649,668	7
Property, plant and equipment (Notes 4, 17 and 38)	6,195,433	15	6,535,574	17
Right-of-use assets (Notes 4 and 18)	1,786,356	4	1,840,905	5
Investment properties (Notes 4, 19, 37 and 38)	6,138,701	15	6,230,263	16
Intangible assets (Notes 4 and 20)	11,347	-	5,518	-
Deferred tax assets (Notes 4 and 29)	174,983	1	160,635	-
Refundable deposits - non-current (Note 4)	32,990	-	30,195	-
Finance lease receivables - non-current (Notes 4, 5 and 11)	6,879	-	9,496	-
Other non-current assets (Note 21)	23,423	-	29,010	-
Total non-current assets	28,919,707	71	28,063,030	72
TOTAL	$ 40,646,227	100	$ 38,720,634	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 22 and 38)	$ 1,564,000	4	$ 800,600	2
Short-term bills payable (Note 22)	136,773	-	269,758	1
Contract liabilities - current (Notes 4 and 27)	13,154	-	9,479	-
Notes payable (Note 23)	3,011	-	2,906	-
Trade payables (Note 23)	76,579	-	110,538	1
Trade payables to related parties (Note 37)	73,132	-	83,580	-
Other payables (Note 24)	345,715	1	830,712	2
Other payables to related parties (Note 37)	89	-	-	-
Current tax liabilities (Notes 4 and 29)	137,173	1	53,677	-
Liabilities directly associated with disposal group held for sale (Note 13)	-	-	380,771	1
Lease liabilities - current (Notes 4 and 18)	124,926	-	107,050	-
Advance receipts (Note 24)	11,829	-	41,359	-
Current portion of long-term borrowings (Notes 22 and 38)	528,223	1	983,678	3
Guarantee deposits - current (Note 37)	19,768	-	25,202	-
Other current liabilities (Note 24)	8,093	-	1,150	-
Total current liabilities	3,042,465	7	3,700,460	10
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 22 and 38)	8,771,785	22	7,553,594	20
Deferred tax liabilities (Notes 4 and 29)	1,559,363	4	1,511,484	4
Lease liabilities - non-current (Notes 4 and 18)	1,723,014	4	1,737,410	4
Deferred revenue - non-current (Notes 24 and 31)	437,169	1	441,549	1
Net defined benefit liabilities - non-current (Notes 4 and 25)	1,007	-	3,208	-
Guarantee deposits - non-current (Note 37)	94,075	-	96,704	-
Total non-current liabilities	12,586,413	31	11,343,949	29
Total liabilities	15,628,878	38	15,044,409	39
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 26)				
Share capital				
Ordinary shares	7,747,805	19	7,747,805	20
Capital surplus	960,402	3	847,377	2
Retained earnings				
Legal reserve	2,319,663	6	2,143,611	6
Special reserve	2,275,704	6	2,346,051	6
Unappropriated earnings	7,058,382	17	6,171,113	16
Total retained earnings	11,653,749	29	10,660,775	28
Other equity	4,939,214	12	4,654,268	12
Treasury shares	(1,119,023)	(3)	(1,096,783)	(3)
Total equity attributable to owners of the Company	24,182,147	60	22,813,442	59
NON-CONTROLLING INTERESTS (Note 26)	835,202	2	862,783	2
Total equity	25,017,349	62	23,676,225	61
TOTAL	$ 40,646,227	100	$ 38,720,634	100

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

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 27 and 37)	$ 2,058,417	100	$ 1,884,002	100
OPERATING COSTS (Notes 12, 28 and 37)	(2,202,158)	(107)	(1,685,405)	(89)
GROSS PROFIT (LOSS)	(143,741)	(7)	198,597	11
OPERATING EXPENSES (Notes 9, 10, 13, 28 and 37)				
Selling and marketing expenses	(30,794)	(1)	(13,233)	(1)
General and administrative expenses	(572,267)	(28)	(620,874)	(33)
Expected credit (loss) gain	(94)	-	724	-
Total operating expenses	(603,155)	(29)	(633,383)	(34)
OTHER OPERATING INCOME AND EXPENSES (Notes 28 and 37)	1,569,463	76	-	-
GAIN (LOSS) FROM OPERATIONS	822,567	40	(434,786)	(23)
NON-OPERATING INCOME AND EXPENSES (Notes 4, 13, 28 and 37)				
Interest income	84,861	4	107,806	6
Other income	927,568	45	1,096,223	58
Other gains and losses	372,015	18	294,329	16
Finance costs	(163,580)	(8)	(125,646)	(7)
Share of profit or loss of associates and joint ventures	62,611	3	47,845	3
Total non-operating income and expenses	1,283,475	62	1,420,557	76
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	2,106,042	102	985,771	53
INCOME TAX EXPENSE (Notes 4 and 29)	(269,547)	(13)	(167,261)	(9)
NET PROFIT FROM CONTINUING OPERATIONS	1,836,495	89	818,510	44
NET PROFIT FROM DISCONTINUED OPERATIONS (Note 13)	1,499	-	590,161	31
NET PROFIT FOR THE YEAR	1,837,994	89	1,408,671	75

(Continued)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (Notes 4, 25, 26 and 29)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	$ 2,142	-	$ 1,783	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	408,679	20	3,107,358	165
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	(45,256)	(2)	158,594	9
Income tax relating to items that will not be reclassified subsequently to profit or loss	(429)	-	(356)	-
	365,136	18	3,267,379	174
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(79,343)	(4)	(167,235)	(9)
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	(3,907)	-	(1,977)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	18,343	1	42,974	2
	(64,907)	(3)	(126,238)	(7)
Other comprehensive income for the year, net of income tax	300,229	15	3,141,141	167
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 2,138,223	104	$ 4,549,812	242
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 1,764,366	86	$ 1,297,473	69
Non-controlling interests	73,628	3	111,198	6
	$ 1,837,994	89	$ 1,408,671	75
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 2,051,467	100	$ 4,326,485	230
Non-controlling interests	86,756	4	223,327	12
	$ 2,138,223	104	$ 4,549,812	242

(Continued)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	**%**	**Amount**	**%**
EARNINGS PER SHARE (Note 30)				
From continuing and discontinued operations				
Basic	$ 2.74		$ 2.02	
Diluted	$ 2.74		$ 2.01	
From continuing operations				
Basic	$ 2.74		$ 1.10	
Diluted	$ 2.74		$ 1.09	

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

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

			Retained Earnings			Other Equity					
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Total	Non-controlling Interests	Total Equity
BALANCE, JANUARY 1, 2019	$ 7,747,805	$ 703,931	$ 2,073,636	$ 2,346,051	$ 5,255,303	$ (226,835)	$ 2,309,414	$ (1,186,544)	$ 19,022,761	$ 1,900,007	$ 20,922,768
Appropriation of 2018 earnings (Note 26)											
Legal reserve	-	-	69,975	-	(69,975)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(771,781)	-	-	-	(771,781)	-	(771,781)
Total comprehensive income for the year ended December 31, 2019											
Net profit for the year ended December 31, 2019	-	-	-	-	1,297,473	-	-	-	1,297,473	111,198	1,408,671
Other comprehensive income for the year ended December 31, 2019	-	-	-	-	3,002	(119,006)	3,145,016	-	3,029,012	112,129	3,141,141
	-	-	-	-	1,300,475	(119,006)	3,145,016	-	4,326,485	223,327	4,549,812
Changes in capital surplus due to cash dividends of the Company paid to subsidiary (Note 26)	-	111,041	-	-	-	-	-	-	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	121,411	(1,187,795)	(1,066,384)
Changes in investment of associates accounted for using the equity method (Note 26)	-	-	-	-	48,301	-	(48,301)	-	-	-	-
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)	-	-	-	-	287,744	-	(287,744)	-	-	2,630	2,630
Buy-back of ordinary shares (Note 26)	-	-	-	-	-	-	-	(3,955)	(3,955)	-	(3,955)
Unclaimed dividends extinguished by prescription (Note 26)	-	7,480	-	-	-	-	-	-	7,480	188	7,668
BALANCE, DECEMBER 31, 2019	7,747,805	847,377	2,143,611	2,346,051	6,171,113	(343,071)	4,997,339	(1,096,783)	22,813,442	862,783	23,676,225
Appropriation of 2019 earnings (Note 26)											
Legal reserve	-	-	176,052	-	(176,052)	-	-	-	-	-	-
Reverse of special reserve	-	-	-	(70,347)	70,347	-	-	-	-	-	-
Cash dividends	-	-	-	-	(771,781)	-	-	-	(771,781)	-	(771,781)
Total comprehensive income for the year ended December 31, 2020											
Net profit for the year ended December 31, 2020	-	-	-	-	1,764,366	-	-	-	1,764,366	73,628	1,837,994
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	2,155	(61,154)	346,100	-	287,101	13,128	300,229
	-	-	-	-	1,766,521	(61,154)	346,100	-	2,051,467	86,756	2,138,223
Changes in capital surplus due to cash dividends of the Company paid to subsidiary (Note 26)	-	111,248	-	-	-	-	-	-	111,248	-	111,248
Acquisition of interests in subsidiaries (Notes 15 and 33)	-	(538)	-	-	(1,766)	-	-	-	(2,304)	(19,927)	(22,231)
Decrease in non-controlling interests (Note 26)	-	-	-	-	-	-	-	-	-	(94,469)	(94,469)
Buy-back of ordinary shares (Note 26)	-	-	-	-	-	-	-	(22,240)	(22,240)	-	(22,240)
Unclaimed dividends extinguished by prescription (Note 26)	-	2,315	-	-	-	-	-	-	2,315	59	2,374
BALANCE, DECEMBER 31, 2020	$ 7,747,805	$ 960,402	$ 2,319,663	$ 2,275,704	$ 7,058,382	$ (404,225)	$ 5,343,439	$ (1,119,023)	$ 24,182,147	$ 835,202	$ 25,017,349

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

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax from continuing operations	$ 2,106,042	$ 985,771
Income before income tax from discontinued operations	1,499	590,161
Income before income tax	2,107,541	1,575,932
Adjustments for:		
Depreciation expenses	570,326	319,043
Amortization expenses	2,508	320
Expected credit loss (gain)	94	(724)
Net gain on fair value changes of financial assets at fair value through profit or loss	(1,682)	(333,681)
Finance costs	163,580	125,646
Interest income	(88,828)	(118,357)
Dividend income	(807,947)	(1,022,944)
Share of profit of associates and joint ventures	(62,611)	(47,845)
Gain on disposal of property, plant and equipment	(64,356)	(78)
Expense transferred from property under construction	1,358	-
(Gain) loss on disposal of investment properties	(1,569,463)	6,547
Gain on lease modification	(45)	(39)
Gain on disposal of assets held for sale	(335,919)	(597,422)
Gain on disposal of partial interests in subsidiaries	-	(11,227)
Loss on disposal of associates and joint ventures accounted for using the equity method	5,822	-
Gain on disposal of subsidiaries	(92,073)	-
Impairment loss recognized on non-financial assets	366	514
Impairment loss recognized on property, plant and equipment and right-of-use assets	56,980	-
Reversal of deferred revenue	(12,310)	-
Net loss on foreign currency exchange	36,937	47,928
Changes in operating assets and liabilities:		
Financial assets mandatorily classified as at fair value through profit or loss	573,921	280,814
Notes receivable	18,057	29,996
Trade receivables	(47,866)	43,867
Trade receivables from related parties	(1,361)	3,163
Other receivables	323,663	(339,122)
Inventories	(16,941)	(28,844)
Prepayments	(29,887)	90,259
Contract liabilities	3,865	2,299
Notes payable	105	755
Trade payables	(33,959)	(44)
Trade payables to related parties	(10,448)	(6,269)
Other payables	107,347	4,938
Advanced receipts	(2,451)	39,683
Other current liabilities	7,045	(126)
Net defined benefit liability	(59)	(923)
Cash generated from operations	801,309	64,059

(Continued)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	2020	2019
Interest paid	$ (133,714)	$ (182,198)
Income tax paid	(136,764)	(51,049)
Net cash generated from (used in) operating activities	530,831	(169,188)
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	-	319,414
Cash returns from capital reduction of investments in financial assets at fair value through other comprehensive income	-	4,220
Purchase of financial assets at amortized cost	(644,164)	(88,429)
Cash return of capital due to liquidation of associates and joint ventures accounted for using the equity method	184,358	-
Acquisition of associates	(1,144,460)	-
Net cash outflow on disposal of subsidiaries	-	(89,443)
Proceeds from disposal of groups held for sale	-	767,792
Payments for property, plant and equipment	(746,786)	(3,047,200)
Proceeds from disposal of property, plant and equipment	41,261	178
Increase in refundable deposits paid	(4,274)	(1,653)
Decrease in other receivables from related parties	97,185	27,310
Payments for intangible assets	(5,581)	(5,992)
Payments for investment properties	(28,588)	(42,792)
Proceeds from (payments for) disposal of investment properties	1,686,299	(11,430)
Decrease in finance lease receivables	2,105	18,084
Increase in other non-current assets	(311)	(996)
Increase in prepayments for equipment	(4,873)	(19,135)
Interest received	92,618	122,064
Other dividends received	855,136	1,054,403
Deferred revenue	7,439	251,429
Net cash generated from (used in) investing activities	377,364	(742,176)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (repayments of) short-term borrowings	762,800	(18,260)
Repayments of short-term bills payable	(133,000)	(35,000)
Proceeds from long-term loans	851,261	1,990,197
Repayments of long-term loans	(123,678)	-
Refund of guarantee deposits received	(8,117)	(2,308)
Repayments of the principal portion of lease liabilities	(106,734)	(129,415)
Dividend paid to owners of the Company	(660,533)	(660,740)
Payments for buy-back of ordinary shares	(22,240)	(3,955)
Acquisition of additional interests in subsidiaries	(22,231)	-

(Continued)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	2020	2019
Dividends paid to non-controlling interests	$ (94,469)	$ (75,576)
Return of unclaimed dividends extinguished by prescription	2,374	7,668
Net cash generated from financing activities	445,433	1,072,611
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(44,544)	(64,013)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,309,084	97,234
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,066,897	1,969,663
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 3,375,981	$ 2,066,897

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

a. Chia Hsin Cement Corporation (the "Company"; the Company and the entities controlled by the Company are referred to as the "Group") was incorporated in the Republic of China (ROC) with capital of $24,000 thousand in December 1954. Over the years, the Company has increased its capital through capital contributions in cash, undistributed earnings, and asset revaluation increments. As of December 31, 2020, the Company has authorized capital of $15,000,000 thousand and paid-in capital of $7,747,805 thousand. The Company's business activities include cement manufacturing, wholesale of building materials, retail sale of building materials, non-metallic mining, mixed-concrete products manufacturing, international trade, construction and development of residences and buildings, lease, construction and development of industrial factory buildings, real estate commerce, real estate rental and leasing, reconstruction within the renewal area and warehousing and storage, healthcare, fitness and training, manufacture of beverages and bakery products, and hotel management.

b. On December 30, 2016, the Company's subsidiary, Jiangsu Union Cement Co., Ltd., went into liquidation under the resolution of the subsidiary's board of directors. Several disposal agreements have been reached and the subsidiary has been reclassified to the group of items ready for disposal, and presented on the consolidated financial statements as "discontinued operation". The dissolution of the subsidiary had been completed on April 1, 2020.

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on March 29, 2021.

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

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

   Except for the following, 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:

   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. Prior to the application of the amendment, the Group shall determine whether or not the abovementioned rent concessions need to be accounted for as lease modifications.

The Group applied the amendment from January 1, 2020. Because the abovementioned rent concessions affect only in 2020, retrospective application of the amendment has no impact on the retained earnings as of January 1, 2020.

b. The IFRSs endorsed by the Financial Supervisory Commission (FSC) for application starting from 2021

New IFRSs	Effective Date Announced by IASB
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

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

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

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

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

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

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

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

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

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

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

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

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

b. Basis of preparation

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

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

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

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

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

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

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

d. Basis of consolidation

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

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

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

See Note 15, Table 8 and Table 10 for detailed information on subsidiaries.

e. Foreign currencies

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

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

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

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

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

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

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

f. Inventories

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

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

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

g. Investments in associates and joint ventures

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

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

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

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

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

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

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

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

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

h. Property, plant and equipment

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

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

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

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

i. Investment properties

Investment properties are properties held to earn rental or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

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

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

j. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

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

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

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

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

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

l. Disposal groups held for sale

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

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

m. Financial instruments

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

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

1) Financial assets

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

   a) Measurement categories

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

      i. Financial assets at FVTPL

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

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

      ii. Financial assets at amortized cost

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

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

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

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

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

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

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

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

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

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

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

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

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

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

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

c) Derecognition of financial assets

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

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

2) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

n. Revenue recognition

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

1) Revenue from the sale of goods

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

2) Revenue from the rendering of services

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

o. Leases

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

1) The Group as lessor

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

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

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

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

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

When a lease includes both land and building elements, the Group assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated 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.

2) The Group as lessee

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

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

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

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the 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 a lease term or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

p. Borrowing costs

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

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

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

q. Government grants

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

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

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

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

r. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

s. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred taxes for the year

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

4) The linked-tax system

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Key Sources of Estimation Uncertainty

<u>Estimated impairment of financial assets</u>

The provision for the impairment of trade receivables, note receivables, and finance lease receivables is based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs used, see Note 9 and Note 11. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

6. CASH AND CASH EQUIVALENTS

	December 31 2020	December 31 2019
Cash on hand	$ 4,790	$ 3,437
Checking accounts and demand deposits	921,356	1,308,034
Cash equivalents		
Commercial papers	452,656	118,923
Time deposits with original maturities of 3 months or less	1,904,118	509,583
Repurchase agreements collateralized by bonds	93,061	126,920
	$ 3,375,981	$ 2,066,897

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:

	December 31 2020	December 31 2019
Commercial papers	0.19%-0.23%	0.50%-0.51%
Bank balance	0.001%-2.12%	0.001%-2.76%
Repurchase agreements collateralized by bonds	0.50%-0.60%	2.25%-2.40%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31 2020	December 31 2019
Financial assets mandatorily classified as at fair value through profit or loss (FVTPL) - current		
Non-derivative financial assets		
Domestic listed shares	$ 922,018	$ 1,169,272
Overseas listed shares	64,909	101,423
Overseas mutual funds - beneficiary certificates	104,150	348,908
	$ 1,091,077	$ 1,619,603

The Group has investments in shares of Taiwan Cement Corporation. As of December 31, 2020, the Group held 21,332,026 shares (book value of $921,543 thousand) accounted for as financial assets at fair value through profit or loss and 302,818,769 shares (book value of $13,081,771 thousand) accounted for as financial assets at fair value through other comprehensive income. Other information for price risks and sensitivity analysis is provided in Note 36.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2020	2019
Investments in equity instruments - current		
Domestic investments		
Listed shares and emerging market shares	$ 2,713,193	$ 2,631,817
Investments in equity instruments - non-current		
Domestic investments		
Listed shares and emerging market shares	$ 10,582,307	$ 10,194,877
Unlisted shares	312,923	353,301
	$ 10,895,230	$ 10,548,178

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

In June and July 2019, the Group sold its ordinary shares in Breeze Development Co., Ltd., Taiwan Stock Exchange Corporation and CTSI Logistics (Taiwan) Inc. in order to manage credit concentration risk. The shares sold had a fair value of $1,050 thousand, $315,116 thousand and $3,248 thousand, respectively, and the related unrealized valuation gain (loss) of $50 thousand, $296,169 and $(2,055) thousand was transferred from other equity to retained earnings, respectively.

Dividends revenue of $730,193 thousand and $932,741 thousand was recognized in 2020 and 2019, respectively. All of the dividends are related to financial assets at FVTOCI held at the end of the accounting periods.

9. NOTES RECEIVABLE AND TRADE RECEIVABLES

	December 31	
	2020	2019
Notes receivable		
At amortized cost		
Gross carrying amount	$ 148,892	$ 166,923
Less: Allowance for impairment loss	(1,470)	(1,643)
	$ 147,422	$ 165,280
Trade receivables		
At amortized cost		
Gross carrying amount	$ 109,296	$ 61,462
Less: Allowance for impairment loss	(584)	(320)
	$ 108,712	$ 61,142

(Continued)

	December 31	
	2020	2019
Overdue receivables (Note)		
At amortized cost		
Gross carrying amount at amortized cost	$ 13,022	$ 12,821
Less: Allowance for impairment loss	(13,022)	(12,821)
	$ -	$ -

(Concluded)

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

Notes Receivable

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

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

Trade Receivables

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

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

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

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. 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 notes receivable and trade receivables (including receivables from related parties) based on the Group's provision matrix.

December 31, 2020

	Not Overdue	Overdue Less than 90 Days	Overdue 90-360 Days	Overdue 1 Year or More	Total
Expected credit loss rate	0.73%	0.77%	100%	100%	
Gross carrying amount	$ 261,965	$ 130	$ 134	$ 13,022	$ 275,251
Allowance for impairment loss (Lifetime ECLs)	(1,919)	(1)	(134)	(13,022)	(15,076)
Amortized cost	$ 260,046	$ 129	$ -	$ -	$ 260,175

December 31, 2019

	Not Overdue	Overdue Less than 90 Days	Overdue 90-360 Days	Overdue 1 Year or More	Total
Expected credit loss rate	0.85%	0.51%	0.68%	100%	
Gross carrying amount	$ 229,607	$ 1,166	$ 292	$ 12,821	$ 243,886
Allowance for impairment loss (Lifetime ECLs)	(1,955)	(6)	(2)	(12,821)	(14,784)
Amortized cost	$ 227,652	$ 1,160	$ 290	$ -	$ 229,102

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

	For the Year Ended December 31	
	2020	2019
Balance at January 1	$ 14,784	$ 16,038
Add: Net remeasurement of loss allowance	266	-
Less: Net remeasurement of loss allowance reversed	(172)	(724)
Foreign exchange gains and losses	198	(530)
Balance at December 31	$ 15,076	$ 14,784

10. OTHER RECEIVABLES

	December 31	
	2020	2019
Interest receivables	$ 15,015	$ 18,197
Other receivables from disposal of shares (Note 34)	-	43,713
VAT refund receivables	4,226	330,403
Government grant receivables (Note 31)	3,585	-
Others	12,081	12,553
Less: Allowance of impairment loss	(1,891)	(1,862)
	$ 33,016	$ 403,004

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

	For the Year Ended December 31	
	2020	2019
Balance at January 1	$ 1,862	$ 1,939
Foreign exchange gains and losses	29	(77)
Balance at December 31	$ 1,891	$ 1,862

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

December 31, 2020

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

December 31, 2019

	Not Overdue	Overdue Less than 90 Days	Overdue 90-360 Days	Overdue 1 Year or More	Total
Expected credit loss rate	0%	0%	0%	100%	
Gross carrying amount	$ 403,004	$ -	$ -	$ 1,862	$ 404,866
Allowance of impairment loss (Lifetime ECLs)	-	-	-	(1,862)	(1,862)
Amortized cost	$ 403,004	$ -	$ -	$ -	$ 403,004

Other receivables were mainly interest, refund of excise tax and business tax, government grants, and proceeds of marketable securities disposed which have not yet been received. The Group only transacts with counterparts who have good credit ratings. The Group continues to monitor the conditions of the receivables and refers to the past default experience of the debtor and the analysis of the debtor’s current financial position in determining whether the credit risk of the other receivables increased significantly since the initial recognition as well as in measuring the expected credit losses.

11. FINANCE LEASE RECEIVABLES

	December 31	
	2020	2019
Undiscounted lease payments		
Year 1	$ 2,800	$ 2,743
Year 2	2,972	2,800
Year 3	2,972	2,971
Year 4	1,114	2,971
Year 5	-	1,115
	9,858	12,600
Less: Unearned finance income	(361)	(600)
Lease payments receivable	9,497	12,000
Net investment in leases presented as finance lease receivables	$ 9,497	$ 12,000

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

	December 31	
	2020	2019
Lease payments receivable		
Not more than 1 year	$ 2,618	$ 2,504
More than 1 year and not more than 5 years	6,879	9,496
	$ 9,497	$ 12,000

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

The interest rates inherent in the leases are fixed at the contract dates for the entire term of the lease. As of December 31, 2020 and December 31, 2019, the interest rate inherent in the finance leases was both approximately 2.25% per annum.

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

The Group measures the loss allowance for finance lease receivables at an amount equal to lifetime ECLs. As of December 31, 2020 and December 31, 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 lessee operates, together with the value of collateral held over these finance lease receivables.

12. INVENTORIES

	December 31	
	2020	2019
Finished goods	$ 55,699	$ 40,180
Raw materials	271	192
Supplies	2,361	1,372
	58,331	41,744
Land held for construction	3,166	3,166
	$ 61,497	$ 44,910

The cost of inventories sold for the years ended December 31, 2020 and 2019 was $998,455 thousand and $1,020,525 thousand, respectively.

The loss from the write-downs of inventory for the years ended December 31, 2020 and 2019 was $366 thousand and $514 thousand, respectively

13. DISPOSAL GROUPS HELD FOR SALE

a. Discontinued operations

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

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

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

	For the Year Ended December 31	
	2020	2019
Operating revenue	$ -	$ -
Operating costs	-	-
Gross profit	-	-
Selling and marketing expenses	-	-
General and administrative expenses	-	(10,398)
Allowance for credit loss	-	-
Loss from operations	-	(10,398)
Interest income	3,967	10,551
Other income	-	3,971

(Continued)

	For the Year Ended December 31	
	2020	2019
Other gains and losses	$ (2,468)	$ 586,037
Finance costs	-	-
Profit before tax	1,499	590,161
Income tax expense	-	-
Net profit for the year	$ 1,499	$ 590,161
Profit from discontinued operations attributable to:		
Owners of the Company		
Non-controlling interests	$ 1,499	$ 590,161
	-	-
	$ 1,499	$ 590,161
Cash flows		
Operating activities	$ (9,383)	$ 86,918
Investing activities	3,967	789,579
Financing activities	(601,796)	(134,708)
Net cash (outflows) inflows	$ (607,212)	$ 741,789

(Concluded)

b. Disposal groups held for sale

	December 31	
	2020	2019
Total amount of disposal group held for sale	$ -	$ 42,537
Liabilities directly associated with disposal groups classified as held for sale	$ -	$ 380,771

December 31, 2019

	Shanghai Jia Huan
Property, plant and equipment - machinery	$ 11,499
Investment property - building	14,844
Right-of-use assets - land use right	16,194
Total amount of disposal group held for sale	$ 42,537
Advance receipt	$ 380,771
Liabilities directly associated with disposal groups classified as held for sale	$ 380,771

a. 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 balance sheet. 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 total proceeds of $1,033,722 thousand (RMB228,800 thousand) were fully received, and after deducting the cost of assets in the disposal group classified as held for sale of $442,995 thousand (RMB98,051 thousand) and other relevant demolition cost and taxes, the gain on disposal of the assets of $597,422 thousand (RMB130,749 thousand) was recognized under other gains and losses.

   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.

b. On June 26, 2018, the board of directors of the Company resolved to authorize the subsidiary, Shanghai Jia Huan Concrete Co., Ltd., ("Shanghai Jia Huan"), to act in accordance with the land reserve plan for environmental improvement by Shanghai city, and to dispose of its plants located in the waterfront area of Xuhui District and the related land use rights. On July 12, 2018, the board of directors and shareholders of Shanghai Jia Huan resolved to enter into a compensation contract with Shanghai Xuhui District Land Reserve Center and Shanghai Xuhui Waterfront Development, Construction, and Investment Co., Ltd. The compensation contract was signed in August 2018, and the aforementioned disposal was completed in June 2020. The total proceeds of $441,258 thousand (RMB105,430 thousand) were fully received, and after deducting the cost of assets in the disposal group classified as held for sale of $41,426 thousand (RMB9,898 thousand) and other relevant demolition cost and taxes, the gain on disposal of the assets of $335,919 thousand (RMB78,706 thousand) was recognized under other gains and losses.

   As of December 31 2019, Shanghai Jia Huan had received advance partial consideration of $380,771 thousand for the disposal. The advance received was presented as liability directly associated with disposal groups classified as held for sale.

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

14. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2020	2019
Current		
Principal protected investments (Note)	$ 501,955	$ 1,174,370
Time deposits with original maturities of more than 3 months	3,563,891	2,243,645
	$ 4,065,846	$ 3,418,015
Non-current		
Restricted deposits	$ 25,794	$ 23,588

Note: Early redemption is inapplicable to the investment product.

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

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

	December 31	
	2020	**2019**
Interest rate range		
Principal protected investments	2.20%-2.70%	3.05%-3.50%
Time deposits with original maturities of more than 3 months	0.57%-2.25%	0.11%-2.70%
Restricted deposits	0.41%-1.045%	0.12%-1.065%

15. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

			Proportion of Ownership (%) December 31		
Investor	**Investee**	**Nature of Activities**	**2020**	**2019**	**Remark**
Chia Hsin Cement Corporation	Chia Hsin Construction & Development Corp.	Office buildings construction and lease and sale of public housings	(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	-
〃	Chia Hsin Property Management & Development	Wholesale and retail business of machinery; residence, factory buildings and office buildings leasing and selling; PPE leasing and selling	100.00	100.00	-
Chia Hsin Cement Corporation	Chia Pei International Corporation	Mining; wholesale of building materials; nonmetallic mining; retail sale of building materials; international trade; rental and leasing business; retail sale of other machinery and equipment	100.00	100.00	-
〃	Chia Hsin Pacific Limited	Holding company	74.16	74.16	Exchange rate risk
〃	BlueSky. Co., Ltd.	International trade; real estate trading; real estate leasing	100.00	100.00	-
〃	YJ International Corporation (Note 1)	Real estate rental and leasing; real estate management; realtor agent	100.00	100.00	-
〃	Jaho Life Plus+ Management Corp., Ltd. (Note 2)	Management consulting service	100.00	100.00	-

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31 2020	2019	Remark
YJ International Corporation	CHC Ryukyu Development GK (Notes 3 and 4)	Real estate rental and leasing; management consulting service	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	Exchange rate risk
〃	Chia Hsin Pacific Limited	Holding company	24.18	24.18	Exchange rate risk
Tong Yang Chia Hsin Marine Corp.	Jiangsu Jiaguo Construction Material Storage Co., Ltd.	Engaging in overland delivery of ordinary goods and the processing, manufacturing and selling of cement and other construction material	100.00	100.00	Exchange rate risk and political risk arising from Cross-Strait relations
Jiangsu Jiaguo Construction Material Storage Co., Ltd.	Jiangsu Jiaxin Property Limited Company	Developing and selling real estate and providing property management service	100.00	100.00	Exchange rate risk and political risk arising from Cross-Strait relations
Chia Hsin Property Management & Development	Chia Sheng Construction Corp.	Wholesale and retail business of machinery; residence, factory buildings and office buildings leasing and selling; PPE leasing and selling	100.00	100.00	-
Chia Hsin Pacific Limited	Effervesce Investment Pte. Ltd.	Investment and holding company	100.00	100.00	Exchange rate risk
Effervesce Investment Pte. Ltd.	Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Consulting for developing information system for business and finance purpose.	100.00	100.00	Exchange rate risk and political risk arising from Cross-Strait relations
〃	Shanghai Chia Hsin Ganghui Co., Ltd.	Warehousing and packing bulk cement and formulating and delivering high-strength cement.	100.00	100.00	Exchange rate risk and political risk arising from Cross-Strait relations
〃	Shanghai Jia Huan Concrete Co., Ltd.	Processing, manufacturing and selling of cement, concrete and other related products.	68.00	68.00	Exchange rate risk and political risk arising from Cross-Strait relations
Chia Hsin Pacific Limited	Yonica Pte Ltd	Investment and holding company	100.00	100.00	Exchange rate risk
Yonica Pte Ltd	Jiangsu Union Cement Co., Ltd. (Note 7)	Processing, manufacturing and selling of cement.	-	100.00	Exchange rate risk and political risk arising from Cross-Strait relations
Chia Hsin Pacific Limited	Sparksview Pte. Ltd.	Investment and holding company	100.00	100.00	Exchange rate risk
Sparksview Pte. Ltd.	Shanghai Jia Huan Concrete Co., Ltd.	Processing, manufacturing and selling of cement, concrete and other related products.	32.00	32.00	Exchange rate risk and political risk arising from Cross-Strait relations

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31 2020	2019	Remark
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	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	Exchange rate risk and political risk arising from Cross-Strait relations
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Jiapeng Maternal and Child Care (Suzhou) Co., Ltd. (Note 10)	Providing healthcare service to mothers in pregnancy, parturition and postpartum period.	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 and October 6, 2020, the Group increased its investment by $100,000 thousand in total.

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, 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 Company’s board of directors passed a resolution to enter into a sale agreement to sell 4,300 thousand shares of Chia Hsin Construction & Development Corp. to strategic investors. Thereafter, the ratio of the Company’s shareholding decreased from 49.87% to 43.87%. Considering the agreement made among the other shareholders of Chia Hsin Construction & Development Corp., the Company lost control over Chia Hsin Construction & Development Corp. and reclassified the investment to investment in associates. For more details about the disposal of subsidiary, refer to Note 32.

Note 7: On April 1, 2020, the cancellation of registration was completed and recognized a gain on disposal of subsidiary of $92,073 thousand after deducting exchange differences from the translation to presentation currency, which was recorded in other gains and losses.

Note 8: On September 3, 2020, the board of directors of Chia Hsin Business Consulting (Shanghai) Co., Ltd. passed a resolution to repurchase 30% interests of Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. from an unrelated party, China Chemical & Pharmaceutical Co., Ltd. The total transaction amount was $22,231 thousand; therefore Chia Hsin Business Consulting (Shanghai) Co., Ltd. increased its continuing interest in Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. from 70% to 100%. The Group recognized capital surplus of $(538) thousand and unappropriated earnings of $(1,766) thousand. For detailed information, refer to Note 33. On September 16, 2020 after the abovementioned transaction, Chia Hsin Business Consulting (Shanghai) Co., Ltd. increased its investment in Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. by RMB21,000 thousand.

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 in the consolidated financial statements. On January 16 and November 20, 2020, Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. increased investment by RMB10,000 thousand and RMB8,000 thousand in Jiapeng Maternal and Child Care (Yangzhou) Co., Ltd., respectively.

Note 10: On December 10, 2020, Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. invested RMB6,000 thousand to establish Jiapeng Maternal and Child Care (Suzhou) Co., Ltd., which is thereafter included in the consolidated financial statements.

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

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

	Proportion of Ownership and Voting Rights Held by Non-Controlling Interests	
	December 31	
Name of Subsidiary	**2020**	**2019**
Tong Yang Chia Hsin International Corporation	12.82%	12.82%

Refer to Note 42, Table 8 “Information on Investees” for the nature of activities, principal places of business and countries of incorporation of the subsidiaries and associates.

	Profit (Loss) Allocated to Non-controlling Interests		**Accumulated Non-controlling Interests**	
	For the Year Ended December 31		**December 31**	
Name of Subsidiary	**2020**	**2019**	**2020**	**2019**
Tong Yang Chia Hsin International Corporation	$ 71,567	$ 94,926	$ 938,143	$ 945,777

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 intragroup eliminations.

Tong Yang Chia Hsin International Corporation

	December 31	
	2020	2019
Current assets	$ 2,248,612	$ 2,499,479
Non-current assets	5,296,456	5,178,332
Current liabilities	(45,845)	(81,737)
Non-current liabilities	(182,804)	(217,117)
Equity	$ 7,316,419	$ 7,378,957
Equity attributable to:		
Owners of the Group	$ 6,378,276	$ 6,433,180
Non-controlling interests of Tong Yang Chia Hsin International Corporation	938,143	945,777
	$ 7,316,419	$ 7,378,957

	For the Year Ended December 31	
	2020	2019
Operating revenue	$ 105,013	$ 100,454
Net profit for the year	$ 558,250	$ 740,450
Other comprehensive income	(303,837)	2,010,911
Total comprehensive income for the year	$ 254,413	$ 2,751,361
Profit attributable to:		
Owners of Group	$ 486,683	$ 645,524
Non-controlling interests of Tong Yang Chia Hsin International Corporation	71,567	94,926
	$ 558,250	$ 740,450
Total comprehensive income attributable to:		
Owners of Group	$ 221,797	$ 2,398,636
Non-controlling interests of Tong Yang Chia Hsin International Corporation	32,616	352,725
	$ 254,413	$ 2,751,361
Net cash inflow (outflow) from:		
Operating activities	$ (1,438)	$ 206,664
Investing activities	895,964	565,809
Financing activities	(759,827)	(731,099)
Net cash inflow	$ 134,699	$ 41,374

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2020	2019
Investments in associates	$ 3,628,571	$ 2,485,374
Investments in joint ventures	-	164,294
	$ 3,628,571	$ 2,649,668

a. Investments in associates

	December 31	
	2020	2019
Material associates		
LDC ROME HOTELS S.R.L.	$ 367,335	$ 390,640
L'Hotel De Chine Corporation	1,164,251	-
Chia Hsin Construction & Development Corp.	1,792,694	1,783,114
Associates that are not individually material	304,291	311,620
	$ 3,628,571	$ 2,485,374

1) Material associates

	Proportion of Ownership and Voting Rights	
	December 31	
	2020	2019
LDC ROME HOTELS S.R.L.	40.00%	40.00%
Chia Hsin Construction & Development Corp.	43.87%	43.87%
L'Hotel De Chine Corporation	23.10%	-

Refer to Note 42, Table 8 "Information on Investees" for the nature of activities, principal places of business and countries of incorporation of the associates.

All the associates were accounted for using the equity method.

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

LDC ROME HOTELS S.R.L.

	December 31	
	2020	2019
Current assets	$ 311,500	$ 254,372
Non-current assets	1,824,143	2,135,465
Current liabilities	(102,503)	(556,693)
Non-current liabilities	(1,114,803)	(856,545)
Equity	$ 918,337	$ 976,599

(Continued)

	December 31	
	2020	2019
Proportion of the Group's ownership	40.00%	40.00%
Equity attributable to the Group	$ 367,335	$ 390,640
Carrying amount	$ 367,335	$ 390,640

(Concluded)

	For the Year Ended December 31	
	2020	2019
Operating revenue	$ 147,972	$ 632,359
Net loss for the year	$ (188,754)	$ (34,051)
Other comprehensive loss	-	-
Total comprehensive loss for the year	$ (188,754)	$ (34,051)

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

Chia Hsin Construction & Development Corp.

	December 31	
	2020	2019
Current assets	$ 2,041,258	$ 1,718,219
Non-current assets	2,410,159	2,634,877
Current liabilities	(381,994)	(146,471)
Non-current liabilities	(12,394)	(171,433)
Equity	$ 4,057,029	$ 4,035,192
Proportion of the Group's ownership	43.87%	43.87%
Equity attributable to the Group	$ 1,779,819	$ 1,770,239
Premium representing the difference between fair value and book value of remaining equity investments	12,875	12,875
Carrying amount	$ 1,792,694	$ 1,783,114

	For the Year Ended December 31	
	2020	2019
Operating revenue	$ 328,189	$ 102,934
Net profit for the year	$ 208,159	$ 155,267
Other comprehensive income	(79,389)	313,656
Total comprehensive income for the year	$ 128,770	$ 468,923
Dividends received from Chia Hsin Construction & Development Corp.	$ 47,189	$ 31,459

In February 2019, the Group disposed of part of the shares and consequently lost control over Chia Hsin Construction & Development Corp. Nonetheless, the Group still has significant influence over Chia Hsin Construction & Development Corp., and classified the remaining investment as investment in associate accounted for using the equity method.

L'Hotel De Chine Corporation

	December 31, 2020
Current assets	$ 2,201,768
Non-current assets	6,143,458
Current liabilities	(1,574,559)
Non-current liabilities	(1,730,622)
Equity	$ 5,040,045
Proportion of the Group's ownership	23.10%
Equity attributable to the Group	$ 1,164,251
Carrying amount	$ 1,164,251

	For the Year Ended December 31, 2020
Operating revenue	$ 1,164,835
Net profit for the year	$ 37,429
Other comprehensive loss	(63,386)
Total comprehensive loss for the year	$ (25,957)

Acquisition of associates

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

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

Note: According to the contingent consideration agreement, if the earnings per share of L'Hotel De Chine Corporation in 2020 did not meet the contractual agreement, the Group is not obligated to pay the contingent consideration. The management believes that the payment is likely to occur and is unavoidable. Accordingly, the fair value of this obligation at the date of acquisition is estimated to be $50,000 thousand.

2) Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2020	**2019**
The Group's share of:		
Profit (loss) from continuing operations	$ 38,440	$ 6,274
Other comprehensive loss	(11,483)	(33,244)
Total comprehensive loss for the year	$ 26,957	$ (26,970)

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

b. Investments in joint ventures

	December 31	
	2020	**2019**
Joint ventures that are not individually material		
Jiangsu Union Mining Industry Ltd. (Note)	$ -	$ 164,294

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

Refer to Note 42, Table 10 "Information of Investment in Mainland China" for the nature of activities, principal places of business and countries of incorporation of joint ventures.

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

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

c. The investments in associates accounted for using the equity method and the share of profit and loss and other comprehensive income of those investments for the years ended December 31, 2020 and 2019 were based on the associates' financial statements which have been audited for the same years.

17. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2020	**2019**
Assets used by the Group	$ 6,126,784	$ 6,435,394
Assets leased under operating leases	68,649	100,180
	$ 6,195,433	$ 6,535,574

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	14,185	1,860,392	204,140	1,751	9,094	464,011	815,427	3,369,000
Disposals	-	-	(111,273)	(12,777)	-	(43)	(138,638)	(262,731)
Reclassified from property under construction	-	1,891,273	-	-	238	-	(1,891,511)	-
Reclassified from prepayments	-	-	2,448	-	-	-	-	2,448
Transferred due to loss of control	-	-	-	(11,780)	(1,157)	(2,335)	-	(15,272)
Transferred to assets leased under operating leases	-	-	(239,154)	-	(131,734)	(2,863)	-	(373,751)
Effect of foreign currency exchange differences	(8,592)	(101,832)	(2,701)	(224)	656	(11,441)	21,641	(102,493)
Balance at December 31, 2019	$ 1,053,422	$ 3,649,892	$ 821,036	$ 17,732	$ 2,716,705	$ 628,807	$ 91,480	$ 8,979,074
Revaluation								
Balance at January 1, 2019	$ -	$ -	$ 22,562	$ 487	$ -	$ 357	$ -	$ 23,406
Effect of foreign currency exchange differences	-	-	(6,756)	(487)	-	-	-	(7,243)
Balance at December 31, 2019	$ -	$ -	$ 15,806	$ -	$ -	$ 357	$ -	$ 16,163
Accumulated depreciation								
Balance at January 1, 2019	$ -	$ 59	$ 862,615	$ 28,611	$ 1,531,306	$ 147,911	$ -	$ 2,570,502
Depreciation expenses	-	12,286	26,135	2,077	124,937	15,107	-	180,542
Disposals	-	-	(118,029)	(13,188)	-	(21)	-	(131,238)
Transferred due to loss of control	-	-	-	(5,465)	(1,037)	(1,974)	-	(8,476)
Transferred to assets leased under operating leases	-	-	(213,324)	-	(46,119)	(2,467)	-	(261,910)
Effect of foreign currency exchange differences	-	(170)	2,438	(117)	263	(449)	-	1,965
Balance at December 31, 2019	$ -	$ 12,175	$ 559,835	$ 11,918	$ 1,609,350	$ 158,107	$ -	$ 2,351,385
Accumulated impairment								
Balance at January 1, 2019	$ -	$ -	$ 56,216	$ -	$ 152,610	$ -	$ 138,427	$ 347,253
Disposals	-	-	-	-	-	-	(138,638)	(138,638)
Effect of foreign currency exchange differences	-	-	(368)	-	-	-	211	(157)
Balance at December 31, 2019	$ -	$ -	$ 55,848	$ -	$ 152,610	$ -	$ -	$ 208,458
Carrying amounts at January 1, 2019	$ 1,047,829	$ -	$ 71,307	$ 12,638	$ 1,155,692	$ 33,924	$ 1,146,134	$ 3,467,524
Carrying amounts at December 31, 2019	$ 1,053,422	$ 3,637,717	$ 221,159	$ 5,814	$ 954,745	$ 471,057	$ 91,480	$ 6,435,394
Cost								
Balance at January 1, 2020	$ 1,053,422	$ 3,649,892	$ 821,036	$ 17,732	$ 2,716,705	$ 628,807	$ 91,480	$ 8,979,074
Additions	-	4,297	8,637	1,311	18,200	14,657	46,251	93,353
Disposals	(5,377)	-	(29,953)	(325)	-	(1,611)	-	(37,266)
Reclassified from property under construction (Note)	-	6,094	-	-	90,780	7,570	(108,566)	(4,122)
Reclassified from prepayments	-	-	7,773	-	-	-	-	7,773
Reclassified from office supplies	-	-	1,608	-	-	-	-	1,608
Transferred from assets leased under operating leases	-	-	-	-	45,033	-	-	45,033
Effect of foreign currency exchange differences	1,134	3,935	1,114	4	927	567	447	8,128
Balance at December 31, 2020	$ 1,049,179	$ 3,664,218	$ 810,215	$ 18,722	$ 2,871,645	$ 649,990	$ 29,612	$ 9,093,581
Revaluation								
Balance at January 1, 2020	$ -	$ -	$ 15,806	$ -	$ -	$ 357	$ -	$ 16,163
Effect of foreign currency exchange differences	-	-	-	-	-	-	-	-
Balance at December 31, 2020	$ -	$ -	$ 15,806	$ -	$ -	$ 357	$ -	$ 16,163

(Continued)

	Land	Building	Machinery and Equipment	Transportation Equipment	Leasehold Improvement	Other Equipment	Property under Construction	Total
Accumulated depreciation								
Balance at January 1, 2020	$ -	$ 12,175	$ 559,835	$ 11,918	$ 1,609,350	$ 158,107	$ -	$ 2,351,385
Depreciation expenses	-	142,900	43,623	1,637	136,204	99,932	-	424,296
Disposals	-	-	(29,953)	(293)	-	(1,584)	-	(31,830)
Transferred from assets leased under operating leases	-	-	-	-	13,893	-	-	13,893
Effect of foreign currency exchange differences	-	(590)	283	(45)	359	(70)	-	(63)
Balance at December 31, 2020	$ -	$ 154,485	$ 573,788	$ 13,217	$ 1,759.806	$ 256,385	$ -	$ 2,757,681
Accumulated impairment								
Balance at January 1, 2020	$ -	$ -	$ 55,848	$ -	$ 152,610	$ -	$ -	$ 208,458
Impairment loss	-	-	-	-	16,622	-	-	16,622
Effect of foreign currency exchange differences	-	-	139	-	60	-	-	199
Balance at December 31, 2020	$ -	$ -	$ 55,987	$ -	$ 169,292	$ -	$ -	$ 225,279
Carrying amounts at January 1, 2020	$ 1,053,422	$ 3,637,717	$ 221,159	$ 5,814	$ 954,745	$ 471,057	$ 91,480	$ 6,435,394
Carrying amounts at December 31, 2020	$ 1,049,179	$ 3,509,733	$ 196,246	$ 5,505	$ 942,547	$ 393,962	$ 29,612	$ 6,126,784

(Concluded)

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

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

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

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

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

b. Assets leased under operating leases

	Machinery and Equipment	Leasehold Improvement	Other Equipment	Total
Cost				
Balance at January 1, 2019	$ -	$ -	$ -	$ -
Additions	-	-	66	66
Disposals	-	-	(20)	(20)
Transferred from assets used by the Group	239,154	131,734	2,863	373,751
Effect of foreign currency exchange difference	(14,291)	(5,181)	(173)	(19,645)
Balance at December 31, 2019	$ 224,863	$ 126,553	$ 2,736	$ 354,152
Accumulated depreciation and impairment				
Balance at January 1, 2019	$ -	$ -	$ -	$ -
Transferred from assets used by the Group	213,324	46,119	2,467	261,910
Disposals	-	-	(18)	(18)
Depreciation expense	1,302	6,020	55	7,377
Effect of foreign currency exchange difference	(12,801)	(2,347)	(149)	(15,297)
Balance at December 31, 2019	$ 201,825	$ 49,792	$ 2,355	$ 253,972
Carrying amount at January 1, 2019	$ -	$ -	$ -	$ -
Carrying amount at December 31, 2019	$ 23,038	$ 76,761	$ 381	$ 100,180
Cost				
Balance at January 1, 2020	$ 224,863	$ 126,553	$ 2,736	$ 354,152
Additions	10,990	-	-	10,990
Transferred to assets used by the Group	-	(45,033)	-	(45,033)
Effect of foreign currency exchange difference	3,737	1,277	43	5,057
Balance at December 31, 2020	$ 239,590	$ 82,797	$ 2,779	$ 325,166

(Continued)

	Machinery and Equipment	Leasehold Improvement	Other Equipment	Total
Accumulated depreciation				
Balance at January 1, 2020	$ 201,825	$ 49,792	$ 2,355	$ 253,972
Depreciation expense	1,239	3,476	58	4,773
Transferred to assets used by the Group	-	(13,893)	-	(13,893)
Effect of foreign currency exchange difference	3,186	623	39	3,848
Balance at December 31, 2020	$ 206,250	$ 39,998	$ 2,452	$ 248,700
Accumulated impairment				
Balance at January 1, 2020	$ -	$ -	$ -	$ -
Impairment losses	-	7,670	-	7,670
Effect of foreign currency exchange difference	-	147	-	147
Balance at December 31, 2020	$ -	$ 7,817	$ -	$ 7,817
Carrying amount at January 1, 2020	$ 23,038	$ 76,761	$ 381	$ 100,180
Carrying amount at December 31, 2020	$ 33,340	$ 34,982	$ 327	$ 68,649

(Concluded)

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

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

	December 31	
	2020	2019
Year 1	$ 28,906	$ 29,402
Year 2	28,991	30,254
Year 3	29,070	30,342
Year 4	-	30,426
	$ 86,967	$ 120,424

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

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

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

18. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2020	**2019**
Carrying amounts		
Land use rights	$ 602,828	$ 628,064
Land improvement	783,003	821,439
Building	396,456	388,072
Machinery and equipment	139	208
Transportation equipment	3,930	3,122
	$ 1,786,356	$ 1,840,905

	For the Year Ended December 31	
	2020	**2019**
Additions to right-of-use asset	$ 106,233	$ 50,253
Depreciation charge for right-of-use asset		
Land use rights	$ 26,841	$ 27,121
Land improvement	35,311	34,738
Building	68,987	57,644
Machinery and equipment	69	115
Transportation equipment	1,150	908
	$ 132,358	$ 120,526

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

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

b. Lease liabilities

	December 31	
	2020	**2019**
Carrying amounts		
Current	$ 124,926	$ 107,050
Non-current	$ 1,723,014	$ 1,737,410

Range of discount rate for lease liabilities was as follows:

	December 31	
	2020	**2019**
Land use rights	1.38%-5.46%	1.38%-5.46%
Land improvement	1.38%-1.58%	1.38%-1.58%
Building	1.38%-5.59%	1.38%-4.99%
Machinery and equipment	5.20%	5.20%
Transportation equipment	2.00%-6.12%	2.00%-6.12%

c. Material leasing activities and terms as lessee

1) Warehousing and storage service at the wharves

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

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

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

Joint Operating Agreement

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

2) Healthcare business

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

d. Other lease information

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

	For the Year Ended December 31	
	2020	**2019**
Expenses relating to short-term leases	$ 5,784	$ 6,245
Expenses relating to low-value asset leases	$ 1,089	$ 319
Total cash outflow for leases	$ (150,346)	$ (173,773)

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

19. INVESTMENT PROPERTIES

	Land	**Building**	**Investment Property under Construction**	**Total**
Cost				
Balance at January 1, 2019	$ 3,223,363	$ 836,776	$ 58,725	$ 4,118,864
Additions	-	-	46,488	46,488
Disposals	-	(43,326)	(9,775)	(53,101)
Transferred due to loss of control	(1,050,119)	(454,308)	-	(1,504,427)
Effect of foreign currency exchange difference	(3,271)	(2,592)	(1,636)	(7,499)
Balance at December 31, 2019	$ 2,169,973	$ 336,550	$ 93,802	$ 2,600,325

(Continued)

	Land	Building	Investment Property under Construction	Total
Revaluation				
Balance at January 1, 2019	$ 3,854,646	$ 164,269	$ -	$ 4,018,915
Disposals	-	(7,814)	-	(7,814)
Effect of foreign currency exchange difference	-	-	-	-
Balance at December 31, 2019	$ 3,854,646	$ 156,455	$ -	$ 4,011,101
Accumulated depreciation				
Balance at January 1, 2019	$ -	$ 535,381	$ -	$ 535,381
Depreciation expenses	-	10,598	-	10,598
Disposals	-	(50,608)	-	(50,608)
Transferred due to loss of control	-	(124,664)	-	(124,664)
Effect of foreign currency exchange difference	-	(1,014)	-	(1,014)
Balance at December 31, 2019	$ -	$ 369,693	$ -	$ 369,693
Accumulated impairment				
Balance at January 1, 2019	$ -	$ 42,449	$ -	$ 42,449
Transferred due to loss of control	-	(30,505)	-	(30,505)
Effect of foreign currency exchange difference	-	(474)	-	(474)
Balance at December 31, 2019	$ -	$ 11,470	$ -	$ 11,470
Carrying amounts at January 1, 2019	$ 7,078,009	$ 423,215	$ 58,725	$ 7,559,949
Carrying amounts at December 31, 2019	$ 6,024,619	$ 111,842	$ 93,802	$ 6,230,263
Cost				
Balance at January 1, 2020	$ 2,169,973	$ 336,550	$ 93,802	$ 2,600,325
Additions (Note)	11,125	-	33,318	44,443
Disposals (Note)	(12,963)	(1,215)	-	(14,178)
Effect of foreign currency exchange difference	446	982	19	1,447
Balance at December 31, 2020	$ 2,168,581	$ 336,317	$ 127,139	$ 2,632,037

(Continued)

	Land	Building	Investment Property under Construction	Total
Revaluation				
Balance at January 1, 2020	$ 3,854,646	$ 156,455	$ -	$ 4,011,101
Disposals (Note)	(114,999)	(367)	-	(115,366)
Effect of foreign currency exchange difference	-	-	-	-
Balance at December 31, 2020	$ 3,739,647	$ 156,088	$ -	$ 3,895,735
Accumulated depreciation				
Balance at January 1, 2020	$ -	$ 369,693	$ -	$ 369,693
Depreciation expenses	-	8,899	-	8,899
Disposals	-	(1,581)	-	(1,581)
Effect of foreign currency exchange difference	-	411	-	411
Balance at December 31, 2020	$ -	$ 377,422	$ -	$ 377,422
Accumulated impairment				
Balance at January 1, 2020	$ -	$ 11,470	$ -	$ 11,470
Effect of foreign currency exchange difference	-	179	-	179
Balance at December 31, 2020	$ -	$ 11,649	$ -	$ 11,649
Carrying amounts at January 1, 2020	$ 6,024,619	$ 111,842	$ 93,802	$ 6,230,263
Carrying amounts at December 31, 2020	$ 5,908,228	$ 103,334	$ 127,139	$ 6,138,701

(Concluded)

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

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

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

	December 31	
	2020	**2019**
The fair values of investment properties	$ 13,430,041	$ 14,677,094
Discount rate	6.4605%	5.13%

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

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

20. OTHER INTANGIBLE ASSETS

	Computer Software
Cost	
Balance at January 1, 2019	$ -
Additions	5,992
Effects of foreign currency exchange differences	(163)
Balance at December 31, 2019	$ 5,829
Accumulated amortization	
Balance at January 1, 2019	$ -
Amortization expenses	320
Effect of foreign currency exchange difference	(9)
Balance at December 31, 2019	$ 311
Carrying amounts at December 31, 2019	$ 5,518
Cost	
Balance at January 1, 2020	$ 5,829
Additions	5,581
Reclassified from property under construction	2,764
Effect of foreign currency exchange difference	(14)
Balance at December 31, 2020	$ 14,160

(Continued)

	Computer Software
Accumulated amortization	
Balance at January 1, 2020	$ 311
Amortization expenses	2,508
Effect of foreign currency exchange difference	(6)
Balance at December 31, 2020	$ 2,813
Carrying amounts at December 31, 2020	$ 11,347

(Concluded)

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

Computer software	5 years

	For the Year Ended December 31	
	2020	2019
An analysis of amortization by function		
General and administrative expenses	$ 2,508	$ 320

21. OTHER ASSETS

	December 31	
	2020	2019
Current		
Prepayments		
Prepaid guarantee for freight	$ 51,824	$ 26,734
Overpaid sales tax	27,744	19,564
Office supplies	7,811	12,123
Prepayment for purchase	150	356
Prepaid rents	2,191	841
Others	11,126	13,115
	$ 100,846	$ 72,733
Non-current		
Other non-current assets		
Prepayments for equipment	$ 17,614	$ 23,862
Overdue receivables (Note 9)	-	-
Others	5,809	5,148
	$ 23,423	$ 29,010

22. BORROWINGS

a. Short-term borrowings

	December 31 2020	December 31 2019
Secured borrowings	$ 75,000	$ -
Unsecured borrowings	1,489,000	800,600
	$ 1,564,000	$ 800,600

1) The range of interest rates on bank loans was 0.85%-0.95% and 0.87%-1.12% per annum as of December 31, 2020 and 2019, respectively

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

b. Short-term bills payable

	December 31 2020	December 31 2019
Commercial papers	$ 137,000	$ 270,000
Less: Unamortized discounts on bills payable	(227)	(242)
	$ 136,773	$ 269,758

Outstanding short-term bills payable were as follows:

December 31, 2020

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

December 31, 2019

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

c. Long-term borrowings

	December 31	
	2020	**2019**
Secured borrowings		
Bank loans (1)	$ 5,585,286	$ 5,608,656
Loans from governments (2)	2,526,632	2,359,416
Unsecured borrowings		
Bank loans (3)	1,188,090	569,200
	9,300,008	8,537,272
Less: Current portion	(528,223)	(983,678)
Long-term borrowings	$ 8,771,785	$ 7,553,594

1) The Group signed medium-term secured loan contracts with First Bank, Cathay United Bank, Bank SinoPac, China Trust Commercial Bank and Taiwan Cooperative Bank, respectively. The bank loan is to be repaid at once or in installments according to the agreement. The facility allows drawdown on a revolving basis. For the years ended December 31, 2020 and 2019, the Group has taken new bank loans in the amounts of $1,600,000 thousand and $1,745,000 thousand, with annual interest rates of 1.05%-1.28% and 1.30%-1.49%, respectively. The loan is repayable in 5 to 7 years, and the final maturity date of the loan is May 28, 2027.

2) The Group entered into a secured government loan facility contract of JPY10,500,000 thousand with Okinawa Development Finance Corporation. The loan can be drawn in installments within the availability period, and is to be repaid in installments according to the repayment schedule in the agreement. As of December 31, 2020 and 2019, the Group has drawn $138,500 thousand and $1,712,981 thousand, respectively (equal to JPY500,000 thousand and JPY6,038,000 thousand respectively). The annual interest rate is 0.05%-0.2% and the loan is repayable in 14 to 21 years. The final maturity date of the loan is June 25, 2042.

3) The Group signed medium-term unsecured loan contracts with Taishin Bank and China Trust Commercial Bank. The bank loan is to be repaid at once or in instalment according to the agreement. The facility allows drawdown on a revolving basis. For the years ended December 31, 2020 and 2019, the Group has taken new bank loans in the amounts of $720,200 thousand and $425,550 thousand, with annual interest rates of 1.27%-1.28% and 1.27%-1.41%, respectively. The loan is repayable in 3 to 5 years, and the final maturity date of the loan is August 30, 2024.

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

23. NOTES PAYABLE AND TRADE PAYABLES

	December 31	
	2020	**2019**
Notes payable		
Operating	$ 3,011	$ 2,906
Trade payables		
Operating	$ 76,579	$ 110,538

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

24. OTHER LIABILITIES

	December 31	
	2020	2019
Current		
Other payables		
Payables for salaries and bonuses	$ 112,768	$ 114,359
Payables for machinery and equipment and construction in progress (Note 34)	1,041	644,297
Payables for VAT taxes	129,923	11,948
Payables for interests	2,668	2,089
Payables for professional fees	11,176	9,789
Payables for insurance	4,523	6,517
Payables for contingent consideration (Note 16)	50,000	-
Others	33,616	41,713
	$ 345,715	$ 830,712
Advanced receipts		
Advanced real estate receipts (Note 34)	$ -	$ 27,399
Advanced rental receipts	11,829	13,960
	$ 11,829	$ 41,359
Other liabilities		
Receipts under custody	$ 8,093	$ 1,150
Non-current		
Deferred revenue		
Government grants (Note 31)	$ 437,169	$ 441,549

25. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

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

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

For the years ended on December 31, 2020 and 2019, the amounts included in the consolidated statements of comprehensive income in respect of the Group's defined contribution plan were $11,327 thousand and $8,803 thousand, respectively.

b. Defined benefit plan

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

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

	December 31	
	2020	**2019**
Present value of defined benefit obligation	$ (107,455)	$ (106,690)
Fair value of plan assets	106,448	103,482
Deficit	(1,007)	(3,208)
Net defined benefit liabilities	$ (1,007)	$ (3,208)

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

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities (Assets)**
Balance at January 1, 2019	$ 133,458	$ (120,838)	$ 12,620
Service cost			
Current service cost	1,810	-	1,810
Net interest expense (income)	1,054	(1,018)	36
Recognized in profit or loss	2,864	(1,018)	1,846
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(3,752)	(3,752)
Actuarial loss			
Changes in financial assumptions	2,587	-	2,587
Experience adjustments	(618)	-	(618)
Recognized in other comprehensive income	1,969	(3,752)	(1,783)
Benefits paid	(3,522)	3,522	-
Contributions from the employer	-	(2,769)	(2,769)
Transfer due to loss of control	(28,079)	21,373	(6,706)
Balance at December 31, 2019	106,690	(103,482)	3,208

(Continued)

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

(Concluded)

Through the defined benefit plan under the Labor Standards Law, the Group is exposed to the following risks:

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

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

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

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

	December 31	
	2020	2019
Discount rate	0.375%-0.500%	0.75%
Expected rate of salary increase	2.00%	2.00%

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

	December 31	
	2020	2019
Discount rate		
0.25% increase	$ (2,479)	$ (2,587)
0.25% decrease	$ 2,565	$ 2,680
Expected rate of salary increase		
0.25% increase	$ 2,485	$ 2,603
0.25% decrease	$ (2,415)	$ (2,527)

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

	December 31	
	2020	2019
Expected contributions to the plan for the next year	$ 2,464	$ 2,190
Average duration of the defined benefit obligation	8.1-10.2 years	8.8-10.7 years

26. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2020	2019
Shares authorized (in thousands of shares)	1,500,000	1,500,000
Amount of shares authorized	$ 15,000,000	$ 15,000,000
Shares issued and fully paid (in thousands of shares)	774,781	774,781
Amount of shares issued and fully paid	$ 7,747,805	$ 7,747,805

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

b. Capital surplus

	December 31	
	2020	2019
May only be used to offset a deficit (Note 1)		
Treasury share transactions	$ 367,772	$ 367,772
Unclaimed dividends extinguished by prescription	11,908	9,593

(Continued)

	December 31	
	2020	2019
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 2)		
Treasury share transactions		
Dividends paid to subsidiaries	$ 555,790	$ 444,542
Disposal of treasury shares	24,925	24,925
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	7	545
	$ 960,402	$ 847,377

(Concluded)

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

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

For 2020 and 2019, the Company distributed cash dividends to subsidiaries, with capital surplus - treasury shares adjusted by the amounts of $111,248 thousand and $111,041 thousand, respectively.

c. Retained earnings and dividend policy

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

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

Distribution of earnings will be made in the form of cash every year, and cash dividends distributed shall not be less than 10% of total dividends distributed in the current year. Share dividends will be issued after the distribution of cash dividends if there are earnings remained.

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 meetings on June 22, 2020 and June 17, 2019, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2019	2018
Legal reserve	$ 176,052	$ 69,975
Cash dividends	$ 771,781	$ 771,781
Cash dividends per share (NT$)	$ 1.0	$ 1.0

The appropriation of earnings for 2020 proposed by the Company's board of directors on March 29, 2021 was as follows:

	For the Year Ended December 31, 2020
Legal reserve	$ 183,510
Special reserve (reversed)	$ (70,347)
Cash dividends	$ 1,079,560
Dividends Per Share (NT$)	$ 1.4

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

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

d. Special reserve

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

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

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

	December 31	
	2020	2019
Appropriation in respect of the Article of Incorporation of the Company	$ 295,756	$ 295,756
First application of Rule No. 1010012865 issued by the FSC		
Revaluation of investment properties (Note)	1,811,158	1,881,505
Exchange differences on translating the financial statements of foreign operations	168,790	168,790
Balance at December 31	$ 2,275,704	$ 2,346,051

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

e. Other equity items

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

	For the Year Ended December 31	
	2020	2019
Balance at January 1	$ (343,071)	$ (226,835)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	(75,104)	(159,222)
Shares from associates accounted for using the equity method	(3,907)	(1,977)
Related income tax	17,857	42,193
Other comprehensive income recognized for the year	(61,154)	(119,006)
Reclassification adjustments		
Disposal of subsidiaries	-	2,770
Balance at December 31	$ (404,225)	$ (343,071)

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

	For the Year Ended December 31	
	2020	2019
Balance at January 1	$ 4,997,339	$ 2,309,414
Recognized for the year		
Unrealized gain (loss) - financial instrument at FVTOCI	391,103	3,059,635
Unrealized gain (loss) on financial assets at FVTOCI held by associates accounted for using the equity method	(45,003)	85,381
Other comprehensive income recognized for the year	346,100	3,145,016
Reclassification adjustments		
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	-	(287,744)
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal of interest in associates	-	(48,301)
Disposal of interest in subsidiaries	-	(121,046)
Balance at December 31	$ 5,343,439	$ 4,997,339

f. Non-controlling interests

	For the Year Ended December 31	
	2020	2019
Balance at January 1	$ 862,783	$ 1,900,007
Share in profit for the year	73,628	111,198
Other comprehensive income during the year		
Exchange differences on translating the financial statements of foreign entities	(4,239)	(8,013)
Related income tax	486	781
Unrealized gain (loss) on financial assets at FVTOCI	17,576	47,723
Unrealized gain (loss) on financial assets at FVTOCI held by associates accounted for using the equity method	(753)	71,567
Cumulative gain (loss) of equity instruments transferred to retained earnings due to disposal by associates accounted for using the equity method	-	2,630
Remeasurement on defined benefit plans	73	89
Income tax relating to defined benefit plans	(15)	(18)
Non-controlling interests arising from acquisition of subsidiaries	(19,858)	-
Adjustments of capital surplus due to transactions with non-controlling interests	(69)	-
Adjustments of capital surplus due to unclaimed dividends extinguished by prescription	59	188
Cash dividends	(94,469)	(75,574)
Disposal of subsidiaries	-	(1,187,795)
Balance at December 31	$ 835,202	$ 862,783

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 year	286	-	286
Decrease during the year	-	(3,855)	(3,855)
Number of shares at December 31, 2019	3,000	127,371	130,371
Number of shares at January 1, 2020	3,000	127,371	130,371
Increase during the year	1,435	-	1,435
Decrease during the year	-	-	-
Number of shares at December 31, 2020	4,435	127,371	131,806

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 centralized securities exchange market at the price ranging from NT$9 to NT$18, with a maximum total amount of NT$54,000 thousand.

The repurchase of shares mentioned above was conducted during the period from November 14, 2018 to January 11, 2019. In the fourth quarter of 2018 and in the first quarter of 2019, the Company repurchased 2,714 thousand and 286 thousand shares, equivalent to NT$37,118 thousand and NT$3,955 thousand, respectively. As of January 11, 2019, the Company had already repurchased all the 3,000 thousand shares, with a total amount of NT$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 centralized securities exchange market during the period from March 26, 2020 to May 24, 2020 at the price ranging from NT$11 to NT$16, with a maximum total amount of NT$112,000 thousand.

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

In February 2019, the Company lost control over its subsidiary - Chia Hsin Construction & Development Corp. due to the disposal of part of the shares of 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 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 of NT$24,925 thousand 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 and in order to maintain the stability of the share price on the open market, and the relevant information on the holding of the Company's shares is as follows:

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
December 31, 2020			
By direct investment			
Tong Yang Chia Hsin International Corporation	127,371	$ 1,055,710	$ 2,115,340
December 31, 2019			
By direct investment			
Tong Yang Chia Hsin International Corporation	127,371	$ 1,055,710	$ 2,481,776

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

27. REVENUE

	For the Year Ended December 31	
	2020	2019
Revenue from contracts with customers		
Revenue from the sale of goods	$ 1,010,996	$ 1,028,417
Revenue the rent	268,889	283,563
Revenue from rendering services	648,222	561,002
Revenue from catering and hospitality	130,310	11,020
	$ 2,058,417	$ 1,884,002

a. Contract information

Revenue from the sale of goods

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

Revenue from the rent

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

Revenue from rendering of services

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

Revenue from catering and hospitality

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

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

b. Contract balances

	December 31, 2020	December 31, 2019	January 1, 2019
Trade receivables and notes receivable (Note 9)	$ 256,134	$ 226,422	$ 299,705
Trade receivables from related parties (Note 37)	$ 4,041	$ 2,680	$ 5,843
Contract liabilities - current	$ 13,154	$ 9,479	$ 7,191

Revenue recognized in the current reporting period that was included in the contract liability balance at the beginning of the period and from the performance obligations satisfied for the years ended December 31, 2020 and 2019 was $9,479 thousand and $7,191 thousand, respectively.

c. Disaggregation of revenue

For information of disaggregation of revenue, please refer to Note 43.

28. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations was attributable to:

a. Other operating income and expenses

	For the Year Ended December 31	
	2020	2019
Gain on disposal of investment properties (Note 37)	$ 1,569,463	$ -

b. Interest income

	For the Year Ended December 31	
	2020	2019
Bank deposits	$ 88,828	$ 118,357
Less: Discontinued operations (Note 13)	(3,967)	(10,551)
	$ 84,861	$ 107,806

c. Other income

	For the Year Ended December 31	
	2020	2019
Rental income	$ 29,605	$ 29,047
Dividends (Note 37)	807,947	1,022,944
Government grants (Note 31)	23,737	-
Remuneration of directors (Note 37)	25,368	17,371
Others	40,911	30,832
Less: Discontinued operations (Note 13)	-	(3,971)
	$ 927,568	$ 1,096,223

d. Other gains and losses

	For the Year Ended December 31	
	2020	2019
Gain on disposal of property, plant and equipment	$ 64,356	$ 78
Loss on disposal of investment properties	-	(6,547)
Gain on disposal of non-current assets held for sale (Note 13)	335,919	597,422
Net foreign exchange loss (i)	(60,175)	(43,513)
Gain on fair value changes of financial assets at FVTPL	1,682	333,681
Gain on disposal of partial shares in subsidiaries (Note 32)	-	11,227
Gain on disposal of subsidiaries (Note 15)	92,073	-
Loss on disposal of joint ventures (Note 16)	(5,202)	-
Loss on disposal of associates (Note 16)	(620)	-
Impairment loss on property, plant and equipment (Note 17)	(24,292)	-
Impairment loss on right-of-use assets (Note 18)	(32,688)	-
Others	(1,506)	(11,982)
Less: Discontinued operations (Note 13)	2,468	(586,037)
	$ 372,015	$ 294,329

e. Finance costs

	For the Year Ended December 31	
	2020	2019
Interest on bank loans	$ 126,841	$ 87,852
Interest on lease liabilities	36,739	37,794
	$ 163,580	$ 125,646

Information about capitalized interest is as follows:

	For the Year Ended December 31	
	2020	2019
Capitalized interest amount	$ 4,730	$ 55,090
Capitalization rate	1.28%	0.05%-1.44%

f. Depreciation and amortization

	For the Year Ended December 31	
	2020	2019
Property, plant and equipment	$ 429,069	$ 187,919
Investment properties	8,899	10,598
Right-of-use assets	132,358	120,526
Other intangible assets	2,508	320
	$ 572,834	$ 319,363
An analysis of depreciation by function		
Operating costs	$ 454,541	$ 248,928
Operating expenses	115,785	70,115
	$ 570,326	$ 319,043
An analysis of amortization by function		
Operating expenses	$ 2,508	$ 320

g. Employee benefits expense

	For the Year Ended December 31	
	2020	2019
Short-term benefits	$ 479,735	$ 309,735
Post-employment benefits (Note 25)		
Defined contribution plans	11,327	8,803
Defined benefit plans	2,311	1,846
Retirement pension for managers	-	10,621
Other employee benefits	14,973	15,676
Less: Discontinued operations	-	(2,585)
	$ 508,346	$ 344,096

(Continued)

	For the Year Ended December 31	
	2020	2019
An analysis of employee benefits expense by function		
Operating costs	$ 194,472	$ 56,194
Operating expenses	313,874	290,487
Less: Discontinued operations	-	(2,585)
	$ 508,346	$ 344,096

(Concluded)

h. Compensation of employees and remuneration of directors

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

The compensation of employees and remuneration of directors and supervisors for the years ended December 31, 2020 and 2019, which were approved by the Company's board of directors on March 29, 2021 and March 25, 2020, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2020	2019
Compensation of employees	0.39%	1.12%
Remuneration of directors	0.98%	0.30%

Amount

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

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

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

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

i. Gains and losses on foreign currency exchange

	For the Year Ended December 31	
	2020	2019
Foreign exchange gains	$ 76,459	$ 83,009
Foreign exchange losses	(136,634)	(126,522)
Net foreign exchange (losses) gains	$ (60,175)	$ (43,513)

29. INCOME TAXES RELATING TO CONTINUING OPERATIONS

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

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

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2020	2019
Current tax		
In respect of the current year	$ 102,457	$ 46,845
Income tax on unappropriated earnings	40,656	14,643
Adjustments for prior years	(5,041)	(7,567)
Land value increment tax	80,030	-
	218,102	53,921
Deferred tax		
In respect of the current year	81,496	113,340
Land value increment tax	(30,051)	-
Income tax expense recognized in profit or loss	$ 269,547	$ 167,261

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

	For the Year Ended December 31	
	2020	**2019**
Profit before tax from continuing operations	$ 2,106,042	$ 985,771
Income tax expense calculated at the statutory rate	$ 421,208	$ 197,154
Nondeductible expenses in determining taxable income	7,355	7,044
Tax-exempt income	(493,603)	(234,296)
Difference in payable of basic tax	4,088	713
Income tax on unappropriated earnings	40,656	14,643
Unrecognized loss carryforwards	19,198	32,703
Loss carryforwards utilized in the current year	(11,527)	(1,911)
Unrecognized deductible temporary differences	321,206	99,782
Effect of different tax rates of group entities in the Group operating in other jurisdictions	(83,972)	58,996
Land value increment tax	49,979	-
Adjustments for prior years' income tax	(5,041)	(7,567)
Income tax expense recognized in profit or loss	$ 269,547	$ 167,261

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2020	**2019**
Deferred tax		
In respect of the current year		
Translation of foreign operations	$ 18,343	$ 42,974
Remeasurement of defined benefit plans	(429)	(356)
Total income tax recognized in other comprehensive income	$ 17,914	$ 42,618

c. Current tax assets and liabilities

	December 31	
	2020	**2019**
Current tax assets		
Tax refund receivable	$ 1,197	$ 775
Current tax liabilities		
Income tax payable	$ 137,173	$ 53,677

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2020

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

For the year ended December 31, 2019

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Loss Control over Subsidiaries	Closing Balance
Deferred tax assets					
Temporary differences					
Impairment of inventory	$ 1,722	$ 103	$ -	$ -	$ 1,825
Valuation of financial assets	170	(170)	-	-	-
Loss on investments accounted for using the equity method	2,112	18	-	-	2,130
Expense capitalization	5	-	-	-	5
Unrealized gain or loss on foreign exchange	1,254	10,136	-	(158)	11,232
Financial assets at FVTPL	6,014	(6,014)	-	-	-
Financial assets at FVTOCI	4,245	-	-	(4,245)	-
Allowance for impairment loss	2,792	(1,766)	-	-	1,026
Exchange differences on translating the financial statements of foreign operations	36,851	-	39,241	(1,316)	74,776
Retirement benefit over statutory limit	57,382	(160)	-	-	57,222
Payables for annual leave	584	11	-	(88)	507
Defined benefit obligations	12,597	-	(218)	(1,323)	11,056
Right-of-use assets	-	117	-	-	117
Others	3,500	(2,761)	-	-	739
	$ 129,228	$ (486)	$ 39,023	$ (7,130)	$ 160,635

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Loss Control over Subsidiaries	Closing Balance
Deferred tax liabilities					
Temporary differences					
Gain on investments accounted for using the equity method	$ 174,528	$ 119,901	$ -	$ -	$ 294,429
Valuation of financial assets	-	3,377	-	-	3,377
Unrealized gain or loss on foreign exchange	11,959	(11,923)	-	(36)	-
Financial assets at FVTPL	-	1,514	-	(1,514)	-
Net deferred revenue or cost	94	(92)	-	-	2
Exchange differences on translating the financial statements of foreign operations	3,962	-	(3,733)	-	229
Provision for land value increment tax	1,209,785	-	-	-	1,209,785
Defined benefit obligations	3,784	86	138	(392)	3,616
Others	55	(9)	-	-	46
	$ 1,404,167	$ 112,854	$ (3,595)	$ (1,942)	$ 1,511,484

(Concluded)

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

	December 31	
	2020	2019
Loss carryforwards		
Expiry in 2020	$ -	$ 407,682
Expiry in 2021	-	339,620
Expiry in 2022	1,852	228,497
Expiry in 2023	8,479	110,065
Expiry in 2024	7,549	38,559
Expiry in 2025	4,601	7,969
Expiry in 2026	24,094	39,452
Expiry in 2027	43,634	43,563
Expiry in 2028	231,049	263,149
Expiry in 2029	117,195	113,017
Expiry in 2030	76,242	-
	$ 514,695	$ 1,591,573
Deductible temporary differences		
Impairment loss on non-financial assets	$ 1,922	$ 56,717
Gain or loss on investments in subsidiaries and associates accounted for using the equity method	2,185,575	956,042
Impairment loss on property, plant and equipment	24,292	-
Credit loss allowance	8,090	7,965
Impairment loss on right-of-use	32,688	-
Book-tax difference arising from amortized cost	2,064	565
Others	192	192
	$ 2,254,823	$ 1,021,481

f. Income tax assessments

1) The income tax returns of the Company and its subsidiaries, Chia Hsin Property Management & Development Corporation, through 2017 have been assessed by the tax authorities. The income tax returns of YJ International Corporation, Tong Yang Chia Hsin International Corporation, and Chia Pei International Corporation through 2018 have been assessed by the tax authorities. The income tax returns of Chia Sheng Construction Corp., Jaho Life Plus+ Management Corp., Ltd., and BlueSky. Co., Ltd. through 2019 have been assessed by the tax authorities. Except for the abovementioned issues, the Company and the abovementioned subsidiaries do not involve in material pending action in regard of taxation.

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

30. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2020	**2019**
Basic earnings per share		
From continuing operations	$ 2.74	$ 1.10
From discontinued operations	-	0.92
Total basic earnings per share	$ 2.74	$ 2.02
Diluted earnings per share		
From continuing operations	$ 2.74	$ 1.09
From discontinued operations	-	0.92
Total diluted earnings per share	$ 2.74	$ 2.01

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

Net Profit for the Year

	For the Year Ended December 31	
	2020	**2019**
Profit for the year attributable to owners of the Company	$ 1,764,366	$ 1,297,473
Less: Profit for the year from discontinued operations used in the computation of basic earnings per share from discontinued operations	1,499	590,161
Earnings used in the computation of basic earnings per share from continuing operations	1,762,867	707,312
Effect of potentially dilutive ordinary shares		
Compensation of employees	-	-
Earnings used in the computation of diluted earnings per share from continuing operations	$ 1,762,867	$ 707,312

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

	For the Year Ended December 31	
	2020	**2019**
Weighted average number of ordinary shares used in the computation of basic earnings per share	643,427	643,812
Effect of potentially dilutive ordinary shares:		
Compensation of employees	630	854
Weighted average number of ordinary shares used in the computation of diluted earnings per share	644,057	644,666

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

31. GOVERNMENT GRANTS

a. In order to finance the construction of Hotel COLLECTIVE in Okinawa and to respond the impact on operation due to Covid-19, the Group applied for a loan from Okinawa Development Finance Corporation. The loan facility was JPY10,500,000 thousand. The term of the loan lasts for 25 years, and the loan is to be repaid semi-annually in 42 installments, with the first installment commencing in the fourth year after the first drawdown date. As of December 31, 2020, the Group had drawn JPY10,500,000 thousand in total. The fair value of the borrowing was JPY8,873,333 thousand discounted at the market interest rate at the borrowing date. The difference of JPY1,626,667 thousand between the proceeds and the fair value of the loan is the benefit derived from the low-interest loan and has been recognized as deferred revenue. As of December 31, 2020 and 2019, the amount of deferred revenue was JPY1,582,228 thousand and JPY1,599,811 thousand, respectively (equivalent to $437,169 thousand and $441,549 thousand), respectively. The deferred revenue will be reclassified to other revenue gradually along with the depreciation recognized over the estimated useful lives of buildings acquired. For the year ended December 31, 2020, a total of $12,310 thousand had been recognized under other income.

b. The Group received short-time compensation from Ministry of Health, Labor and Welfare in Japan. For the year ended December 31, 2020, the Group has recognized $11,427 in total under other income.

32. DISPOSAL OF SUBSIDIARY

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 date the Group lost its control over the subsidiary, as the shareholding decreased from 49.87% to 43.87%.

a. Consideration received from disposal of subsidiary

	Chia Hsin Construction & Development Corp.
Total consideration received	$ 222,929

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

	Chia Hsin Construction & Development Corp.
Current assets	
Cash and cash equivalents	$ 312,372
Financial assets at fair value through profit or loss - current	249,829
Financial assets at fair value through other comprehensive income - 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 fair value through other comprehensive income - 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	(80,162)
Net assets	$ 3,696,785
Percentage of shareholding disposed of	6%
Net assets disposed of	$ 221,807

c. Gain on disposals of partial shares of the subsidiary

	Chia Hsin Construction & 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 reclassification of controlling interest to profit or loss due to the loss of control over the subsidiary	(2,770)
Gain on disposal	$ 11,227

d. Net cash outflow on disposals of partial shares of the subsidiary

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

33. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

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

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

	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.
Consideration paid	$ 22,231
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to (from) non-controlling interests	(19,858)
Differences recognized from equity transactions	$ 2,373
Line items adjusted for equity transactions	
Capital surplus - difference between consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition	$ (538)
Retained earnings	(1,766)
Non-controlling interests	(69)
	$ (2,373)

34. CASH FLOW INFORMATION

a. Non-cash transactions

For the years ended December 31, 2020 and 2019, the Group entered into the following non-cash investing and financing activities which were not reflected in the statements of cash flows:

1) As of December 31, 2020 and 2019, the payables for equipment - property, plant and equipment were $1,041 thousand and $644,297 thousand respectively.

2) Proceeds of $43,713 thousand from disposal of financial assets at fair value through profit or loss were recognized under other receivables for the year ended December 31, 2019.

3) As of December 31, 2020 and 2019, advanced real estate receipts - property, plant and equipment were $0 and $27,399 thousand, respectively.

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

5) As of December 31, 2020 and 2019, liabilities directly associated with disposal groups classified as held for sale were $0 and $380,771 thousand, respectively.

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2020

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

For the year ended December 31, 2019

			Non-cash Changes					
	Opening Balance	Cash Flows	New Leases	Amortization of Interest Expense	Disposal of Subsidiaries	Change in Exchange Rate	Others	Closing Balance
Short-term borrowings	$ 821,280	$ (18,260)	$ -	$ -	$ -	$ (2,420)	$ -	$ 800,600
Short-term bills payable	304,835	(35,000)	-	(77)	-	-	-	269,758
Long-term borrowings	6,609,037	1,990,197	-	-	-	(61,962)	-	8,537,272
Guarantee deposits received	197,814	(2,308)	-	-	(73,455)	(145)	-	121,906
Lease liabilities	2,205,237	(129,415)	50,253	37,794	(273,159)	(8,456)	(37,794)	1,844,460
	$ 10,138,203	$ 1,805,214	$ 50,253	$ 37,717	$ (346,614)	$ (72,983)	$ (37,794)	$ 11,573,996

35. CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remained unchanged in both 2020 and 2019.

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

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

36. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares in domestic market	$ 922,018	$ -	$ -	$ 922,018
Listed shares in foreign market	64,909	-	-	64,909
Mutual funds	-	104,150	-	104,150
	$ 986,927	$ 104,150	$ -	$ 1,091,077
Financial assets at FVTOCI				
Listed shares in domestic market	$ 13,295,500	$ -	$ -	$ 13,295,500
Unlisted shares in domestic market	-	-	312,923	312,923
	$ 13,295,500	$ -	$ 312,293	$ 13,608,423

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	-	348,908	-	348,908
	$ 1,270,695	$ 348,908	$ -	$ 1,619,603
Financial assets at FVTOCI				
Listed shares in domestic market	$ 12,826,694	$ -	$ -	$ 12,826,694
Unlisted shares in domestic market	-	-	353,301	353,301
	$ 12,826,694	$ -	$ 353,301	$ 13,179,995

There were no transfers between Levels 1 and 2 in 2020 and 2019.

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

For the year ended December 31, 2020

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

For the year ended December 31, 2019

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2019	$ 939,504
Loss control over subsidiaries	(350,522)
Recognized in other comprehensive income	83,733
Disposal	(319,414)
Balance at December 31, 2019	$ 353,301

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

The Group holds unlisted shares. The significant unobservable input in the measurement of such investments is liquidity discount. The fair value of unlisted shares is determined using market approach where the fair value of the shares of similar or peer companies is used as reference. As of December 31, 2020 and 2019, the ranges of liquidity discount used were 20.00%-30.00% and 11.83%-41.49%, respectively.

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

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

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

c. Categories of financial instrument

	December 31	
	2020	**2019**
<u>Financial assets</u>		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	$ 1,091,077	$ 1,619,603
Financial assets measured at amortized cost (Note 1)	7,810,650	5,966,105
Financial assets at FVTOCI		
Equity instruments	13,608,423	13,179,995
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (Note 2)	11,315,936	10,630,965
Contingent consideration of acquisition of associates (Note 3)	50,000	-

Note 1: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalent, notes receivable, trade receivables, trade receivables from related parties, other receivables (less tax refund receivables), other receivables from related parties, financial assets at amortized cost, and refundable deposits.

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

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

d. Financial risk management objectives and policies

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

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

1) Market risk

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

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

a) Foreign currency risk

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

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

The carrying amounts of the Group's foreign-currency-denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 40.

Sensitivity analysis

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

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

	USD Impact For the Year Ended December 31		**RMB Impact For the Year Ended December 31**	
	2020	**2019**	**2020**	**2019**
Profit or loss	$ 95,899	$ 62,870 (i)	$ 16,636	$ 1 (ii)

	EUR Impact For the Year Ended December 31		**JPY Impact For the Year Ended December 31**	
	2020	**2019**	**2020**	**2019**
Profit or loss	$ 9,619	$ 10,995 (iii)	$ 2,288	$ 131 (iv)

i. The result was mainly attributable to the exposure on outstanding cash and cash equivalents and other receivables in USD that were not hedged at the end of the year.

ii. The result was mainly attributable to the exposure on outstanding cash and cash equivalents in RMB that were not hedged at the end of the year.

iii. The result was mainly attributable to the exposure on outstanding cash and cash equivalents and other receivables in EUR that were not hedged at the end of the year.

iv. The result was mainly attributable to the exposure on outstanding cash and cash equivalents in JPY that were not hedged at the end of the year.

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

b) Interest rate risk

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

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

	December 31	
	2020	**2019**
Fair value interest rate risk		
Financial assets	$ 6,026,450	$ 4,285,715
Financial liabilities	5,575,345	5,191,433
Cash flow interest rate risk		
Financial assets	1,380,280	1,246,774
Financial liabilities	7,273,376	6,260,657

Sensitivity analysis

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

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2020 and 2019 would have decreased/increased by $14,733 thousand and $12,535 thousand, respectively. The Group's sensitivity to interest rates increased during the current period mainly due to the increase in variable rate financial liabilities.

c) Other price risk

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

Sensitivity analysis

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

If equity prices (except for equity securities of Taiwan Cement Corporation) had been 1% higher/lower, the pre-tax profit or loss for the years ended December 31, 2020 and 2019 would have increased/decreased by $1,695 thousand and $6,326 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 years ended December 31, 2020 and 2019 would have increased/decreased by $5,267 thousand and $5,772 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 years ended December 31, 2020 and 2019 would have increased/decreased by $9,215 thousand and $9,870 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 years ended December 31, 2020 and 2019 would have increased/decreased by $130,818 thousand and $126,028 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 due to the decrease in the amount of equity securities.

The Group's sensitivity to equity price of Taiwan Cement Corporation recognized under financial assets at FVTPL decreased due to the decrease in the amount of the equity securities. The Group's sensitivity to equity price of Taiwan Cement Corporation recognized under financial assets at FVTOCI increased due to the increase in the amount of the equity securities.

2) Credit risk

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

The Group adopted a policy of only dealing with creditworthy counterparties and 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 December 31, 2020 and 2019, trade receivables from the top 10 customers were 71% and 77%, 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. The Group also reviewed every recoverable amounts of receivables individually to ensure the impairment loss has been properly recognized at the end of the reporting period. In view of the methods mentioned above, the management considered the Group's credit risk has materially declined.

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

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2020 and 2019, the Group had available unutilized bank loan facilities as set out in (b) below.

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

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

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

December 31, 2020

	On Demand or Less than 1 Month	1 Month to 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	$ 201,216	$ 52,135	$ 17,730	$ 43,008	$ 51,066
Fixed interest rate liabilities	1,064,899	137,000	72,389	584,389	2,304,881
Lease liabilities	27,313	8,678	126,522	583,467	1,474,383
Variable interest rate liabilities	508,594	13,793	516,920	5,918,465	584,879
	$ 1,802,022	$ 211,606	$ 733,561	$ 7,129,329	$ 4,415,209

Additional information about the maturity analysis of lease liabilities:

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

December 31, 2019

	On Demand or Less than 1 Month	1 Month to 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	$ 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	90,107	104,410	954,944	5,397,933	-
	$ 1,461,946	$ 666,626	$ 1,079,559	$ 6,450,487	$ 3,538,746

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	$ 140,952	$ 536,478	$ 470,571	$ 401,405	$ 336,375	$ 335,481

b) Financing facilities

	December 31	
	2020	**2019**
Unsecured bank overdraft facilities, reviewed annually and payable on demand:		
Amount used	$ 2,814,090	$ 1,639,800
Amount unused	3,739,260	4,909,400
	$ 6,553,350	$ 6,549,200
Secured bank overdraft facilities:		
Amount used	$ 8,561,436	$ 8,368,728
Amount unused	665,000	1,040,000
	$ 9,226,436	$ 9,408,728

37. TRANSACTIONS WITH RELATED PARTIES

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

a. Related party name and category

Related Party Name	Related Party Category
Taiwan Cement Corporation	The Company acts as a member of the board of directors (B.O.D.)
International Chia Hsin Corporation	Associate
Chia Hsin Construction & Development Corp. (Note 1)	Associate
Chia Hsin Winn Corp.	Related party
Sung Ju Investment Corp.	Related party
Zhenjiang Chia Hsin Transportation Co., Ltd.	Related party
LDC ROME HOTELS S.R.L.	Associate
Shanghai Chang Hsin Shipping Co., Ltd.	Associate
Taiwan Transport & Storage Corp.	The Company acts as a member of the B.O.D. of its ultimate parent company
Jurong Taiwan Cement Co., Ltd.	The Company acts as a member of the B.O.D. of its ultimate parent company
FDC International Hotels Corporation (Note 2)	Associate

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

Note 2: In December 2020, the Group acquired the shares of L’Hotel De Chine Corporation, the parent company of FDC International Hotels Corporation, and had significant influence over the group acquired. The group was therefore considered as associates and details of related-party transactions have been disclosed since December 1, 2020.

b. Revenue

Line Item	Related Party Category/Name	For the Year Ended December 31 2020	2019
Rental revenue	Associates	$ 4,231	$ 2,543
	The Company acts as a member of the B.O.D. of its ultimate parent company	2,423	2,423
	The Company acts as a member of the B.O.D.	4,412	3,718
	Related parties	505	505
		$ 11,571	$ 9,189
Service revenue	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	$ 30,387	$ 28,119

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

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

c. Purchases of goods

Line Item	Related Party Category/Name	For the Year Ended December 31 2020	2019
Cost of goods sold	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	$ 453,720	$ 484,963

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

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

Line Item	Related Party Category/Name	December 31 2020	2019
Trade receivables	Associates		
	FDC International Hotels Corporation	$ 1,336	$ -
	Others	15	15
	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	2,686	2,661
	Related parties	4	4
		$ 4,041	$ 2,680
Other receivables	Associates		
	Others	$ 594	$ 8,654

The outstanding trade and other receivables from related parties are unsecured. For the years ended December 31, 2020 and 2019, no impairment loss was recognized for trade and other receivables from related parties.

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

Line Item	Related Party Category/Name	December 31 2020	December 31 2019
Trade payables	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	$ 73,132	$ 83,580
Other payables	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	$ 89	$ -

The outstanding trade payables to related parties are unsecured.

f. Lease arrangements

The Group is lessor under operating leases

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

Future lease payment receivables are as follows:

Related Party Category/Name	December 31 2020	December 31 2019
Associates	$ 1,000	$ 1,000
Related parties	528	528
The Company acts as a member of the B.O.D. of its ultimate parent company	9,102	11,642
The Company acts as a member of the B.O.D.	-	6,641
	$ 10,630	$ 19,811

g. Loans to related parties

Line Item	Related Party Category/Name	December 31 2020	December 31 2019
Other receivables	Associates		
	LDC ROME HOTELS S.R.L.	$ 18,677	$ 115,885
Other receivables - interest receivables	Associates		
	LDC ROME HOTELS S.R.L.	$ 164	$ 1,168

The Group provided its associates with unsecured short-term loans at rates comparable to market interest rates. For the years ended December 31, 2020 and 2019, the interest income from the loans was $710 thousand and $1,946 thousand, respectively.

h. Disposal of investment properties

	Proceeds		Gain (Loss) on Disposal	
	For the Year Ended December 31		For the Year Ended December 31	
Related Party Category/Name	**2020**	**2019**	**2020**	**2019**
The Company acts as a member of the B.O.D.				
Taiwan Cement Corporation	$ 1,686,299	$ -	$ 1,569,463	$ -

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

i. Acquisitions of financial assets

For the year ended December 31, 2020

Related Party Category/Name	Line Item	Number of Shares	Underlying Assets	Purchase Price
Associates				
LDC ROME HOTELS S.R.L.	Investments accounted for using the equity method	-	LDC ROME HOTELS S.R.L.	$37,120

j. Others

1)

		December 31	
Line Item	**Related Party Category/Name**	**2020**	**2019**
Refundable deposits	Related parties	$ 168	$ 168
	Associates	971	971
	The Company acts as a member of the B.O.D. of its ultimate parent company	423	423
	The Company acts as a member of the B.O.D.	880	880
		$ 2,442	$ 2,442
Dividend revenue (credited to investments accounted for using the equity method)	Associates	$ 47,189	$ 31,459
Dividend revenue	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	$ 772,028	$ 960,492

2) The Group acts as a member of the B.O.D. of related parties. The details of recognition and receipt of remuneration of directors and supervisors were as follows:

Line Item	Related Party Category/Name	December 31 2020	December 31 2019
Other income	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	$ 24,543	$ 16,441
	Associates	718	460
		$ 25,261	$ 16,901

k. Endorsements and guarantees

Endorsements and guarantees provided by the Group

	December 31		December 31	
	2020	2019	2020	2019
	Amount	Amount	Amount Utilized	Amount Utilized
	Utilized	Utilized		
Associates				
LDC ROME HOTELS S.R.L.	$ 357,204	$ 447,600	$ 382,926	$ 447,600

l. Compensation of key management personnel

The compensation of key management personnel are as follows:

	For the Year Ended December 31 2020	For the Year Ended December 31 2019
Short-term employee benefits	$ 59,070	$ 29,659
Post-employment benefits	-	10,621
	$ 59,070	$ 40,280

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

38. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	December 31 2020	December 31 2019
Financial assets at amortized cost - non-current	$ 25,794	$ 23,588
Carrying amount of property, plant and equipment	3,535,179	3,584,028
Land - after revaluation	1,044,511	1,031,292
Buildings - after revaluation	2,490,668	2,552,736
Carrying amount of investment properties	3,255,272	3,259,887
Land - after revaluation	3,210,331	3,209,885
Buildings - after revaluation	44,941	50,002
	$ 6,816,245	$ 6,867,503

39. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

a. As of December 31, 2020 and 2019, the Group had bank guarantees of both $153,034 thousand issued under its name for the operations in the ports.

b. Unrecognized commitments were as follows:

	December 31	
	2020	**2019**
Property under construction	$ 279,838	$ 241,283

As of December 31, 2020 and 2019, the abovementioned unrecognized commitments include contractual commitments of $0 and $5,666 thousand, respectively, of the subsidiary - CHC Ryukyu COLLECTIVE KK due to the construction of Hotel COLLECTIVE in Okinawa. As of December 31, 2020 and 2019, the abovementioned unrecognized commitments also included contract for Tomigusuku development project signed by CHC Ryukyu Development GK of $211,257 thousand and $207,139 thousand, respectively.

40. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2020

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

December 31, 2019

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

For the years ended December 31, 2020 and 2019, realized and unrealized net foreign exchange losses were $60,175 thousand and $43,513 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.

41. OTHERS

Important contracts

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

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

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

c. In order to satisfy the demand for cement in Taichung and its surrounding area, the Group leased, from Taichung Harbor Bureau, Taiwan International Ports Corporation Ltd., the land, cement warehouses and facilities at Wharf No. 27, Port of Taichung through its subsidiary, Tong Yang Chia Hsin International Corporation to operate the business of loading and unloading, transporting and storing cement. The lease period started from December 1, 2014 to December 30, 2024 and the Group has priority to lease the property when the lease contract has expired. In addition, during the lease period, the Group should pay the land use and administrative fees (based on actual loading amount at $30.09 dollars per ton) monthly, which will be adjusted according to the adjustment of loading fee in the Port.

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

42. 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 (Table 4)

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 5)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 6)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 7)

9) Trading in derivative instruments (None)

10) Other: Business relationships and inter-company transactions between the parent company and the subsidiaries (Table 9)

b. Information about investees (Table 8)

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 10)

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 11)

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

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

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

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

No.	Items	Description
1	Elimination transactions between the controlling company and subsidiaries and between subsidiaries.	Refer to Table 9
2	Information about accommodations of funds or endorsements.	Refer to Tables 1 and 2
3	Information about derivative instrument transactions.	None
4	Significant contingencies.	None
5	Significant events after the reporting period.	None
6	Names, quantities, costs, market prices (if not available, disclose net worth per share), capital proportions and the highest shareholding situation of the securities.	Refer to Tables 3, 8 and 10
7	Others.	None

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

43. 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 For the Year Ended December 31		Segment Profit or Loss For the Year Ended December 31	
	2020	**2019**	**2020**	**2019**
Cement segment	$ 1,008,790	$ 1,027,929	$ (36,876)	$ (41,505)
Real estate segment	259,243	259,776	1,700,450	130,484
Warehousing and storage segment	605,847	545,888	48,110	(40,080)
Hospitality and catering services segment	184,537	50,409	(671,179)	(242,719)
Other segment	-	-	(19,522)	(24,770)
Revenue from continuing operation	$ 2,058,417	$ 1,884,002		
Interest income			84,861	107,806
Other income			927,568	1,096,223
Other gains and losses			372,015	294,329
Finance costs			(163,580)	(125,646)
Share of profit or loss of associates and joint ventures accounted for using the equity method			62,611	47,845
General and administrative expenses and remuneration of director			(198,416)	(216,196)
Profit before income tax from continuing operation			$ 2,106,042	$ 985,771

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

c. Revenue from major products and services

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

	For the Year Ended December 31	
	2020	**2019**
Revenue from the sale of goods	$ 1,010,996	$ 1,028,417
Revenue from the rent	268,889	283,563
Revenue from rendering of services	648,222	561,002
Revenue from catering and hospitality	130,310	11,020
	$ 2,058,417	$ 1,884,002

d. Geographical information

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

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

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2020	**2019**	**2020**	**2019**
Taiwan	$ 1,929,563	$ 1,870,805	$ 8,141,724	$ 8,515,716
China	12,369	12,233	397,454	324,756
Japan	116,485	964	5,622,961	5,810,294
	$ 2,058,417	$ 1,884,002	$ 14,162,139	$ 14,650,766

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

e. Information about major customers

Included in revenue of $2,058,417 thousand and $1,884,002 thousand in 2020 and 2019, respectively, is revenue of $253,197 thousand and $215,437 thousand which represents sales to the Group's largest customer. No other single customers contributed 10% or more to the Group's revenue for both 2020 and 2019.

TABLE 1

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
0	Chia Hsin Cement Corporation (Note 1)	LDC ROME HOTELS S.R.L.	Other receivables from related parties	Yes	$ 115,885	$ 49,028	$ 18,677	1.5 (Note 3)	Short-term financing	$ -	The need for financing operating capital	$ -	-	$ -	$ 3,627,322	$ 9,672,859

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

Note 2: The highest balance for the period and ending balance presented above are listed in New Taiwan dollars (NTD). The highest balance denominated in foreign currency is translated using the prevailing exchange rate; and the ending balance is translated into NTD using the exchange rate as of December 31, 2020.

Note 3: Total interest in the period is $710 thousand.

TABLE 2

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 5)										
0	Chia Hsin Cement Corporation (Notes 2 and 6)	Chia Hsin Property Management & Development Corporation	b.	$ 7,747,805 (Paid-in capital)	$ 1,480,000	$ 1,480,000	$ -	$ -	6.12	$ 24,182,147	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	357,204	-	1.85	24,182,147	No	No	No
	Chia Hsin Cement Corporation (Notes 2 and 6)	CHC Ryukyu Development GK	b.	7,747,805 (Paid-in capital)	913,440	607,860	138,150	-	2.51	24,182,147	Yes	No	No
	Chia Hsin Cement Corporation (Notes 2 and 6)	CHC Ryukyu COLLECTIVE KK	b.	7,747,805 (Paid-in capital)	2,629,600	1,657,800	1,049,940	-	6.86	24,182,147	Yes	No	No
1	Chia Hsin Property Management & Development Corporation (Notes 3 and 6)	Chia Hsin Cement Corporation	c.	24,182,147	8,880,000	6,640,000	5,376,250	6,640,000	27.46	24,182,147	No	Yes	No
2	Jaho Life Plus+ Management Corp., Ltd. (Note 4)	Gemcare Maternity Center	a.	200,000	1,000	1,000	1,000	1,000	-	400,000	No	No	No
		Gemcare Dunhua Maternity Center	a.	200,000	1,000	1,000	1,000	1,000	-	400,000	No	No	No

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

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

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

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

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

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

Note 6: The listed amounts were eliminated upon consolidation.

TABLE 3

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 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	December 31, 2020				The Highest Number of Shares Held During the Period	Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value		
Chia Hsin Cement Corporation	Stock								
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTPL - current	7,740,307	$ 334,381	0.13	$ 334,381	$ 7,740,307	
	Asia Cement Corporation		Financial assets at FVTPL - current	71	3	-	3	71	
	China Chemical & Pharmaceutical Co., Ltd.		Financial assets at FVTPL - current	20,000	472	0.01	472	20,000	
	Foreign stock								
	Anhui Conch Cement Co., Ltd.		Financial assets at FVTPL - current	364,000	64,909	0.01	64,909	766,000	
	Foreign fund								
	HAITONG FREEDOM MULTI-TRANCHE BOND FUND - P1A (SERIES 27)		Financial assets at FVTPL - current	9,594	32,133	-	32,133	9,594	
	GREENWOODS GOLDEN CHINA FUND - UNRESTRICTED CLASS A (0518)		Financial assets at FVTPL - current	3,340	39,884	-	39,884	3,342	
	Stock								
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - current	25,400,783	1,097,314	0.43	1,097,314	25,400,783	
	CHC Resources Corporation		Financial assets at FVTOCI - current	4,285,694	203,356	1.72	203,356	4,285,694	
	Chien Kuo Construction Co., Ltd.		Financial assets at FVTOCI - current	771,256	10,373	0.30	10,373	771,256	
	Stock								
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	184,718,366	7,979,833	3.11	7,979,833	184,718,366	
	Stock								
	B Current Impact Investment Fund 3		Financial assets at FVTOCI - non-current	1,000,000	10,000	10.00	10,000	1,000,000	
	Pan Asian (Engineers & Constructors) Corporation		Financial assets at FVTOCI - non-current	2,718,217	21,664	2.38	21,664	2,178,217	
	Chia Hsin Ready-Mixed Concrete Corporation		Financial assets at FVTOCI - non-current	12,718,440	256,277	13.71	256,277	12,718,440	
	Overseas Investment & Development Corp.		Financial assets at FVTOCI - non-current	2,000,000	16,960	2.22	16,960	2,000,000	
	Asia Pacific Gongshanglian Corporation Limited		Financial assets at FVTOCI - non-current	21,090	-	0.03	-	21,090	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020				The Highest Number of Shares Held During the Period	Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value		
	Chia Hsin Livestock Corp.		Financial assets at FVTOCI - non-current	6,600,000	$ -	1.17	$ -	$ 6,600,000	
	Huatung Heping River Mining Industry Development Co., Ltd.		Financial assets at FVTOCI - non-current	9,350	-	1.87	-	9,350	
Tong Yang Chia Hsin International Corporation	Stock								
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTPL - current	13,591,719	587,162	0.23	587,162	15,214,293	
	Foreign fund								
	HAITONG FREEDOM MULTI-TRANCHE BOND FUND - P1A (SERIES 27)		Financial assets at FVTPL - current	9,594	32,133	-	32,133	9,594	
	Stock								
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - current	32,457,173	1,402,150	0.55	1,402,150	32,457,173	
	Chia Hsin Cement Corporation	Parent company	Financial assets at FVTOCI - non-current	127,370,320	2,426,405	16.44	2,426,405	127,370,320	Has been eliminated through consolidation
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	60,242,447	2,602,474	1.01	2,602,474	60,242,447	
	IBT Second Venture Capital Co., Ltd.		Financial assets at FVTOCI - non-current	725,493	5,159	2.30	5,159	725,493	
	Kaohsiung Tug and Port Service Corp.		Financial assets at FVTOCI - non-current	350,000	2,863	0.88	2,863	350,000	

Note 1: For the information about subsidiaries, associates and joint ventures, refer to Table 8 and Table 10.

Note 2: The abovementioned assets are not used as collateral to secure loan or restricted due to other contractual restriction.

(Concluded)

TABLE 4

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20 OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities (Note)	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares	Amount
Chia Hsin Cement Corporation	L'Hotel De Chine Corporation	Investment accounted for using the equity method	Chinatrust Investment Co., Ltd.	-	-	$ -	67,998,915	$ 1,157,340	-	$ -	$ -	$ -	67,998,915	$ 1,164,251

Note: The marketable securities in this table includes the securities derived from stocks, bonds, beneficiary certificates, and the items mentioned above.

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 YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, or in Thousands of Foreign Currencies)

Seller	Property	Event Date	Original Acquisition Date	Carrying Amount (Note 8)	Transaction Amount (Note 8)	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$ 43,203 (RMB 9,898) (Note 6)	NT$ 441,258 (RMB 105,430) (Note 6)	Collected	NT$ 335,919 (RMB 78,706) (Notes 3 and 6)	Shanghai Xuhui Land Reserve Center and Shanghai Xuhui Waterfront Development Investment Construction Co., Ltd.	Unrelated party	Government land reserve	(Note 4)	None
Chia Hsin Property Management & Development Corporation	Lands and buildings	November 11, 2020 (Note 2)	June 1971	NT$ 116,836	NT$ 1,686,299	Collected	NT$ 1,569,463	Taiwan Cement Corporation	Substantive related party	Assets activation	(Note 5)	None

Note 1: Means the date the resolution was approved by the subsidiary's B.O.D. and shareholders in their meetings.

Note 2: Means the date the resolution was approved by the B.O.D. of the subsidiary.

Note 3: The disposal transaction was completed in June 2020.

Note 4: 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 5: Decided after referring to real estate appraisal report from Jiangsu Zhengxin Assets Evaluation Firm Co., Ltd. and Prudential Cross-Strait Real Estate Appraisers Firm and to the result of open tender.

Note 6: The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of December 31, 2020: RMB1=NT$4.185317. The income items denominated in foreign currencies are translated using the average exchange rate of 2020: RMB1=NT$4.268052.

TABLE 6

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20 OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes Receivable (Payable)/Trade Receivables (Payables)		Note
			Purchases/Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Chia Hsin Cement Corporation	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Purchases	$ 453,720	45	60 days from the purchase day	N/A (equal to the price for other clients)	N/A (same as the term for other clients)	$ (73,132)	(55)	

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20 OF THE PAID-IN CAPITAL
DECEMBER 31, 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	Subsidiary	$ 1,311,442 (Notes 1 and 3)	-	$ -	-	$ -	$ -

Note 1: Finance lease receivables from the sublease of wharf in Port of Taipei.

Note 2: The amount received in subsequent period as of March 29, 2021.

Note 3: The listed amounts were eliminated upon consolidation.

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, or Otherwise Stated)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2020			Net Income/(Loss) of the Investee	Share of Profit/(Loss) of Investee	Remark
				December 31, 2020	December 31, 2019	Number of Shares (In Thousands)	%	Carrying Amount			
Chia Hsin Cement Corporation	Chia Hsin Construction & Development Corp.	11F, No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Office buildings construction and lease and sale of public housings	$ 656,292	$ 656,292	31,458,920	43.87	$ 1,792,694	$ 208,159	$ 91,318	(Notes 4)
	Tong Yang Chia Hsin International Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	General international trade	1,600,159	1,600,159	257,073,050	87.18	6,378,276	558,250	486,683	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	1,000,000	1,000,000	100,000,000	100.00	5,279,930	1,616,250	1,616,250	Subsidiary (Note 3)
	Chia Pei International Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Mining; Wholesale of Building Materials; Nonmetallic Mining; Retail Sale of Building Materials; International Trade; Rental and Leasing Business; Retail Sale of Other Machinery and Equipment	120,000	120,000	19,560,000	100.00	197,301	55,148	55,148	Subsidiary (Note 3)
	BlueSky Co., Ltd.	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	International trade; real estate trading; real estate leasing	81,561	81,561	8,300,000	100.00	83,930	518	518	Subsidiary (Note 3)
	Chia Hsin Pacific Limited	Cayman Islands	Holding company	969,104	969,104	19,186,070	74.16	2,341,844	361,186	267,837	Subsidiary (Note 3)
	YJ International Corporation	11F, No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Real estate rental and leasing; real estate management; realtor agent	2,280,000	2,280,000	228,000,000	100.00	1,373,289	(638,048)	(638,048)	Subsidiary (Note 3)
	Jaho Life Plus+ Management Corp., Ltd.	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Management consulting service	400,000	300,000	40,000,000	100.00	224,254	(87,907)	(87,907)	Subsidiary (Note 3)
	LDC ROME HOTELS S.R.L.	Rome, Italy	Hotel management	NT$ 597,815 (EUR 17,070,667)	NT$ 560,460 (EUR 16,004,000)	-	40.00	367,335	(188,754)	(75,502)	(Note 4)
	L'Hotel De Chine Corporation	11F, No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Hotel and tourism	1,157,340	-	67,998,915	23.10	1,164,251	37,429	9,264	(Note 4)
	Chia Huan Tung Cement Corporation	5F.-1, No. 21, Wufu 3rd Rd., Qianjin Dist., Kaohsiung City	Cement and concrete mix manufacturing	-	142,014	-	-	-	(1,146)	(237)	(Note 5)
	International Chia Hsin Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	International trade; general investment	69,341	69,341	5,800,000	19.33	112,156	21,700	4,195	
Chia Hsin Property Management & Development Corporation	Chia Sheng Construction Corp.	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Wholesale and retail business of machinery; residence, factory buildings and office buildings leasing and selling; PPE leasing and selling	250,000	250,000	25,000,000	100.00	246,637	7,279	7,279	Second-tier subsidiary (Note 3)
YJ International Corporation	CHC Ryukyu Development GK	26 Tokashiki, Aza, Tomigusuku-shi, Okinawa, Japan	Real estate rental and leasing; management consulting service	NT$ 270,657 (JPY 979,575,335)	NT$ 270,657 (JPY 979,575,335)	-	100.00	160,512	(10,636)	(10,636)	Second-tier subsidiary (Note 3)
	CHC Ryukyu COLLECTIVE KK	2 Chome-1-12 Matsuyama, Naha, Okinawa, Japan	Hotel management	NT$ 1,939,743 (JPY 7,020,424,665)	NT$ 1,939,743 (JPY 7,020,424,665)	-	100.00	1,168,713	(623,242)	(623,242)	Second-tier subsidiary (Note 3)
Chia Hsin Pacific Limited	Yonica Pte Ltd	Singapore	Investment and holding company	NT$ 1,895,379 (US$ 66,551,243)	NT$ 1,895,379 (US$ 66,551,243)	104,908,690	100.00	NT$ 789,296 (US$ 27,714,033)	NT$ 87,656 (US$ 2,966,468)	NT$ 87,656 (US$ 2,966,468)	Second-tier subsidiary (Note 3)
	Effervesce Investment Pte. Ltd.	Singapore	Investment and holding company	NT$ 885,120 (US$ 31,078,656)	NT$ 885,120 (US$ 31,078,656)	53,274,892	100.00	NT$ 1,422,111 (US$ 49,933,668)	NT$ 168,603 (US$ 5,705,877)	NT$ 168,603 (US$ 5,705,877)	Second-tier subsidiary (Note 3)
	Sparksview Pte. Ltd.	Singapore	Investment and holding company	NT$ 81,804 (US$ 2,872,328)	NT$ 81,804 (US$ 2,872,328)	3,763,350	100.00	NT$ 173,065 (US$ 6,076,736)	NT$ 83,390 (US$ 2,822,087)	NT$ 83,390 (US$ 2,822,087)	Second-tier subsidiary (Note 3)
Tong Yang Chia Hsin International Corporation	International Chia Hsin Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	International trade; general investment	36,642	36,642	6,052,636	20.18	123,998	21,700	4,379	
	Tong Yang Chia Hsin Marine Corp.	Panama	Shipping service	NT$ 76,896 (US$ 2,700,000)	NT$ 76,896 (US$ 2,700,000)	2,700	100.00	445,925	12,230	12,230	Second-tier subsidiary (Note 3)
	Chia Hsin Pacific Limited	Cayman Islands	Holding company	626,119	626,119	6,257,179	24.18	763,748	361,186	87,350	Subsidiary (Note 3)

Note 1: For information on investments in mainland China, refer to Table 10.

Note 2: The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of December 31, 2020: US$1=NT$28.48, JPY1=NT$0.2763, EUR1=NT$35.020; net income items denominated in foreign currencies are translated using the average exchange rate of 2020: US$1=NT$29.549, JPY1=NT$0.277, EUR1=NT$33.708.

Note 3: The investment has been eliminated through consolidation.

Note 4: Material associates

Note 5: The dissolution of the Company was approved by Ministry of Economic Affairs on June 14, 2019, and the liquidation process was completed on October 27, 2020.

Note 6: The highest number of shares held by each investees during the period is the same as those held at the end of the period, and all the shares held are not pledged as collateral.

TABLE 9

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

PARENT-SUBSIDIARY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
	For the year ended December 31, 2020						
0	Chia Hsin Cement Corporation	Chia Pei International Corporation	a.	Warehousing and storage service revenue	$ 92,387	The fee is billed monthly and paid quarterly with receipts issued in the same month when the fee is billed.	4.49
		Chia Pei International Corporation	a.	Interest income from sublease	20,737		1.01
		Chia Pei International Corporation	a.	Lease payment receivables	1,311,442		3.23
		CHC Ryukyu Development GK	a.	Endorsement or guarantee	607,860		1.50
		CHC Ryukyu COLLECTIVE KK	a.	Endorsement or guarantee	1,657,800		4.08
		Chia Hsin Property Management & Development Corporation	a.	Endorsement or guarantee	1,480,000		3.64
		Chia Hsin Property Management & Development Corporation	a.	Investment accounted for using the equity method	101,256	Cash dividends	0.25
		Chia Hsin Property Management & Development Corporation	a.	Other receivables	36,940	Every May (Linked tax payments)	0.09
		Jaho Life Plus+ Management Corp., Ltd.	a.	Investment accounted for using the equity method	100,000	Cash injection	0.25
		Tong Yang Chia Hsin International Corporation	a.	Investment accounted for using the equity method	1,055,710	Treasury shares	2.60
		Tong Yang Chia Hsin International Corporation	a.	Investment accounted for using the equity method	642,683	Cash dividends	1.58
1	Tong Yang Chia Hsin International Corporation	Chia Hsin Cement Corporation	b.	Service revenue	71,442	The fee is billed monthly and paid in the next month.	3.47
		Chia Hsin Cement Corporation	b.	Dividend income	111,248	Cash dividends	5.40
2	Chia Hsin Property Management & Development Corporation	Chia Hsin Cement Corporation	b.	Endorsement or guarantee	6,640,000		16.34
		Chia Hsin Cement Corporation	b.	Other income	18,619	Transaction fee arising from endorsement or guarantee	0.90
		Chia Hsin Cement Corporation	b.	Other receivables	19,550	Transaction fee arising from endorsement or guarantee	0.05
		Jaho Life Plus+ Management Corp., Ltd.	c.	Rental revenue	10,760		0.52
3	Chia Pei International Corporation	Chia Hsin Cement Corporation	b.	Service revenue	13,976		0.68
4	Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	c.	Investment accounted for using the equity method	91,661	Cash injection	0.23

(Continued)

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
5	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Jiapeng Maternal and Child Care (Yangzhou) Co., Ltd.	c.	Investment accounted for using the equity method	$ 78,567	Cash injection	0.19
		Jiapeng Maternal and Child Care (Suzhou) Co., Ltd.	c.	Investment accounted for using the equity method	26,189	Cash injection	0.06

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

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

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

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

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

Note 4: The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of December 31, 2020: US$1=NT$28.48, JPY1=NT$0.2763, RMB1=NT$4.364827; net income items denominated in foreign currencies are translated using the average exchange rate of 2020: US$1=NT$29.549, JPY1=NT$0.2770, RMB1= NT$4.282469.

Note 5: The listed amounts were eliminated upon consolidation.

(Concluded)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, or in Thousands of Foreign Currencies)

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1 (a.))	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020 (Note 1 (a.))	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020 (Note 1 (a.))	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1 (a.))	Carrying Amount as of December 31, 2020 (Note 1 (a.))	Accumulated Repatriation of Investment Income as of December 31, 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	$ 240,941 (US$ 8,460)	b. and d.	$ 362,323 (US$ 12,722)	$ - (US$ -)	$ - (US$ -)	$ 362,323 (US$ 12,722)	95.23	$ 262,148 (US$ 8,872)	$ 515,535 (US$ 18,102)	$ - (US$ -)	Note 1 (b.) (2) and Note 7
Shanghai Chia Hsin Ganghui Co., Ltd.	Warehousing and packing bulk cement and formulating and delivering high-strength cement	299,040 (US$ 10,500)	b.	457,560 (US$ 16,066)	- (US$ -)	- (US$ -)	457,560 (US$ 16,066)	95.23	(19,459) (US$ -659)	424,336 (US$ 14,899)	- (US$ -)	Note 1 (b.) (2) and Note 7
Jiangsu Union Cement Co., Ltd. (Note 5)	Processing, manufacturing and selling of cement	- (US$ -)	c.	1,965,775 (US$ 69,023)	- (US$ -)	- (US$ -)	1,965,775 (US$ 69,023)	-	1,506 (US$ 51)	- (US$ -)	- (US$ -)	Note 1 (b.) (2) and Note 7
Shanghai Chang Hsin Shipping Co., Ltd.	Delivering cement	142,400 (US$ 5,000)	b.	87,291 (US$ 3,065)	- (US$ -)	- (US$ -)	87,291 (US$ 3,065)	38.09	30,103 (US$ 1,019)	68,137 (US$ 2,393)	- (US$ -)	Note 1 (b.) (2) and Note 8
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Consulting for developing information system for business and finance purpose	492,989 (US$ 17,310)	b.	754,635 (US$ 26,497)	- (US$ -)	- (US$ -)	754,635 (US$ 26,497)	95.23	(20,118) (US$ -681)	560,266 (US$ 19,672)	- (US$ -)	Note 1 (b.) (2) and Note 7
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Consulting for management of healthcare and hotel business	200,782 (RMB 46,000)	f. Investor: Chia Hsin Business Consulting (Shanghai) Co., Ltd.	- (US$ -)	- (US$ -)	- (US$ -)	- (US$ -)	95.23	(24,099) (US$ -816)	143,680 (US$ 5,045)	- (US$ -)	Note 1 (b.) (2) and Note 7
Jiapeng Maternal and Child Care (Yangzhou) Co., Ltd.	Providing healthcare service to mothers in pregnancy, parturition and postpartum period	87,297 (RMB 28,000)	f. Investor: Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	- (US$ -)	- (US$ -)	- (US$ -)	- (US$ -)	95.23	(17,421) (US$ -590)	89,580 (US$ 3,145)	- (US$ -)	Note 1 (b.) (2) and Note 7
Jiapeng Maternal and Child Care (Suzhou) Co., Ltd.	Providing healthcare service to mothers in pregnancy, parturition and postpartum period	26,189 (RMB 6,000)	f. Investor: Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	- (US$ -)	- (US$ -)	- (US$ -)	- (US$ -)	95.23	(7,822) (US$ -265)	18,217 (US$ 640)	- (US$ -)	Note 1 (b.) (2) and Note 7
Jiangsu Union Mining Industry Ltd. (Note 6)	Processing, manufacturing and delivering of limestone and other related products	348,750 (RMB 79,900)	c.	141,546 (US$ 4,970)	- (US$ -)	- (US$ -)	141,546 (US$ 4,970)	47.62	(909) (US$ -31)	- (US$ -)	- (US$ -)	Note 1 (b.) (2) and Note 9

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1 (a.))	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020 (Note 1 (a.))	Remittance of Funds: Outward (Note 1 (a.))	Remittance of Funds: Inward (Note 1 (a.))	Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020 (Note 1 (a.))	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1 (a.))	Carrying Amount as of December 31, 2020 (Note 1 (a.))	Accumulated Repatriation of Investment Income as of December 31, 2020	Note
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	$ 375,936 (US$ 13,200)	e.	$ 394,363 (US$ 13,847)	$ - (US$ -)	$ - (US$ -)	$ 394,363 (US$ 13,847)	87.18	$ 12,143 (US$ 411)	$ 439,329 (US$ 15,426)	$ - (US$ -)	Note 1 (b.) (2) and Note 7
Jiangsu Jiaxin Property Limited Company	Developing and selling real estate and providing property management service	87,297 (RMB 20,000)	f. Investor: Jiangsu Jiaguo Construction Material Storage Co., Ltd.	- (US$ -)	- (US$ -)	- (US$ -)	- (US$ -)	87.18	6,293 (US$ 213)	94,216 (US$ 3,308)	- (US$ -)	Note 1 (b.) (2) and Note 7

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

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 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)
$ 6,540,945 (US$ 229,668)	$ 6,610,892 (US$ 232,124)	$ 14,509,288

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

Note 1: a. The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of December 31, 2020: US$1=NT$28.48, RMB1=NT$4.364827; net income items denominated in foreign currencies are translated using the average exchange rate of 2020: US$1=NT$29.549, RMB1=$4.282469.

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

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

Note 2: The method of investment includes the following:

a. Direct investment in mainland China.

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

c. Indirect investment in mainland China through companies registered in a third region. The Company and Tong Yang Chia Hsin International Corporation invest in Chia Hsin Pacific Limited, which then invest in Yonica Pte. Ltd., the company that invests in mainland China.

d. Indirect investment in mainland China through companies registered in a third region. The Company and Tong Yang Chia Hsin International Corporation invest in Chia Hsin Pacific Limited, which then invest in Spaksview Pte. Ltd., the company that invests in mainland China.

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

f. Other method.

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

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

Note 5: On April 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.

(Continued)

Note 6: On December 29, 2020, the dissolution of Jiangsu Union Mining Industry Ltd., approved by authorities has completed.

Note 7: The listed amounts were eliminated upon consolidation.

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

Note 9: The investment in joint ventures accounted for using the equity method.

(Concluded)

TABLE 11

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

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Chia Hsin Cement Corporation

Opinion

We have audited the accompanying financial statements of Chia Hsin Cement Corporation (the "Company"), which comprise the balance sheets as of December 31, 2020 and 2019, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter of the Company's financial statements for the year ended December 31, 2020 is stated as follows:

Sales of Cement to the Main Clients

The operating revenue of the Company mainly comes from the sales of cement. For the year ended December 31, 2020, the amount of revenue from the sales of cement was $1,002,463 thousand, which accounted for 85% of the total operating revenue. Due to the concentration of sales to target clients in the Company' cement business, longer credit period or turnover days of those clients and the materiality of the transactions, we considered the transactions with such clients as a key audit matter.

For the explanation of accounting policies and notes to the financial statements, refer to Notes 4 and 24.

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

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

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Cheng Chuan Yu and Keng Hsi Chang.

Chang Keng Hsi

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 29, 2021

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

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

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

CHIA HSIN CEMENT CORPORATION

BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

ASSETS	2020 Amount	%	2019 Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 593,591	2	$ 363,313	1
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 31)	471,782	1	740,454	2
Financial assets at fair value through other comprehensive income - current (Notes 4, 8, and 31)	1,311,043	4	1,281,001	4
Financial assets at amortized cost - current (Notes 4 and 13)	1,177,666	4	838,788	3
Notes receivable (Notes 4, 5, 9, and 24)	145,545	1	162,701	1
Trade receivables (Notes 4, 5, 9, and 24)	33,999	-	31,632	-
Trade receivables from related parties (Notes 4, 5, 24, and 32)	11,880	-	5,783	-
Finance lease receivables - current (Notes 4, 11, and 32)	44,236	-	43,121	-
Other receivables (Notes 4 and 10)	2,543	-	48,318	-
Other receivables from related parties (Notes 4 and 32)	66,034	-	153,463	1
Current tax assets	1,045	-	-	-
Inventories (Notes 4 and 12)	52,848	-	37,635	-
Prepayments (Note 18)	3,202	-	3,178	-
Total current assets	3,915,414	12	3,709,387	12
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 31)	8,284,734	25	8,033,194	26
Financial assets at amortized cost - non-current (Notes 4, 13, and 33)	9,476	-	11,320	-
Investments accounted for using the equity method (Notes 4, 14 and 32)	18,259,550	55	16,055,186	53
Property, plant and equipment (Notes 4 and 15)	820,507	3	959,470	3
Right-of-use assets (Notes 4 and 16)	13,205	-	15,454	-
Investment properties (Notes 4 and 17)	267,656	1	268,892	1
Deferred tax assets (Notes 4 and 26)	132,252	-	116,297	1
Refundable deposits (Notes 4 and 18)	7,006	-	7,136	-
Finance lease receivables - non-current (Notes 4, 11, and 32)	1,267,206	4	1,289,087	4
Other non-current assets (Note 18)	2,010	-	1,929	-
Total non-current assets	29,063,602	88	26,757,965	88
TOTAL	$ 32,979,016	100	$ 30,467,352	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4 and 19)	$ 1,419,000	4	$ 540,000	2
Short-term bills payable (Note 4 and 19)	136,773	1	269,758	1
Contract liabilities - current (Notes 4 and 24)	4,924	-	4,996	-
Notes payable (Note 20)	3,011	-	2,906	-
Trade payables (Note 20)	49,638	-	92,331	1
Trade payables to related parties (Note 32)	79,615	-	90,324	-
Other payables (Note 21)	120,052	-	78,057	-
Other payables to related parties (Note 32)	19,580	-	26,694	-
Current tax liabilities (Notes 4 and 26)	40,634	-	34,074	-
Lease liabilities - current (Notes 4 and 16)	48,189	-	47,322	-
Current portion of long-term borrowings (Notes 4, 19 and 32)	457,500	2	923,678	3
Guarantee deposits - current	380	-	380	-
Total current liabilities	2,379,296	7	2,110,520	7
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 4, 19 and 32)	4,843,750	15	4,001,250	13
Deferred tax liabilities (Notes 4 and 26)	256,746	1	198,844	1
Lease liabilities - non-current (Notes 4 and 16)	1,276,621	4	1,300,448	4
Net defined benefit liabilities - non-current (Notes 4 and 22)	16,266	-	17,836	-
Guarantee deposits - non-current	24,190	-	25,012	-
Total non-current liabilities	6,417,573	20	5,543,390	18
Total liabilities	8,796,869	27	7,653,910	25
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)				
Share capital				
Ordinary shares	7,747,805	23	7,747,805	26
Capital surplus	960,402	3	847,377	3
Retained earnings				
Legal reserve	2,319,663	7	2,143,611	7
Special reserve	2,275,704	7	2,346,051	8
Unappropriated earnings	7,058,382	21	6,171,113	20
Total retained earnings	11,653,749	35	10,660,775	35
Other equity	4,939,214	15	4,654,268	15
Treasury shares	(1,119,023)	(3)	(1,096,783)	(4)
Total equity attributable to owners of the Company	24,182,147	73	22,813,442	75
Total equity	24,182,147	73	22,813,442	75
TOTAL	$ 32,979,016	100	$ 30,467,352	100

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

CHIA HSIN CEMENT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 24 and 32)				
Sales	$ 1,002,463	85	$ 1,022,319	82
Rental revenue	4,578	-	4,484	-
Service revenue	23,519	2	30,054	2
Other operating revenue	156,315	13	192,466	16
Total operating revenue	1,186,875	100	1,249,323	100
OPERATING COSTS (Notes 12, 25 and 32)				
Cost of goods sold	(1,016,459)	(86)	(1,036,784)	(83)
Rental costs	(1,761)	-	(1,801)	-
Service costs	(21,902)	(2)	(26,051)	(2)
Other operating costs	(167,429)	(14)	(155,388)	(13)
Total operating costs	(1,207,551)	(102)	(1,220,024)	(98)
GROSS PROFIT	(20,676)	(2)	29,299	2
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Note 4)	(14)	-	(1,083)	-
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Note 4)	895	-	-	-
REALIZED GROSS PROFIT	(19,795)	(2)	28,216	2
OPERATING EXPENSES (Notes 25 and 32)				
Selling and marketing expenses	(12,760)	(1)	(12,724)	(1)
General and administrative expenses	(204,895)	(17)	(230,745)	(18)
Expected credit gain (Note 9)	150	-	724	-
Total operating expenses	(217,505)	(18)	(242,745)	(19)
LOSS FROM OPERATIONS	(237,300)	(20)	(214,529)	(17)
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 4 and 25, and 32)	43,532	4	42,545	3
Other income (Notes 4, 25, and 32)	567,593	48	719,295	58
Other gains and losses (Notes 4, 25, 28, and 32)	(79,255)	(7)	99,840	8

(Continued)

CHIA HSIN CEMENT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	**%**	**Amount**	**%**
Finance costs (Notes 4 and 25)	$ (93,356)	(8)	$ (97,128)	(8)
Share of profit or loss of subsidiary, associates and joint ventures	1,618,271	136	829,188	66
Total non-operating income and expenses	2,056,785	173	1,593,740	127
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	1,819,485	153	1,379,211	110
INCOME TAX EXPENSE (Note 26)	(55,119)	(4)	(81,738)	(6)
NET PROFIT FROM CONTINUING OPERATIONS	1,764,366	149	1,297,473	104
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 22, 23 and 26)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	1,571	-	1,091	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	271,582	23	2,174,972	174
Share of the other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	75,416	6	972,173	78
Income tax relating to items that will not be reclassified subsequently to profit or loss	(314)	-	(218)	-
	348,255	29	3,148,018	252
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(63,048)	(5)	(123,925)	(10)
Share of the other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	(13,395)	(1)	(24,833)	(2)
Income tax relating to items that may be reclassified subsequently to profit or loss	15,289	1	29,752	2
	(61,154)	(5)	(119,006)	(10)
Other comprehensive income for the year, net of income tax	287,101	24	3,029,012	242
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 2,051,467	173	$ 4,326,485	346

(Continued)

CHIA HSIN CEMENT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	**%**	**Amount**	**%**
EARNINGS PER SHARE (Note 27)				
From continuing operations				
Basic	$ 2.74		$ 2.02	
Diluted	$ 2.74		$ 2.01	

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

CHIA HSIN CEMENT CORPORATION

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

			Retained Earnings			Other Equity			
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Total Equity
BALANCE, 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)	$ 19,022,761
Appropriation of 2019 earnings (Note 23)									
Legal reserve	-	-	69,975	-	(69,975)	-	-	-	-
Cash dividends	-	-	-	-	(771,781)	-	-	-	(771,781)
Total comprehensive income for the year ended December 31, 2019									
Net profit for the year ended December 31, 2019	-	-	-	-	1,297,473	-	-	-	1,297,473
Other comprehensive income (loss) for the year ended December 31, 2019 (Note 23)	-	-	-	-	3,002	(119,006)	3,145,016	-	3,029,012
	-	-	-	-	1,300,475	(119,006)	3,145,016	-	4,326,485
Buy-back of ordinary shares (Note 23)	-	-	-	-	-	-	-	(3,955)	(3,955)
Change in capital surplus due to cash dividends of the Company paid to subsidiary (Notes 14 and 23)	-	111,041	-	-	-	-	-	-	111,041
Disposal of investments in equity instruments designated as at fair value through other comprehensive income of the Company (Notes 8 and 23)	-	-	-	-	269,873	-	(269,873)	-	-
Changes in percentage of ownership interests in subsidiaries (Note 23)	-	24,925	-	-	121,046	2,770	(121,046)	93,716	121,411
Changes in subsidiaries and associates accounted for using the equity method (Note 23)	-	-	-	-	66,172	-	(66,172)	-	-
Unclaimed dividends extinguished by prescription (Note 23)	-	7,480	-	-	-	-	-	-	7,480
BALANCE, DECEMBER 31, 2019	7,747,805	847,377	2,143,611	2,346,051	6,171,113	(343,071)	4,997,339	(1,096,783)	22,813,442
Appropriation of 2020 earnings (Note 23)									
Legal reserve	-	-	176,052	-	(176,052)	-	-	-	-
Cash dividends	-	-	-	-	(771,781)	-	-	-	(771,781)
Reverse of special reserve	-	-	-	(70,347)	70,347	-	-	-	-
Total comprehensive income for the year ended December 31, 2020									
Net profit for the year ended December 31, 2020	-	-	-	-	1,764,366	-	-	-	1,764,366
Other comprehensive income (loss) for the year ended December 31, 2020 (Note 23)	-	-	-	-	2,155	(61,154)	346,100	-	287,101
	-	-	-	-	1,766,521	(61,154)	346,100	-	2,051,467
Buy-back of ordinary shares (Note 23)	-	-	-	-	-	-	-	(22,240)	(22,240)
Change in capital surplus due to cash dividends of the Company paid to subsidiary (Notes 14 and 23)	-	111,248	-	-	-	-	-	-	111,248
Changes in percentage of ownership interests in subsidiaries (Note 23)	-	(538)	-	-	(1,766)	-	-	-	(2,304)
Unclaimed dividends extinguished by prescription (Note 23)	-	2,315	-	-	-	-	-	-	2,315
BALANCE, DECEMBER 31, 2020	$ 7,747,805	$ 960,402	$ 2,319,663	$ 2,275,704	$ 7,058,382	$ (404,225)	$ 5,343,439	$ (1,119,023)	$ 24,182,147

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

CHIA HSIN CEMENT CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,819,485	$ 1,379,211
Adjustments for:		
Depreciation expense	144,956	147,830
Expected credit loss (reversed) recognized on trade receivables	(150)	(724)
Net loss (gain) on fair value changes of financial assets at fair value through profit or loss	11,939	(149,181)
Finance costs	93,356	97,128
Interest income	(43,532)	(42,545)
Dividend income	(530,595)	(678,936)
Share of profit of subsidiaries, associates and joint ventures	(1,618,271)	(829,188)
Gain on disposal of investment properties	-	(895)
Gain on modification of lease	(27)	-
Gain on disposal of investments	-	(11,227)
Loss on liquidation of associates accounted for using the equity method	620	-
Write-down of inventories	2,531	-
Unrealized gain on transactions with subsidiaries, associates and joint ventures	14	1,083
Realized gain on transactions with subsidiaries, associates and joint ventures	(895)	-
Net loss on foreign currency exchange	48,192	49,312
Changes in operating assets and liabilities:		
Financial assets mandatorily classified as at fair value through profit or loss	300,446	(12,769)
Notes receivable	17,329	32,685
Trade receivables	(2,390)	39,714
Trade receivables from related parties	(6,097)	2,679
Other receivables	29	(40)
Other receivables from related parties	610	(2,968)
Inventories	(17,744)	(25,422)
Prepayments	(24)	659
Contract liabilities	(72)	(525)
Notes payable	105	755
Trade payables	(42,693)	1,330
Trade payables to related parties	(10,709)	(8,277)
Other payables	(8,828)	8,299
Other payables to related parties	(7,114)	2,938
Net defined benefit liabilities	1	(755)
Cash generated from operations	150,472	171
Interest paid	(92,729)	(97,237)
Income tax paid	(5,160)	(7,406)
Net cash generated from (used in) operating activities	52,583	(104,472)

(Continued)

CHIA HSIN CEMENT CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	2020	2019
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	-	271,474
Cash returns from capital reductions of investments in financial assets at fair value through other comprehensive income	-	1,928
Purchase of financial assets at amortized cost	(337,034)	(27,049)
Acquisition of investments accounted for using the equity method	(1,244,460)	(1,380,000)
Net cash inflow on disposal of subsidiaries	-	222,929
Cash returns from liquidation of investees accounted for using the equity method	25,071	-
Payments for property, plant and equipment	(210)	(1,360)
Decrease in refundable deposits paid	130	315
Decrease in other receivables from related parties	97,788	27,111
Decrease in finance lease receivables - non-current	34,141	42,574
Increase (decrease) in other non-current assets	(81)	224
Interest received	45,565	45,013
Dividends received from subsidiaries, associates and joint ventures	791,892	606,190
Other dividends received	530,595	678,936
Net cash (used in) generated from investing activities	(66,603)	488,285
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds of short-term borrowings	879,000	88,000
Repayment of short-term bills payable	(133,000)	(35,000)
Proceeds of long-term loans	376,322	73,750
Refund of guarantee deposits received	(822)	(1,103)
Repayment of the principal portion of lease liabilities	(38,813)	(46,973)
Payments for buy-back of ordinary shares	(22,240)	(3,955)
Cash dividends paid	(771,781)	(771,781)
Return of unclaimed dividends extinguished by prescription	1,895	6,135
Net cash generated from (used in) financing activities	290,561	(690,927)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(46,263)	(41,881)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	230,278	(348,995)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	363,313	712,308
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 593,591	$ 363,313

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

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

1. GENERAL INFORMATION

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.

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Company's board of directors on March 29, 2021.

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

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

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

b. The IFRSs endorsed by the FSC for application starting from 2021

New IFRSs	Effective Date Announced by IASB
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

   As of the date the financial statements were authorized for issue, the Company assessed that the application of other standards and interpretations did not have material impact on the Company's financial position and financial performance.

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

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

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

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

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

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

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

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

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

1) Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"

The amendments clarify that for a liability to be classified as non-current, the Company shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Company will exercise that right. The amendments also clarify that, if the right to defer settlement is subject to compliance with specified conditions, the Company must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date.

The amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Company's own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Company's own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32 "Financial Instruments: Presentation", the aforementioned terms would not affect the classification of the liability.

2) Amendments to IAS 1 "Disclosure of Accounting Policies"

The amendments specify that the Company should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;

- The Company may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and

- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

a) The Company changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;

b) The Company chose the accounting policy from options permitted by the standards;

c) The accounting policy was developed in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in the absence of an IFRS that specifically applies;

d) The accounting policy relates to an area for which the Company is required to make significant judgements or assumptions in applying an accounting policy, and the Company discloses those judgements or assumptions; or

e) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

3) Amendments to IAS 8 "Definition of Accounting Estimates"

The amendments define that accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Company may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Company uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuer.

b. Basis of preparation

The 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.

When preparing these parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries, associates and joint ventures. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same as the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries, associates and joint ventures, the share of other comprehensive income of subsidiaries, associates and joint ventures and the related equity items, as appropriate, in these financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and

3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

d. Foreign currencies

In preparing the Company's financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

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

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

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

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

On the disposal of a foreign operation (i.e., a disposal involving the loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the non-controlling interests of the subsidiary and is included in the calculation of equity transactions, but is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

e. Inventories

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

f. Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries attributable to the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further loss, if any.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Profits or losses resulting from downstream transactions are eliminated in full only in the parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only in the parent company only financial statements only to the extent of interests in the subsidiaries of parties that are not related to the Company.

g. Investments in associates

An associate is an entity over which the Company has significant influence and which is neither a subsidiary nor an interest in a joint venture. The Company uses the equity method to account for its investments in associates.

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

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

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

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

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

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

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

h. Property, plant and equipment

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

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

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

i. Investment properties

Investment properties are properties held to earn rentals or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

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

j. Impairment of property, plant and equipment, investment properties, and right-of-use asset

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

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

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

k. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, and any dividends and interest earned are recognized in other income and interest income, respectively; remeasurement gains or losses on such financial assets are recognized in other gains and losses. Fair value is determined in the manner described in Note 31.

ii. Financial assets at amortized cost

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

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

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

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

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

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

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

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost and finance lease receivables.

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

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

For internal credit risk management purposes, the Company determined the following situations as indicators that a financial asset may be in default (without taking into account any collateral held by the Company):

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

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

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

c) Derecognition of financial assets

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

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

2) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

l. Revenue recognition

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

1) Revenue from the sale of goods

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

2) Revenue from the rendering of services

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

3) Other income

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

m. Leases

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

1) The Company 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 Company 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 Company, 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 Company’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.

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 Company 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.

2) The Company as lessee

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

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

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company 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 a lease term or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

n. Borrowing costs

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

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

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

o. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

p. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred taxes for the year

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

4) The linked-tax system

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimates, 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 Company 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.

Estimated Impairment of Financial Assets

The provision for the impairment of trade and note receivables is based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Company's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs used, see Note 9 and Note 10. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2020	2019
Cash on hand	$ 884	$ 845
Checking accounts and demand deposits	266,456	196,562
Cash equivalents		
Commercial papers	14,998	33,983
Time deposits with original maturities of 3 months or less	218,192	5,003
Repurchase agreements collateralized by bonds	93,061	126,920
	$ 593,591	$ 363,313

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

	December 31	
	2020	2019
Commercial paper	0.19%	0.51%
Bank balance	0.001%-0.38%	0.001%-2.76%
Repurchase agreements collateralized by bonds	0.50%-0.60%	2.20%-2.25%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2020	2019
Financial assets mandatorily classified as at fair value through profit or loss (FVTPL) - current		
Non-derivative financial assets		
Domestic listed shares	$ 334,856	$ 322,527
Overseas listed shares	64,909	101,423
Overseas mutual funds - beneficiary certificates	72,017	316,504
	$ 471,782	$ 740,454

The Company has investments in shares of Taiwan Cement Corporation. As of December 31, 2020, the Company held 7,740,307 shares (book value of $334,381 thousand) accounted for as financial assets at fair value through profit or loss, and 210,119,149 shares (book value of $9,077,147 thousand) accounted for as financial assets at fair value through other comprehensive income. Other information for price risks and sensitivity analysis is provided in Note 31.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2020	2019
Investments in equity instruments - current		
Domestic investments		
Listed shares and emerging market shares	$ 1,311,043	$ 1,281,001
Investments in equity instruments - non-current		
Domestic investments		
Listed shares and emerging market shares	$ 7,979,833	$ 7,687,683
Unlisted shares	304,901	345,511
	$ 8,284,734	$ 8,033,194

These investments in equity instruments are held for medium to long-term strategic purposes. 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 Company's strategy of holding these investments for long-term purposes.

The Company purchased ordinary shares of B Current Impact Investment Fund 3 with the amount of $10,000 thousand in March 2020. The investment is held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI.

In June and July 2019, the Company sold its shares in Breeze Development Co., Ltd. and Taiwan Stock Exchange Corporation in order to manage credit concentration risk. The shares sold had a fair value of $1,051 thousand and $270,423 thousand, respectively and the related unrealized valuation gain of $50 thousand and $269,823 thousand was transferred from other equity to retained earnings, respectively.

The Company recognized dividends income of $509,411 thousand and $643,739 thousand related to investments held in 2020 and 2019, respectively.

9. NOTES RECEIVABLE AND TRADE RECEIVABLES

	December 31	
	2020	2019
Notes receivable		
At amortized cost		
Gross carrying amount	$ 147,015	$ 164,344
Less: Allowance for impairment loss	(1,470)	(1,643)
	$ 145,545	$ 162,701
Trade receivables		
At amortized cost		
Gross carrying amount	$ 34,342	$ 31,952
Less: Allowance for impairment loss	(343)	(320)
	$ 33,999	$ 31,632

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 Company 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 Company reviews the recoverable amount of each individual trade receivables at the end of the year to ensure that adequate allowance is provided for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced.

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

Trade Receivables

The average credit period of the sales of goods was 60 to 90 days, and no interest was charged on overdue trade receivables. In determining the recoverability of the trade receivables, the Company considered any change in the credit quality of the trade receivables since the date credit was initially granted to the end of the reporting period. From historical experience, most of the receivables were recovered.

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

The Company measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix and by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. As the Company'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 Company's different customer base.

The Company 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. For trade receivables that have been written off, the Company 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 based on the Company's provision matrix:

December 31, 2020

	Not Past Due	1 to 90 Days	91 to 360 Days	Over 360 Days	Total
Expected credit loss rate	0%-1%	0%	0%	100%	
Gross carrying amount	$ 181,357	$ -	$ -	$ -	$ 181,357
Allowance for impairment loss (Lifetime ECLs)	(1,813)	-	-	-	(1,813)
Amortized cost	$ 179,544	$ -	$ -	$ -	$ 179,544

December 31, 2019

	Not Past Due	1 to 90 Days	91 to 360 Days	Over 360 Days	Total
Expected credit loss rate	0%-1%	0%-1%	0%	100%	
Gross carrying amount	$ 186,492	$ 9,804	$ -	$ -	$ 196,296
Allowance for impairment loss (Lifetime ECLs)	(1,865)	(98)	-	-	(1,963)
Amortized cost	$ 184,627	$ 9,706	$ -	$ -	$ 194,333

The movements of the loss allowance of notes receivable and trade receivables were as follows:

	For the Year Ended December 31	
	2020	2019
Balance at January 1	$ 1,963	$ 2,687
Add: Net remeasurement of loss allowance	23	-
Less: Net remeasurement of loss allowance reversed	(173)	(724)
Balance at December 31	$ 1,813	$ 1,963

10. OTHER RECEIVABLES

	December 31	
	2020	2019
Interest receivables	$ 2,420	$ 4,453
Other receivables from disposal of investments	-	43,713
Others	123	152
	$ 2,543	$ 48,318

Other receivables were mainly interest and proceeds of marketable securities disposed. The Company only transacts with counterparts who have good credit ratings. The Company continues to monitor the conditions of the receivables and refers to the past default experience of the debtor and the analysis of the debtor's current financial position in determining whether the credit risk of the other receivables increased significantly since the initial recognition as well as in measuring the expected credit losses. As of December 31, 2020 and 2019, the Company assessed the expected credit loss rate of other receivables as 0%.

11. FINANCE LEASE RECEIVABLES

	December 31	
	2020	2019
Undiscounted lease payments		
Year 1	$ 64,441	$ 63,664
Year 2	63,664	63,664
Year 3	63,664	63,664
Year 4	63,664	63,664
Year 5	63,664	63,664
Year 6 onwards	1,258,650	1,294,502
	1,577,747	1,612,822
Less: Unearned finance income	(266,305)	(280,614)
Lease payments receivable	1,311,442	1,332,208
Net investment in leases presented as finance lease receivables	$ 1,311,442	$ 1,332,208
Lease payments receivable		
Not more than 1 year	$ 44,236	$ 43,121
More than 1 year and not more than 5 years	184,086	179,449
More than 5 years	1,083,120	1,109,638
	$ 1,311,442	$ 1,332,208

Since December 2009, the Company has been subleasing the land, facilities and equipment located in the Taipei Port Container Terminal to its subsidiary - Chia Pei International Corporation. As the Company's main lease is a finance lease and the sublease of the abovementioned items is for all the remaining lease term of the main lease, the sublease contract is classified as a finance lease.

The interest rates inherent in the leases are fixed at the contract dates for the entire term of the lease. As of December 31, 2020 and 2019, the interest rate inherent in the finance leases was approximately 1.58% per annum.

To reduce the residual asset risk related to the leased land and machineries and equipment at the end of the relevant lease, the lease contract includes general risk management strategy of the Company.

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

12. INVENTORIES

	December 31 2020	December 31 2019
Finished goods	$ 51,701	$ 36,451
Raw materials	1,147	1,184
	$ 52,848	$ 37,635

The nature of the cost of goods sold is as follows:

	For the Year Ended December 31 2020	For the Year Ended December 31 2019
Cost of inventories sold	$ 1,013,928	$ 1,036,784
Inventory write-downs	2,531	-
	$ 1,016,459	$ 1,036,784

13. FINANCIAL ASSETS AT AMORTIZED COST

	December 31 2020	December 31 2019
Current		
Time deposits with original maturities of more than 3 months	$ 1,177,666	$ 838,788
Non-current		
Restricted deposits	$ 9,476	$ 11,320

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

b. Refer to Note 33 for the carrying amounts of financial assets pledged by the Company to secure obligations.

	December 31 2020	December 31 2019
Interest rate range		
Time deposits with original maturities of more than 3 months	0.28%-0.60%	2.01%-2.43%
Restricted deposits	0.52%-1.045%	0.77%-1.065%

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2020	2019
Investments in subsidiaries	$ 14,823,114	$ 13,741,925
Investments in associates	3,436,436	2,313,261
	$ 18,259,550	$ 16,055,186

a. Investments in subsidiaries

	December 31	
	2020	2019
Unlisted Companies		
Tong Yang Chia Hsin International Corporation	$ 6,378,276	$ 6,432,832
Chia Hsin Property Management & Development Corporation	5,279,930	3,764,936
Jaho Life Plus+ Management Corp., Ltd.	224,254	212,161
Chia Pei International Corporation	197,301	142,153
YJ International Corporation	1,373,289	2,007,471
BlueSky. Co., Ltd.	83,930	84,177
Chia Hsin Pacific Limited	2,341,844	2,153,905
	15,878,824	14,797,635
Less: reclassified to treasury stocks (Note 23)	(1,055,710)	(1,055,710)
	$ 14,823,114	$ 13,741,925

	Proportion of Ownership and Voting Rights	
	December 31	
	2020	2019
Chia Hsin Construction & Development Corp. (Note 1)	-	-
Tong Yang Chia Hsin International Corporation	87.18%	87.18%
Chia Hsin Property Management & Development Corporation	100.00%	100.00%
Jaho Life Plus+ Management Corp., Ltd. (Note 2)	100.00%	100.00%
Chia Pei International Corporation	100.00%	100.00%
YJ International Corporation (Note 3)	100.00%	100.00%
BlueSky. Co., Ltd.	100.00%	100.00%
Chia Hsin Pacific Limited	74.16%	74.16%

Note 1: On February 20, 2019, the Company's board of directors (BOD) passed a resolution for the Company 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 ratio of the Company's shareholding decreased from 49.87% to 43.87%. Considering the agreement made among the other shareholders of Chia Hsin Construction & Development Corp., the Company lost control over Chia Hsin Construction & Development Corp. and reclassified the investment to investment in associate. For more details about the disposal of subsidiary, refer to Note 28.

Note 2: On January 16 and October 6, 2020, the Company increased its investment by total of $100,000 thousand.

Note 3: On March 18 and November 20, 2019, the Company increased its investment by $680,000 thousand and $700,000 thousand, respectively.

Note 4: The Company received $744,703 thousand and $574,731 thousand of cash dividends from its subsidiaries in 2020 and 2019, respectively.

Note 5: The Company's cash dividend to subsidiaries in 2020 and 2019 was written off against investments in subsidiaries, associates and joint ventures accounted for using the equity method, and adjusted the carrying amount of capital surplus - treasury share of $111,248 thousand and $111,041 thousand, respectively.

Note 6: For the years ended December 31, 2020 and 2019, the amounts recognized in share of profit or loss of subsidiaries accounted for using the equity method and share of the other comprehensive income of subsidiaries accounted for using the equity method were based on the audited financial statements.

b. Investments in associates

	December 31	
	2020	**2019**
Material associates		
LDC ROME HOTELS S.R.L.	$ 367,335	$ 390,640
L'Hotel De Chine Corporation	1,164,251	-
Chia Hsin Construction & Development Corp.	1,792,694	1,783,114
	3,324,280	2,173,754
Associates that are not individually material	112,156	139,507
	$ 3,436,436	$ 2,313,261

1) Material associates

	Proportion of Ownership and Voting Rights	
	December 31	
	2020	**2019**
LDC ROME HOTELS S.R.L.	40.00%	40.00%
Chia Hsin Construction & Development Corp.	43.87%	43.87%
L'Hotel De Chine Corporation	23.10%	-

Refer to Note 37, Table 8 "Information on Investees" for the nature of activities, principal places of business and countries of incorporation of the associates.

The Company use equity method to account for the investments in the associates mentioned above.

The financial information below was based on the associates' financial statements prepared under IFRSs and adjusted for equity-method accounting purpose.

LDC ROME HOTELS S.R.L.

	December 31	
	2020	**2019**
Current assets	$ 311,500	$ 254,372
Non-current assets	1,824,143	2,135,465
Current liabilities	(102,503)	(556,693)

(Continued)

	December 31	
	2020	2019
Non-current liabilities	$ (1,114,803)	$ (856,545)
Equity	$ 918,337	$ 976,599
Proportion of the Company's ownership	40.00%	40.00%
Equity attributable to the Company	$ 367,335	$ 390,640
Carrying amount	$ 367,335	$ 390,640

	For the Year Ended December 31	
	2020	2019
Operating revenue	$ 147,972	$ 632,359
Net loss for the year	$ (188,754)	$ (34,051)
Other comprehensive income (loss)	-	-
Total comprehensive income (loss) for the year	$ (188,754)	$ (34,051)

On December 23, 2020, the Company increased its investments in LDC ROME HOTELS S.R.L. by EUR 1,067 thousand, which was equivalent to $37,120 thousand.

Chia Hsin Construction & Development Corp.

	December 31	
	2020	2019
Current assets	2,041,258	1,718,219
Non-current assets	2,410,159	2,634,877
Current liabilities	(381,994)	(146,471)
Non-current liabilities	(12,394)	(171,433)
Equity	$ 4,057,029	$ 4,035,192
Proportion of the Company's ownership	43.87%	43.87%
Equity attributable to the Company	$ 1,779,819	$ 1,770,239
Difference between fair value and book value of remaining equity investments	12,875	12,875
Carrying amount	$ 1,792,694	$ 1,783,114

	For the Year Ended December 31	
	2020	2019
Operating revenue	$ 328,189	$ 102,934
Net profit for the year	208,159	155,267
Other comprehensive income	(79,389)	313,656
Total comprehensive income (loss) for the year	$ 128,770	$ 468,923
Dividends received from China Hsin Construction & Development Corp.	$ 47,189	$ 31,459

In February 2019, the Company disposed of part of the shares and consequently lost control over Chia Hsin Construction & Development Corp. Nonetheless, the Company still has significant influence over Chia Hsin Construction & Development Corp., and classified the remaining investment as investment in associate accounted for using the equity method.

L'Hotel De Chine Corporation

	December 31, 2020
Current assets	$ 2,201,768
Non-current assets	6,143,458
Current liabilities	(1,574,559)
Non-current liabilities	(1,730,622)
Equity	$ 5,040,045
Proportion of the Company's ownership	23.10%
Equity attributable to the Company	$ 1,164,251
Carrying amount	$ 1,164,251

	For the Year Ended December 31, 2020
Operating revenue	$ 1,164,251
Net profit for the year	$ 37,429
Other comprehensive income (loss)	(63,386)
Total comprehensive income (loss) for the year	$ (25,957)

Acquisition of associates

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

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

Note: According to the contingent consideration agreement, if the earnings per share of L'Hotel De Chine Corporation in 2020 did not meet the contractual agreement, the Company is not obligated to pay the contingent consideration. The management of the Company believes that the payment is likely to occur and is unavoidable. Accordingly, the fair value of this obligation at the date of acquisition is estimated to be $50,000 thousand.

2) Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2020	2019
The Company's share of:		
Profit (loss) from continuing operations	$ 3,958	$ 2,286
Other comprehensive income	(5,618)	3,617
Total comprehensive income (loss) for the year	$ (1,660)	$ 5,903

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

For the years ended December 31, 2020 and 2019, investments in associates were accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on financial statements which have been audited.

15. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2020	2019
Assets used by the Company	$ 84,654	$ 108,171
Assets leased under operating leases	735,853	851,299
	$ 820,507	$ 959,470

a. Assets used by the Company

	Land	Machinery and Equipment	Transportation Equipment	Leasehold Improvement	Other Equipment	Total
Cost						
Balance at January 1, 2019	$ 4,669	$ 582,099	$ 13,694	$ 2,678,828	$ 13,020	$ 3,292,310
Additions	-	-	570	-	1,000	1,570
Disposals	-	(111,273)	(10,443)	-	-	(121,716)
Transfers to assets leased under operating leases	-	(429,490)	-	(2,131,443)	-	(2,560,933)
Balance at December 31, 2019	$ 4,669	$ 41,336	$ 3,821	$ 547,385	$ 14,020	$ 611,231
Revaluation						
Balance at January 1, 2019	$ -	$ 22,562	$ 487	$ -	$ -	$ 23,049
Disposals	-	(6,755)	(487)	-	-	(7,242)
Balance at December 31, 2019	$ -	$ 15,807	$ -	$ -	$ -	$ 15,807

(Continued)

	Land	Machinery and Equipment	Transportation Equipment	Leasehold Improvement	Other Equipment	Total
Accumulated depreciation and impairment						
Balance at January 1, 2019	$ -	$ 574,173	$ 13,867	$ 1,626,245	$ 1,085	$ 2,215,370
Depreciation expense	-	-	151	20,627	2,614	23,392
Disposals	-	(118,028)	(10,930)	-	-	(128,958)
Transfers to assets leased under operating leases	-	(399,002)	-	(1,191,935)	-	(1,590,937)
Balance at December 31, 2019	$ -	$ 57,143	$ 3,088	$ 454,937	$ 3,699	$ 518,867
Carrying amount at December 31, 2019	$ 4,669	$ -	$ 733	$ 92,448	$ 10,321	$ 108,171
Cost						
Balance at January 1, 2020	$ 4,669	$ 41,336	$ 3,821	$ 547,385	$ 14,020	$ 611,231
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance at December 31, 2020	$ 4,669	$ 41,336	$ 3,821	$ 547,385	$ 14,020	$ 611,231
Revaluation						
Balance at January 1, 2020	$ -	$ 15,807	$ -	$ -	$ -	$ 15,807
Disposals	-	-	-	-	-	-
Balance at December 31, 2020	$ -	$ 15,807	$ -	$ -	$ -	$ 15,807
Accumulated depreciation and impairment						
Balance at January 1, 2020	$ -	$ 57,143	$ 3,088	$ 454,937	$ 3,699	$ 518,867
Depreciation expense	-	-	175	20,627	2,715	23,517
Disposals	-	-	-	-	-	-
Balance at December 31, 2020	$ -	$ 57,143	$ 3,263	$ 475,564	$ 6,414	$ 542,384
Carrying amount at December 31, 2020	$ 4,669	$ -	$ 558	$ 71,821	$ 7,606	$ 84,654

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

Machinery and equipment	15 years
Transportation equipment	2-5 years
Other equipment	4-8 years
Leasehold improvement	
Office building	24 years
Plant	7-24 years
Others	3-24 years

b. Assets leased under operating leases

	Machinery and Equipment	Leasehold Improvements	Total
Cost			
Balance at January 1, 2019	$ -	$ -	$ -
Transfers from assets used by the Company	429,490	2,131,443	2,560,933
Balance at December 31, 2019	$ 429,490	$ 2,131,433	$ 2,560,933
Accumulated depreciation and impairment			
Balance at January 1, 2019	$ -	$ -	$ -
Transfers from assets used by the Company	399,002	1,191,935	1,590,937
Depreciation expense	15,907	102,790	118,697
Balance at December 31, 2019	$ 414,909	$ 1,294,725	$ 1,709,634
Carrying amount at December 31, 2019	$ 14,581	$ 836,718	$ 851,299
Cost			
Balance at January 1, 2020	$ 429,490	$ 2,131,443	$ 2,560,933
Additions	-	-	-
Disposals	-	-	-
Balance at December 31, 2020	$ 429,490	$ 2,131,443	$ 2,560,933
Accumulated depreciation and impairment			
Balance at January 1, 2020	$ 414,909	$ 1,294,725	$ 1,709,634
Depreciation expense	14,581	100,865	115,446
Disposals	-	-	-
Balance at December 31, 2020	$ 429,490	$ 1,395,590	$ 1,825,080
Carrying amount at December 31, 2020	$ -	$ 735,853	$ 735,853

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

Machinery and equipment	8 years
Leasehold improvement	
Office building	8-20 years
Plant	8-20 years
Others	10-20 years

In 2020, the Company leased machinery and leasehold improvements under operating leases. According to the contract, lease payments receivable under operating lease is based on the amount of usage. The fee is settled monthly and paid quarterly.

The maturity analysis of lease payments receivable under operating lease payments in 2019 was as follows:

	December 31, 2019
Year 1	$ 130,567
Year 2 to 5	-
	$ 130,567

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2020	2019
Carrying amounts		
Buildings	$ -	1,046
Land improvements	11,206	14,408
Transportation equipment	1,999	-
	$ 13,205	$ 15,454

	For the Year Ended December 31	
	2020	2019
Additions to right-of-use assets	$ 4,001	$ 16,554
Depreciation charge for right-of-use assets		
Buildings	$ 1,046	$ 1,303
Land improvements	3,202	3,202
Transportation equipment	509	-
	$ 4,757	$ 4,505

b. Lease liabilities

	December 31	
	2020	2019
Carrying amount		
Current	$ 48,189	$ 47,322
Non-current	$ 1,276,621	$ 1,300,448

Range of discount rate for lease liabilities was as follows:

	December 31	
	2020	**2019**
Buildings	-	1.50%
Land improvement	1.38%-1.58%	1.38%-1.58%
Transportation equipment	2.30%	-

c. Material lease-in activities and terms

Warehousing and storage service at the wharves

The Company renders warehousing and storage service and signed as lessee lease contracts with Port of Keelung, Taiwan International Ports Co., Ltd. for the leasing of facilities and lands in (a) wharf No. 33 in the west port of Keelung ("Port of Keelung") and (b) No. 1 general cargo terminal in port of Taipei ("Port of Taipei"). The period of the lease of the Port of Keelung is 23 years and 9 months which started on October 7, 2000. The period of the lease of the Port of Taipei is 35 years and 5 months which started on December 10, 2009. The rentals for lands are calculated on the basis of the regional average rental and the annual rental rate per square meter announced by the government. The land rental rates are adjusted in line with the regional rental rate and the market rate 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) of the Executive Yuan of the ROC. In addition, the Company is prohibited from subleasing or transferring all or any portion of the underlying assets in the leases mentioned above without the lessor's consent. The Company may renew the lease contract at the end of the lease term by signing a new one.

d. Other leasing information

The Company as lessor is leasing property, plant and equipment and investment properties set out in Notes 15 and 17, respectively; finance leases of assets are set out in Note 11.

	For the Year Ended December 31	
	2020	**2019**
Expenses relating to short-term leases	$ 9,035	$ 8,714
Total cash outflow for leases	$ (68,797)	$ (77,017)

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

17. INVESTMENT PROPERTIES

	For the Year Ended December 31	
	2020	**2019**
Cost		
Balance at January 1	$ 277,135	$ 277,135
Additions	-	-
Balance at December 31	$ 277,135	$ 277,135

(Continued)

	For the Year Ended December 31	
	2020	**2019**
Accumulated depreciation		
Balance at January 1	$ 8,243	$ 7,007
Depreciation expense	1,236	1,236
Balance at December 31	$ 9,479	$ 8,243
Carrying amount		
Carrying amount at January 1	$ 268,892	$ 270,128
Carrying amount at December 31	$ 267,656	$ 268,892

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

Building	
Office building	14-15 years

The investment properties are not evaluated by an independent valuer but valued by the management of the Company using the valuation model that market participants would use in determining the fair value. 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:

	For the Year Ended December 31	
	2020	**2019**
The fair value of investment properties	$ 371,751	$ 308,089
Discount rate	6.46%	5.13%

The investment properties were leased out for 1 to 5 years, with an option to extend for additional years. The 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 investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties as of December 31, 2020 and 2019 is as follows:

	December 31	
	2020	**2019**
Year 1	$ 4,044	$ 4,342
Year 2	3,553	3,793
Year 3	3,589	3,483
Year 4	3,625	3,483
Year 5	-	3,483
	$ 14,811	$ 18,584

18. OTHER ASSETS

	December 31 2020	December 31 2019
Current		
Prepayments		
Others	$ 3,202	$ 3,178
Non-current		
Refundable deposits	$ 7,006	$ 7,136
Other non-current assets		
Others	$ 2,010	$ 1,929

19. BORROWINGS

a. Short-term borrowings

	December 31 2020	December 31 2019
Secured borrowings	$ 75,000	$ -
Unsecured borrowings	1,344,000	540,000
	$ 1,419,000	$ 540,000

The range of interest rates on bank loans was 0.86%-0.95% and 1.00%-1.03% per annum as of December 31, 2020 and 2019, respectively

b. Short-term bills payable

	December 31 2020	December 31 2019
Commercial paper	$ 137,000	$ 270,000
Less: Unamortized discounts on bills payable	(227)	(242)
	$ 136,773	$ 269,758

Outstanding short-term bills payable were as follows:

December 31, 2020

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

December 31, 2019

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

c. Long-term borrowings

	December 31	
	2020	2019
Bank loans		
Secured borrowings	$ 5,301,250	$ 4,824,928
Unsecured borrowings	-	100,000
	5,301,250	4,924,928
Less: Current portion	(457,500)	(923,678)
Long-term borrowings	$ 4,843,750	$ 4,001,250

1) The Company signed medium-term secured loan contracts with First Bank, Cathay United Bank, Bank SinoPac, China Trust Commercial Bank, and Taiwan Cooperative Bank. The bank loan is to be repaid at once or in installments according to the agreement. The facility allows drawdown on a revolving basis. As of December 31, 2020 and 2019, the Company has taken new bank loans in the amounts of $1,600,000 thousand and $1,745,000 thousand, with annual interest rates of 1.05%-1.23% and 1.30%-1.49%, respectively. The loan is repayable in 5 to 7 years, and the final maturity date of the loan is May 28, 2027.

2) The secured loans were guaranteed by related parties or secured by items pledged by related parties. Please refer to Note 32.

20. NOTES PAYABLE AND TRADE PAYABLES

	December 31	
	2020	2019
Notes payable		
Operating	$ 3,011	$ 2,906
Trade payables		
Operating	$ 49,638	$ 92,331

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

21. OTHER LIABILITIES

	December 31	
	2020	2019
Current		
Other payables		
Payables for salaries and bonuses	$ 60,644	$ 65,349
Payable for contingent consideration (Note 14)	50,000	-
Payables for interests	1,933	1,321
Payable for insurance	1,055	1,007
Payables for professional fees	2,229	1,798
Payables for machinery and equipment	-	210
Payables for VAT taxes	1,775	3,784
Others	2,416	4,588
	$ 120,052	$ 78,057

22. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

b. Defined benefit plan

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

The amounts included in the balance sheets in respect of the Company's defined benefit plan are as follows:

	December 31	
	2020	2019
Present value of defined benefit obligation	$ (98,338)	$ (97,888)
Fair value of plan assets	82,072	80,052
Deficit	(16,266)	(17,836)
Net defined benefit liabilities	$ (16,266)	$ (17,836)

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

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2019	$ 96,896	$ (77,214)	$ 19,682
Service cost			
Current service cost	1,675	-	1,675
Net interest expense (income)	970	(794)	176
Recognized in profit or loss	2,645	(794)	1,851
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(2,959)	(2,959)
Actuarial loss			
Changes in financial assumptions	2,396	-	2,396
Experience adjustments	(528)	-	(528)
Recognized in other comprehensive income	1,868	(2,959)	(1,091)
Benefits paid	(3,521)	3,521	-
Contributions from the employer	-	(2,606)	(2,606)
Balance at December 31, 2019	97,888	(80,052)	17,836
Service cost			
Current service cost	2,246	-	2,246
Net interest expense (income)	735	(609)	126
Recognized in profit or loss	2,981	(609)	2,372
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(2,612)	(2,612)
Actuarial loss			
Changes in demographic assumptions	15	-	15
Changes in financial assumptions	2,296	-	2,296
Experience adjustments	(1,270)	-	(1,270)
Recognized in other comprehensive income	1,041	(2,612)	(1,571)
Benefits paid	(3,572)	3,572	-
Contributions from the employer	-	(2,371)	(2,371)
Balance at December 31, 2020	$ 98,338	$ (82,072)	$ 16,266

Through the defined benefit plan under the Labor Standards Law Act, the Company is exposed to the following risks:

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

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

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

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

	December 31	
	2020	**2019**
Discount rate(s)	0.50%	0.75%
Expected rate(s) of salary increase	2.00%	2.00%

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

	December 31	
	2020	**2019**
Discount rate(s)		
0.25% increase	$ (2,296)	$ (2,395)
0.25% decrease	$ 2,376	$ 2,481
Expected rate(s) of salary increase		
0.25% increase	$ 2,302	$ 2,410
0.25% decrease	$ (2,237)	$ (2,339)

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

	December 31	
	2020	**2019**
Expected contributions to the plan for the next year	$ 2,464	$ 2,190
Average duration of the defined benefit obligation	10.2 years	10.7 years

23. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2020	**2019**
Shares authorized (in thousands of shares)	1,500,000	1,500,000
Amount of shares authorized	$ 15,000,000	$ 15,000,000
Shares issued and fully paid (in thousands of shares)	774,781	774,781
Amount of shares issued and fully paid	$ 7,747,805	$ 7,747,805

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

b. Capital surplus

	December 31	
	2020	2019
May only be used to offset a deficit (Note 1)		
Treasury share transactions	$ 367,772	$ 367,772
Unclaimed dividends extinguished by prescription	11,908	9,593
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 2)		
Treasury share transactions		
Dividends paid to subsidiaries	555,790	444,542
Disposal of treasury shares	24,925	24,925
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	7	545
	$ 960,402	$ 847,377

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

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

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors, refer to compensation of employees and remuneration of directors in Note 25(g).

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

Distribution of earnings will be made in the form of cash every year, and cash dividends distributed shall not be less than 10% of total dividends distributed in the current year. Share dividends will be issued after the distribution of cash dividends if there are earnings remained.

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 meetings on June 22, 2020 and June 21, 2019, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2019	**2018**
Legal reserve	$ 176,052	$ 69,975
Cash dividends	771,781	771,781
Cash dividends per share (NT$)	1.0	1.0

The appropriation of earnings for 2020, proposed by the Company's board of directors on March 29, 2021, was as follows:

	Appropriation of Earnings	**Dividends Per Share (NT$)**
Legal reserve	$ 183,510	$ -
Special reserve (reversed)	(70,347)	-
Cash dividends	1,079,560	1.4

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

d. Special reserve

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

In addition to the special reserve that the Company can voluntarily appropriate according to the Articles, the Company may also appropriate special reserve under 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 December 31, 2020 and 2019 were as follows:

	For the Year Ended December 31	
	2020	**2019**
Appropriation in respect of the Articles of Incorporation of the Company	$ 295,756	$ 295,756
First application of Rule No. 1010012865 issued by the FSC		
Revaluation of investment properties (Note)	1,811,158	1,881,505
Exchange differences on translating the financial statements of foreign operations	168,790	168,790
	$ 2,275,704	$ 2,346,051

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

e. Other equity items

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

	For the Year Ended December 31	
	2020	**2019**
Balance at January 1	$ (343,071)	$ (226,835)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	(63,048)	(123,925)
Share of other comprehensive income of subsidiaries and associates accounted for using the equity method	(13,395)	(24,833)
Income tax relating to items that may be reclassified subsequently to profit or loss	15,289	29,752
Other comprehensive income for the year, net of income tax	(61,154)	(119,006)
Reclassification adjustments		
Disposal of subsidiaries	-	2,770
Balance at December 31	$ (404,225)	$ (343,071)

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

	For the Year Ended December 31	
	2020	**2019**
Balance at January 1	$ 4,997,339	$ 2,309,414
Recognized for the year		
Unrealized gain (loss) - financial instrument at FVTOCI	271,582	2,174,972
Share from associates accounted for using the equity method	74,518	970,044
Other comprehensive income recognized for the year	346,100	3,145,016
Reclassification adjustments		
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	-	(269,873)
Reclassification adjustments		
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal of interest in subsidiaries	-	(66,172)
Disposal of subsidiaries	-	(121,046)
Balance at December 31	$ 5,343,439	$ 4,997,339

f. 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	2,174	131,226	133,940
Increase during the year	286	-	286
Decrease during the year	-	(3,855)	(3,855)
Number of shares at December 31, 2019	3,000	127,371	130,371
Number of shares at January 1, 2020	3,000	127,371	130,371
Increase during the year	1,435	-	1,435
Decrease during the year	-	-	-
Number of shares at December 31, 2020	4,435	127,371	131,806

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 centralized securities exchange market at the price ranging from NT$9 to NT$18, with a maximum total amount of NT$54,000 thousand.

The repurchase of shares mentioned above was conducted during the period from November 14, 2018 to January 11, 2019. In the fourth quarter of 2018 and in the first quarter of 2019, the Company repurchased 2,714 thousand and 286 thousand shares, equivalent to NT$37,118 thousand and NT$3,955 thousand, respectively. By January 11, 2019, the Company had already repurchased all the 3,000 thousand shares, with the total amount of NT$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 centralized securities exchange market during the period from March 26, 2020 to May 24, 2020 at the price ranging from NT$11 to NT$16, with a maximum total amount of NT$112,000 thousand.

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

The Company lost control over its subsidiary - Chia Hsin Construction & Development Corp. due to the disposal of part of the shares of 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 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 of NT$24,925 thousand 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 and in order to maintain the stability of the share price on the open market, and the relevant information on the holding of the Company's shares is as follows:

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
December 31, 2020			
By direct investment			
Tong Yang Chia Hsin International Corporation	127,371	$ 1,055,710	$ 2,115,340
December 31, 2019			
By direct investment			
Tong Yang Chia Hsin International Corporation	127,371	$ 1,055,710	$ 2,481,776

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.

24. REVENUE

a. Contract information

Revenue from the sale of goods

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

Revenue from the rent

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

Revenue from rendering of services

The Company renders management service to its subsidiaries. The Company charges the subsidiaries upon finishing the services according to the signed management contracts.

Other revenue - warehousing and storage services

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

b. Contract balances

	December 31, 2020	December 31, 2019	January 1, 2019
Notes receivable and trade receivables (Note 9)	$ 179,544	$ 194,333	$ 266,008
Trade receivables from related parties (Note 32)	$ 11,880	$ 5,783	$ 8,462
Contract liabilities - current			
Sale of goods	$ 4,924	$ 4,996	$ 5,521

Revenue recognized in the current reporting period that was included in the contract liability balance at the beginning of the period for the years ended December 31, 2020 and 2019 was $4,996 thousand and $5,521 thousand, respectively.

c. Disaggregation of revenue

	For the Year Ended December 31	
	2020	2019
Type of goods or services		
Sale of goods	$ 1,002,463	$ 1,022,319
Rental income	4,578	4,484
Rendering of service	23,519	30,054
Other revenue		
Revenue from warehousing and storage service	156,315	192,466
	$ 1,186,875	$ 1,249,323

25. NET PROFIT FROM CONTINUING OPERATIONS

Net profit (loss) from continuing operations was attributable to:

a. Interest income

	For the Year Ended December 31	
	2020	2019
Bank deposits	$ 22,795	$ 21,455
Net investments in leases (Note 32)	20,737	21,090
	$ 43,532	$ 42,545

b. Other income

	For the Year Ended December 31	
	2020	2019
Dividends (Note 32)	$ 530,595	$ 678,936
Remuneration of director (Note 32)	33,205	26,014
Others (Note 32)	3,793	14,345
	$ 567,593	$ 719,295

c. Other gains and losses

	For the Year Ended December 31	
	2020	2019
Gain on disposal of investment properties	$ -	$ 895
Loss on disposal of associates	(620)	-
Gain on disposal of partial shares of subsidiary (Note 28)	-	11,227
Net foreign exchange losses (h)	(48,103)	(38,285)
Fair value changes to financial assets mandatorily classified as at FVTPL	(11,939)	149,181
Service fee arising from endorsement guarantee (Note 32)	(18,619)	(23,053)
Others	26	(125)
	$ (79,255)	$ 99,840

d. Finance costs

	For the Year Ended December 31	
	2020	2019
Interest on bank loans	$ 72,407	$ 75,647
Interest on lease liabilities	20,949	21,330
Other interest	-	151
	$ 93,356	$ 97,128

e. Depreciation and amortization

	For the Year Ended December 31	
	2020	2019
Property, plant and equipment	$ 138,963	$ 142,089
Investment properties	1,236	1,236
Right-of-use assets	4,757	4,505
	$ 144,956	$ 147,830
An analysis of depreciation by function		
Operating costs	$ 140,686	$ 143,906
Operating expenses	3,738	3,392
Selling and marketing expenses	532	532
	$ 144,956	$ 147,830

f. Employee benefits expense

	For the Year Ended December 31	
	2020	2019
Short-term benefits	$ 164,995	$ 153,693
Post-employment benefits (Note 22)		
Defined contribution plan	3,200	2,909
Defined benefit plan	2,372	1,851
Retirement pension for managers	-	10,621
Other employee benefits	5,223	5,293
	$ 175,790	$ 174,367
An analysis of employee benefits expense by function		
Operating costs	$ 15,225	$ 10,764
Operating expenses	160,565	163,603
	$ 175,790	$ 174,367

g. Compensation of employees and remuneration of directors

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

The compensation of employees and the remuneration of directors for the years ended December 31, 2020 and 2019, which were approved by the Company's board of directors on March 29, 2021 and March 25, 2020, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2020	2019
Compensation of employees	0.39%	1.12%
Remuneration of directors	0.98%	0.30%

Amount

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

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

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

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

h. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2020	2019
Foreign exchange gains	$ 40,218	$ 62,680
Foreign exchange losses	(88,321)	(100,965)
Net foreign exchange gains/(losses)	$ (48,103)	$ (38,285)

26. INCOME TAXES RELATING TO CONTINUING OPERATIONS

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

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

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2020	2019
Current tax		
In respect of the current year	$ (36,955)	$ 3,306
Income tax on unappropriated earnings	40,634	7,161
Adjustments for prior years	(5,482)	(7,299)
	(1,803)	3,168
Deferred tax		
In respect of the current year	56,922	78,570
Income tax expense recognized in profit or loss	$ 55,119	$ 81,738

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2020	2019
Profit before tax from continuing operations	$ 1,819,485	$ 1,379,211
Income tax expense calculated at the statutory rate	$ 363,897	$ 275,842
Nondeductible expenses in determining taxable income	457	450
Tax-exempt income	(525,582)	(294,702)
Income tax on unappropriated earnings	40,634	7,161
Unrecognized loss carryforwards/deductible temporary differences	181,195	100,286
Adjustments for prior years' income tax	(5,482)	(7,299)
Income tax expense recognized in profit or loss	$ 55,119	$ 81,738

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2020	2019
Deferred tax		
In respect of the current year		
Translation of foreign operations	$ (15,289)	$ (29,752)
Remeasurement of defined benefit plan	314	218
Total income tax recognized in other comprehensive income	$ (14,975)	$ (29,534)

c. Current tax liabilities

	December 31	
	2020	2019
Current tax liabilities		
Income tax payable	$ 40,634	$ 34,074

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2020

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Retirement pension	$ 51,624	$ 1	$ -	$ 51,625
Defined benefit obligations	10,630	-	(314)	10,316
Payables for annual leave	468	5	-	473

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen-sive Income	Closing Balance
Deferred expense	$ 53	$ (26)	$ -	$ 27
Unrealized gain or loss on foreign exchange	8,645	691	-	9,336
Exchange differences on translating the financial statements of foreign operations	44,264	-	15,289	59,553
Inventories write-downs	-	506	-	506
Others	613	(197)	-	416
	$ 116,297	$ 980	$ 14,975	$ 132,252
Deferred tax liabilities				
Temporary differences				
Financial assets at FVTPL	$ 3,376	$ 2,462	$ -	$ 5,838
Net gain on investment accounted for using the equity method	195,420	55,420	-	250,840
Deferred revenue	2	4	-	6
Others	46	16	-	62
	$ 198,844	$ 57,902	$ -	$ 256,746

(Concluded)

For the year ended December 31, 2019

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen-sive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Financial assets at FVTPL	$ 170	$ (170)	$ -	$ -
Retirement pension	51,776	(152)	-	51,624
Defined benefit obligations	10,848	-	(218)	10,630
Payables for annual leave	428	40	-	468
Deferred expense	1,819	(1,766)	-	53
Unrealized gain or loss on foreign exchange	-	8,645	-	8,645
Exchange differences on translating the financial statements of foreign operations	14,512	-	29,752	44,264
Others	554	59	-	613
	$ 80,107	$ 6,656	$ 29,534	$ 116,297

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen-sive Income	Closing Balance
Deferred tax liabilities				
Temporary differences				
Financial assets at FVTPL	$ -	$ 3,376	$ -	$ 3,376
Net gain on investment accounted for using the equity method	104,898	90,522	-	195,420
Deferred revenue	94	(92)	-	2
Unrealized gain or loss on foreign exchange	8,570	(8,570)	-	-
Others	56	(10)	-	46
	$ 113,618	$ 85,226	$ -	$ 198,844

(Concluded)

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

	December 31 2020	December 31 2019
Deductible temporary differences		
Gain or loss on investment in subsidiaries and associates accounted for using the equity method	$ 1,297,964	$ 600,947

f. Income tax assessments

The income tax returns through 2017 have been assessed by the tax authorities, and the difference between the amount filed and the amount assessed has been recognized under the current period's income tax expense.

27. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31 2020	For the Year Ended December 31 2019
Basic earnings per share	$ 2.74	$ 2.02
Diluted earnings per share	$ 2.74	$ 2.01

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

Net Profit for the Year

	For the Year Ended December 31	
	2020	**2019**
Profit for the year	$ 1,764,366	$ 1,297,473
Effect of potentially dilutive ordinary shares:		
Compensation of employees	-	-
Earnings used in the computation of diluted earnings per share	$ 1,764,366	$ 1,297,473

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

	For the Year Ended December 31	
	2020	**2019**
Weighted average number of ordinary shares used in the computation of basic earnings per share (deducted treasury shares)	643,427	643,812
Effect of potentially dilutive ordinary shares:		
Compensation of employees	630	854
Weighted average number of ordinary shares used in the computation of diluted earnings per share	644,057	644,666

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

28. DISPOSAL OF SUBSIDIARY

On February 23, 2019, the Company 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 date the Company lost its control over the subsidiary, as the shareholding decreased from 49.87% to 43.87%.

a. Consideration received from disposal

	Chia Hsin Construction & Development Corp.
Total consideration received	$ 222,929

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

	Chia Hsin Construction & Development Corp.
Current assets	
Cash and cash equivalents	$ 312,372
Financial assets at fair value through profit or loss - current	249,829
Financial assets at fair value through other comprehensive income - 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 fair value through other comprehensive income - 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	(80,162)
Net assets	$ 3,696,785
Percentage of shareholding disposed of	6%
Net assets disposed of	$ 221,807

c. Gain on disposal of partial shares of the subsidiary

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

29. CASH FLOW INFORMATION

a. Non-cash transactions

1) For the years ended December 31, 2020 and 2019, the Company entered into the following non-cash investing activities which were not reflected in the statements of cash flows:

   As of December 31, 2020 and 2019, other payables - equipment were $0 and $210 thousand, respectively.

2) In 2019, proceeds of $43,713 thousand from the disposal of financial assets at fair value through profit or loss were recognized under other receivables.

3) In 2020, the Company purchased the shares of associates. The related contingent consideration of $50,000 has not yet been paid and was recognized under other payables.

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2020

			Non-cash Changes			
	Opening Balance	Cash Flows	Fair Value Adjustment	Interest Expense	Others	Closing Balance
Short-term borrowings	$ 540,000	$ 879,000	$ -	$ -	$ -	$ 1,419,000
Short-term bills payable	269,758	(133,000)	-	15	-	136,773
Long-term borrowings	4,924,928	376,322	-	-	-	5,301,250
Guarantee deposits received	25,392	(822)	-	-	-	24,570
Lease liabilities	1,347,770	(38,813)	15,853	20,949	(20,949)	1,324,810
	$ 7,107,848	$ 1,082,687	$ 15,853	$ 20,964	$ (20,949)	$ 8,206,403

For the year ended December 31, 2019

			Non-cash Changes			
	Opening Balance	Cash Flows	Fair Value Adjustment	Interest Expense	Others	Closing Balance
Short-term borrowings	$ 452,000	$ 88,000	$ -	$ -	$ -	$ 540,000
Short-term bills payable	304,835	(35,000)	-	(77)	-	269,758
Long-term borrowings	4,851,178	73,750	-	-	-	4,924,928
Guarantee deposits received	26,495	(1,103)	-	-	-	25,392
Lease liabilities	1,378,189	(46,973)	16,554	21,330	(21,330)	1,347,770
	$ 7,012,697	$ 78,674	$ 16,554	$ 21,253	$ (21,330)	$ 7,107,848

30. CAPITAL MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remained unchanged in both 2020 and 2019.

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

The management of the Company 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. The Company balances its overall capital structure by obtaining financing facilities from financial institutions and adjusting the amount of dividends paid to the shareholders.

31. FINANCIAL INSTRUMENTS

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

The Company'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 their fair value cannot be reliably measured.

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

1) Fair value hierarchy

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares in domestic market	$ 334,856	$ -	$ -	$ 334,856
Listed shares in foreign market	64,909	-	-	64,909
Mutual funds	-	72,017	-	72,017
	$ 399,765	$ 72,017	$ -	$ 471,782
Financial assets at FVTOCI				
Listed shares in domestic market	$ 9,290,876	$ -	$ -	$ 9,290,876
Unlisted shares in domestic market	-	-	304,901	304,901
	$ 9,290,876	$ -	$ 304,901	$ 9,595,777

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares in domestic market	$ 322,527	$ -	$ -	$ 322,527
Listed shares in foreign market	101,423	-	-	101,423
Mutual funds	-	316,504	-	316,504
	$ 423,950	$ 316,504	$ -	$ 740,454
Financial assets at FVTOCI				
Listed shares in domestic market	$ 8,968,684	$ -	$ -	$ 8,968,684
Unlisted shares in domestic market	-	-	345,511	345,511
	$ 8,968,684	$ -	$ 345,511	$ 9,314,195

There were no transfers between Levels 1 and 2 in 2020 and 2019.

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

For the year ended December 31, 2020

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2020	$ 345,511
Purchase	10,000
Recognized in other comprehensive income	(50,610)
Balance at December 31, 2020	$ 304,901

For the year ended December 31, 2019

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2019	$ 531,321
Disposal	(271,474)
Recognized in other comprehensive income	85,664
Balance at December 31, 2019	$ 345,511

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

The Company holds unlisted shares. The significant unobservable input in the measurement of such investments is liquidity discount. The fair value of unlisted shares is determined using market approach where the fair value of the shares of similar or peer companies is used as reference. As of December 31, 2020 and 2019, the ranges of liquidity discount used were 25.95%-30.00% and 11.83%-23.54%, respectively.

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

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

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

c. Categories of financial instruments

	December 31	
	2020	**2019**
<u>Financial assets</u>		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	$ 471,782	$ 740,454
Financial assets measured at amortized cost (Note 1)	2,047,740	1,622,454
Financial assets at FVTOCI		
Equity instruments	9,595,777	9,314,195
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (Note 2)	7,040,015	5,980,250
Contingent consideration of acquisition of associates (Note 3)	50,000	-

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

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

Note 3: Refer to Note 14 for information about contingent consideration of acquisition of associates.

d. Financial risk management objectives and policies

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

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

1) Market risk

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

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

a) Foreign currency risk

The Company has foreign currency transactions, which expose the Company 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 Company's net investments in foreign operations are strategic investments, the Company does not seek to hedge against the currency risk.

The carrying amounts of the Company's foreign-currency-denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 35.

Sensitivity analysis

The Company was mainly exposed to the USD, HKD, EUR and JPY.

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

	USD Impact		**HKD Impact**	
	For the Year Ended December 31		**For the Year Ended December 31**	
	2020	**2019**	**2020**	**2019**
Profit or loss	$ 69,801	$ 49,070 (i)	$ 144	$ 1,300 (ii)
	EUR Impact		**JPY Impact**	
	For the Year Ended December 31		**For the Year Ended December 31**	
	2020	**2019**	**2020**	**2019**
Profit or loss	$ 9,619	$ 10,995 (iii)	$ 2,094	$ 131 (iv)

i. The result was mainly attributable to the exposure on outstanding cash and cash equivalents and other receivables in USD that were not hedged at the end of the year.

ii. The result was mainly attributable to the exposure on outstanding cash and cash equivalents in HKD that were not hedged at the end of the year.

iii. The result was mainly attributable to the exposure on outstanding cash and cash equivalents and other receivables in EUR that were not hedged at the end of the year.

iv. The result was mainly attributable to the exposure on outstanding cash and cash equivalents in JPY that were not hedged at the end of the year.

The above results of the Company's tests of sensitivity to changes in foreign exchange rates during the current period were mainly due to the increase in financial assets in USD and JPY and the decrease in financial assets in EUR and HKD.

b) Interest rate risk

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

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

	December 31	
	2020	**2019**
Fair value interest rate risk		
Financial assets	$ 2,843,242	$ 2,347,952
Financial liabilities	2,480,583	2,157,528
Cash flow interest rate risk		
Financial assets	225,048	140,421
Financial liabilities	5,701,250	4,924,928

<u>Sensitivity analysis</u>

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

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2020 and 2019 would have decreased/increased by $13,690 thousand and $11,961 thousand, respectively.

The Company's sensitivity to interest rates increased during the current period mainly due to the increase in variable rate net liabilities.

c) Other price risk

The Company was 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 Company does not actively trade these investments.

<u>Sensitivity analysis</u>

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

If equity prices (except for equity securities of Taiwan Cement Corporation) had been 1% higher/lower, the pre-tax profit or loss for the years ended December 31, 2020 and 2019 would have increased/decreased by $1,374 thousand and $4,183 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 years ended December 31, 2020 and 2019 would have increased/decreased by $5,186 thousand and $5,694 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

If equity prices of equity securities of Taiwan Cement Corporation had been 1% higher/lower, the pre-tax profit or loss for the years ended December 31, 2020 and 2019 would have increased/decreased by $3,344 thousand and $3,221 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 years ended December 31, 2020 and 2019 would have increased/decreased by $90,771 thousand and $87,448 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Company's sensitivity to equity price (except for equity price of Taiwan Cement Corporation) decreased because the Company decreased the number of these equity securities in hand.

The Company's sensitivity to equity price of Taiwan Cement Corporation increased mainly because the Company received share dividends from Taiwan Cement Corporation, increasing the amount of the equity securities.

2) Credit risk

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

The Company 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 Company 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 Company. As of December 31, 2020 and 2019, trade receivables from the top 10 customers were both 84% of total trade receivables.

In order to minimize credit risk, the management of the Company 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. The Company also reviewed every recoverable amounts of trade receivables individually to ensure the credit loss has been properly recognized. In view of the method mentioned above, the management considered the Company's credit risk has materially declined.

In addition, transactions with banks of high credit ratings given by international rating agencies are mostly free from credit risks.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company'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 Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2020 and 2019, the Company had available unutilized bank loan facilities as set out in (b) below.

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

The following table details the Company'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 Company 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.

December 31, 2020

	On Demand or Less than 1 Month	**1 Month to 3 Months**	**3 Months to 1 Year**	**1-5 Years**	**5+ Years**
Non-interest bearing liabilities	$ 147,905	$ 54,662	$ 6,235	$ 2,280	$ 21,910
Fixed interest rate liabilities	952,789	204,074	-	-	-
Lease liabilities	17,007	133	51,420	267,327	1,255,548
Variable interest rate liabilities	205,633	10,979	703,162	4,427,438	584,879
	$ 1,323,334	$ 269,848	$ 760,817	$ 4,697,045	$ 1,862,337

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	$ 68,560	$ 267,327	$ 322,203	$ 322,203	$ 322,203	$ 288,939

December 31, 2019

	On Demand or Less than 1 Month	**1 Month to 3 Months**	**3 Months to 1 Year**	**1-5 Years**	**5+ Years**
Non-interest bearing liabilities	$ 99,792	$ 117,354	$ 4,413	$ 2,280	$ 22,732
Fixed interest rate liabilities	641,165	170,000	-	-	-
Lease liabilities	16,856	220	50,967	329,937	1,230,838
Variable interest rate liabilities	5,833	71,667	912,686	4,170,238	-
	$ 763,646	$ 359,241	$ 968,066	$ 4,502,455	$ 1,253,570

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	$ 68,043	$ 329,937	$ 318,320	$ 318,320	$ 318,320	$ 275,878

b) Financing facilities

	December 31	
	2020	2019
Unsecured bank overdraft facilities, reviewed annually and payable on demand:		
Amount used	$ 1,481,000	$ 910,000
Amount unused	2,129,000	2,700,000
	$ 3,610,000	$ 3,610,000
Secured bank overdraft facilities:		
Amount used	$ 5,376,250	$ 4,825,000
Amount unused	665,000	740,000
	$ 6,041,250	$ 5,565,000

32. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in the other notes, details of transactions between the Company and other related parties are disclosed as follows.

a. Related party name and category

Related Party Name	Related Party Category
Taiwan Cement Corporation	The Company acts as a member of the board of directors (B.O.D.)
Tong Yang Chia Hsin International Corporation	Subsidiary
Chia Hsin Property Management & Development Corporation	Subsidiary
Chia Pei International Corporation	Subsidiary
Chia Hsin Construction & Development Corp. (Note 1)	Associates
Jaho Life Plus+ Management Corp., Ltd.	Subsidiary
YJ International Corporation	Subsidiary
CHC Ryukyu Development GK	Subsidiary
CHC Ryukyu COLLECTIVE KK (Note 2)	Subsidiary
LDC ROME HOTELS S.R.L.	Associate

Note 1: The Company disposed of the shares of Chia Hsin Construction & Development Corp. and, therefore, lost control over the subsidiary. Nevertheless, the Company still has significant influence on Chia Hsin Construction & Development Corp.

Note 2: On July 1, 2019, CHC Ryukyu Development GK established, through a spin-off, a new company, CHC Ryukyu COLLECTIVE KK.

b. Sales of goods

Line Item	Related Party Category/Name	For the Year Ended December 31 2020	2019
Service revenue	Subsidiaries (Note 1)		
	Chia Hsin Property Management & Development Corporation	$ 6,960	$ 6,960
	Chia Pei International Corporation	2,775	3,468
	Tong Yang Chia Hsin International Corporation	3,036	3,036
	YJ International Corporation	360	1,560
	CHC Ryukyu COLLECTIVE KK	7,111	10,526
	CHC Ryukyu Development GK	157	1,384
	Jaho Life Plus+ Management Corp., Ltd.	3,120	3,120
		$ 23,519	$ 30,054
Other revenue	The Company acts as a member of B.O.D.		
	Taiwan Cement Corporation (Note 3)	$ 30,387	$ 28,119
	Subsidiaries		
	Chia Pei International Corporation (Note 2)	92,387	130,567
		$ 122,774	$ 158,686

Note 1: The Company's service revenue comes from the management services provided to the related parties. According to the contract, the service fee is based on the amount of the relevant expenses and the additional 10% charge. The fee is paid monthly and the receipt is issued in the next month.

Note 2: To ensure the smooth operation of the wharf in the Port of Taipei and the facilities in the base, the Company signed an agreement with its subsidiaries for logistic and warehouse service and cooperative management in the port. The service fee is determined by taking the Company's investment and remuneration into consideration. Since April 1, 2020, the calculation of fee has been changed to be based on the amount per ton. The fee is settled monthly and paid quarterly. The receipt is issued in the same month when the fee is settled.

Note 3: To ensure the smooth operation of cement silo in wharf No. 33 of the west bank in the Port of Keelung, the Company signed a management agreement with its associates. The fee is settled monthly and the receipt is issued in the next month.

c. Purchases of goods

Line Item	Related Party Category/Name	For the Year Ended December 31 2020	2019
Cost of goods sold	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	$ 453,720	$ 484,963
Other operating cost	Subsidiaries		
	Tong Yang Chia Hsin International Corporation (Note 1)	$ 71,442	$ 68,871
	Chia Pei International Corporation (Note 2)	$ 13,976	$ -
		$ 85,418	$ 68,871

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.

Note 1: To ensure the smooth operation of cement silo in wharf No. 33 of the west bank in the Port of Keelung, the Company signed a management agreement with its subsidiaries. The fee is billed monthly and paid in the next month. In addition, to supply cement to Taichung and its surrounding area, the Company signed an agreement with its subsidiaries in 2003 for the logistic and warehouse service. The stock and distribution center in wharf No. 27 in the Port of Taichung takes charge of such service. The fee is billed at the end of each quarter and paid in the next month.

Note 2: The Company consigned partial warehousing and storage services in Port of Taipei to its subsidiaries. The fee is billed at the end of each quarter and paid in the next month.

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

Line Item	Related Party Category/Name	December 31 2020	2019
Trade receivables	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	$ 2,686	$ 2,661
	Subsidiaries		
	Chia Pei International Corporation	7,562	303
	Others	1,632	2,819
		$ 11,880	$ 5,783
Other receivables	Subsidiaries	$ 9,660	$ 11,489
	Associates	593	459
		$ 10,253	$ 11,948
Other receivables under linked-tax system (other receivables from related parties)	Subsidiaries		
	Chia Hsin Property Management & Development Corporation	$ 36,940	$ 24,462

The outstanding trade and other receivables from related parties are unsecured. For the years ended December 31, 2020 and 2019, no impairment loss was recognized on trade and other receivables from related parties.

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

Line Item	Related Party Category/Name	December 31 2020	December 31 2019
Trade payables	Subsidiaries	$ 6,483	$ 6,744
	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	73,132	83,580
		$ 79,615	$ 90,324
Other payables	Subsidiaries		
	Chia Hsin Property Management & Development Corporation	$ 19,580	$ 24,235
	Others	-	2,459
		$ 19,580	$ 26,694

The outstanding trade and other payables to related parties are unsecured.

f. Loans to related parties

Line Item	Related Party Category/Name	December 31 2020	December 31 2019
Other receivables	Associates		
	LDC ROME HOTELS S.R.L.	$ 18,677	$ 115,885
Other receivables - interest receivables	Associates		
	LDC ROME HOTELS S.R.L.	$ 164	$ 1,168

The Company provided its associates with unsecured short-term loans at rates comparable to market interest rates. For the years ended December 31, 2020 and 2019, the interest revenue from the loans was $710 thousand and $1,946 thousand, respectively.

g. Acquisitions of financial assets

For the year ended December 31, 2020

Related Party Category/Name	Line Item	Number of Shares	Underlying Assets	Purchase Price
Subsidiaries				
Jaho Life Plus+ Management Corp., Ltd.	Investments accounted for using the equity method	10,000,000	Jaho Life Plus+ Management Corp., Ltd.	$ 100,000
LDC ROME HOTELS S.R.L.	Investments accounted for using the equity method	-	LDC ROME HOTELS S.R.L.	37,120
				$ 137,120

For the year ended December 31, 2019

Related Party Category/Name	Line Item	Number of Shares	Underlying Assets	Purchase Price
Subsidiaries				
YJ International Corporation	Investments accounted for using the equity method	138,000,000	YJ International Corporation	$ 1,380,000

h. Sublease arrangements

Sublease arrangements under finance lease

The Company subleases its right-of-use assets on the wharf and the facilities in the Port of Taipei to its associate - Chia Pei International Corporation with a lease term of 35 years and 5 months, and the net investment in the leases was $1,358,230 thousand at the inception of the lease. For the year ended December 31, 2020, no impairment loss was recognized on finance lease receivable from related parties.

Line Item	Related Party Category/Name	December 31 2020	December 31 2019
Finance lease receivables	Subsidiaries		
	Chia Pei International Corporation	$ 1,311,442	$ 1,332,208

Interest income was as follows:

Related Party Category/Name	For the Year Ended December 31 2020	For the Year Ended December 31 2019
Subsidiaries		
Chia Pei International Corporation	$ 20,737	$ 21,090

i. Other related party transactions

1)

Line Item	Related Party Category/Name	For the Year Ended December 31 2020	For the Year Ended December 31 2019
Rental expense	Subsidiaries	$ 8,572	$ 7,025
Operating expense - miscellaneous	Subsidiaries	$ -	$ 1,654
The remuneration of directors and supervisors (other income)	Subsidiaries	$ 7,900	$ 8,644
	The Company acts as a member of the B.O.D.	24,543	16,441
	Associates	657	459
		$ 33,100	$ 25,544

The Company leased office from its subsidiaries; and the lease agreements were negotiated by both sides of the parties. The lease payment is due monthly.

The Company acts as a member of the B.O.D. of the subsidiaries and the associates. The remuneration of directors and supervisors is certified and distributed by the B.O.D. in the next year under the Articles of Incorporation of the subsidiaries and associates.

2)

Line Item	Related Party Category/Name	For the Year Ended December 31 2020	2019
Dividends	Subsidiaries	$ 744,703	$ 574,731
Dividends (the credit item of investments accounted for using the equity method)	Associates	$ 47,189	$ 31,459
Dividends	The Company acts as a member of the B.O.D.	$ 518,874	$ 640,828

j. Endorsements and guarantees

Endorsements and guarantees provided by the Company

	December 31			
	2020		2019	
	Amount Utilized	Amount Endorsed	Amount Utilized	Amount Endorsed
Subsidiaries				
Chia Hsin Property Management & Development Corporation	$ -	$ 1,480,000	$ 500,000	$ 1,480,000
CHC Ryukyu Development GK	138,150	607,860	138,000	425,040
CHC Ryukyu COLLECTIVE KK	1,049,940	1,657,800	496,800	1,380,000
Associates				
LDC ROME HOTELS S.R.L.	357,204	447,600	382,926	447,600
	$ 1,545,294	$ 4,193,260	$ 1,517,726	$ 3,732,640

Endorsements and guarantees given by related parties

	December 31			
	2020		2019	
	Amount Utilized	Amount Endorsed	Amount Utilized	Amount Endorsed
Subsidiaries				
Chia Hsin Property Management & Development Corporation	$ 5,376,250	$ 6,640,000	$ 4,829,000	$ 6,544,000

For the years ended December 31, 2020 and 2019, the service fee on the endorsements and guarantees between the Company and subsidiaries are as follows:

Endorsements and guarantees provided by the Company (other income)

	Endorsements and guarantees provided by the Company (other income)		Endorsements and guarantees provided by related parties (other gains and losses)	
	For the Year Ended December 31			
	2020	**2019**	**2020**	**2019**
Subsidiaries				
Chia Hsin Property Management & Development Corporation	$ 1,675	$ 2,709	$ 18,619	$ 23,053

The Company signed short and medium-term guaranteed loan contracts with First Bank, Cathay World Commercial Bank, Bank SinoPac, China Trust Commercial Bank and Co-operative Treasury Commercial. The loans are secured by the land and the buildings of subsidiaries.

k. Remuneration of key management personnel

The Remuneration of key management personnel are as follows:

	For the Year Ended December 31	
	2020	**2019**
Short-term employee benefits	$ 52,287	$ 25,792
Post-employment benefits	-	10,621
	$ 52,287	$ 36,413

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

33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	December 31	
	2020	**2019**
Financial assets at amortized cost - non-current	$ 9,476	$ 11,320

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

Significant commitments

As of December 31, 2020 and 2019, bank guarantees issued in favor of the Company for operating the ports amounted to both $153,034 thousand.

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2020

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
Financial assets			
Monetary items			
USD	$ 49,018	28.48 (USD:NTD)	$ 1,396,024
HKD	785	3.6730 (HKD:NTD)	2,883
EUR	5,493	35.02 (EUR:NTD)	192,378
JPY	151,541	0.2763 (JPY:NTD)	41,871
Non-monetary items			
Investments accounted for using the equity method			
EUR	10,489	35.02 (EUR:NTD)	367,335
USD	82,228	28.48 (USD:NTD)	2,341,844
Financial assets at FVTPL			
USD	2,529	28.48 (USD:NTD)	72,017
HKD	17,672	3.6730 (HKD:NTD)	64,909

December 31, 2019

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
Financial assets			
Monetary items			
USD	$ 32,735	29.98 (USD:NTD)	$ 981,408
HKD	6,757	3.8483 (HKD:NTD)	26,004
EUR	6,547	33.59 (EUR:NTD)	219,901
JPY	9,473	0.276 (JPY:NTD)	2,615
Non-monetary items			
Investments accounted for using the equity method			
EUR	11,630	33.59 (EUR:NTD)	390,640
USD	71,845	29.98 (USD:NTD)	2,153,905
Financial assets at FVTPL			
USD	10,558	29.98 (USD:NTD)	316,504
HKD	26,355	3.8483 (HKD:NTD)	101,423

The significant realized and unrealized foreign exchange gains (losses) were as follows:

	For the Year Ended December 31			
	2020		2019	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	29.549 (USD:NTD)	$ (57,784)	30.912 (USD:NTD)	$ (26,436)
HKD	3.8099 (HKD:NTD)	208	3.9451 (HKD:NTD)	(291)
EUR	33.71 (EUR:NTD)	9,140	34.61 (EUR:NTD)	(10,507)
JPY	0.2770 (JPY:NTD)	333	0.2837 (JPY:NTD)	(1,051)
		$ (48,103)		$ (38,285)

36. OTHERS

a. Important contracts

The Company 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 the operation of the subsidiary, Chia Pei International Corporation, to load and unload coal, sand stone, bulk and others. The lease term is 35 years and 5 months from December 10, 2009, the date of the transfer of the titles of related constructed equipment to Taiwan International Ports Co., Ltd. The annual minimum guaranteed volume for transportation is 1,200 thousand tons of coal and 5,950 thousand tons of sand stone. When the policy on the transporting of eastern sand to the north changes or the quantity of eastern sand transported to the north significantly decreases, the Company 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 Company has disputed with Taiwan International Ports Co., Ltd. on the reconsideration of converting the guaranteed transportation volume for eastern sand stone to that for coal or other bulk and general cargo and, in February 2013, filed a petition with the court in regards to the management fees for eastern sand stone. Taiwan Keelung District Court ruled in favor of the Company 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 Company’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 guarantees volume for transporting eastern sand and gravel to the north).

b. The Company entered into a contract with CHC Resources Corporation on December 1, 2014 to jointly operate the storage and transport of slag powder and its related products at the Port of Taipei. The contract term is valid until May 10, 2045. Upon expiration of the contract, CHC Resources Corporation will be given priority to negotiate a new contract under the premise that the Company extends its contract with the Harbor Bureau. CHC Resources Corporation pays various fees to the Company in accordance with the contract. Unless otherwise specified in the contract, in the event that any party cannot perform its contractual obligations (e.g. due to a financial crisis, changes in market supply and demand, or other unforeseeable circumstances), the contract may be terminated in advance with the consent of the other party.

c. In order to satisfy the demand for cement in the northern part of Taiwan, the Company leased from Taiwan International Ports Co., Ltd. the land measuring 5,900.35 square meters at the west of Wharf No. 33 of the Port of Keelung. The Company committed to build silos, loading and unloading equipment at 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 Company 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 Company 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 Company has priority to lease the property when the lease contract has expired. In addition, during the lease period, the Company should pay the land use and administrative fees monthly, which will be adjusted according to the adjustment of loading fee in the port.

d. For the Company's business strategy, the Company entered into a name-borrowing contract with its wholly-owned subsidiary Bluesky. Co., Ltd. ("Bluesky"), so the Company may purchase real estate registered under the name of Bluesky. The Company retains the right to manage, use and dispose of the real estate, and Bluesky may not transfer the ownership to third party or create an encumbrance on the real estate without prior written consent from the Company. The original ownership certificate, transfer registration documents, and seal used for registration shall be under the custody of the Company or a person designated by the Company. Bluesky shall handle, manage, use or dispose the real estate in accordance with the instructions of the Company. Any income from the use and/or disposal of the real estate shall belong to the Company. The Company may request to return or transfer part of or the entire ownership of the real estate to the Company or third party designated by the Company at any time. Bluesky guarantees that no third party (including but not limited to the creditors of Bluesky) will petition to seize, hold or claim any other rights over the real estate. In the event a third party petitions to seize, hold or claim any other rights over the real estate, Bluesky shall prevent the third party from exercising or claiming the said rights, and protect the Company from sustaining any damages. Bluesky shall be fully liable for any damages the Company sustains, including but not limited to loss and damage due to being unable to return or transfer ownership of the real estate to the Company or a third party designated by the Company, and reasonable attorney's fees.

37. 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 (Table 4)

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 5)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 6)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 7)

9) Trading in derivative instruments (None)

10) Information on investees (Table 8)

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 (None):

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.

d. Information of major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 10)

TABLE 1

CHIA HSIN CEMENT CORPORATION

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
0	Chia Hsin Cement Corporation (Note 1)	LDC ROME HOTELS S.R.L.	Other receivables from related parties	Yes	$ 115,885	$ 49,028	$ 18,677	1.5 (Note 3)	Short-term financing	$ -	The need for financing operating capital	$ -	-	$ -	$ 3,627,322	$ 9,672,859

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

Note 2: The highest balance for the period and ending balance presented above are listed in New Taiwan dollars (NTD). The highest balance denominated in foreign currency is translated using the prevailing exchange rate; and the ending balance is translated into NTD using the exchange rate as of December 31, 2020.

Note 3: Total interest in the period is $710 thousand.

CHIA HSIN CEMENT CORPORATION

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 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 4)										
0	Chia Hsin Cement Corporation (Note 2)	Chia Hsin Property Management & Development Corporation	b.	$ 7,747,805 (Paid-in capital)	$ 1,480,000	$ 1,480,000	$ -	$ -	6.12%	$ 24,182,147	Yes	No	No
		LDC ROME HOTELS S.R.L.	f.	7,747,805 (Paid-in capital)	447,600	447,600	357,204	-	1.85%	24,182,147	No	No	No
		CHC Ryukyu Development GK	b.	7,747,805 (Paid-in capital)	913,440	607,860	138,150	-	2.51%	24,182,147	Yes	No	No
		CHC Ryukyu COLLECTIVE KK	b.	7,747,805 (Paid-in capital)	2,629,600	1,657,800	1,049,940	-	6.86%	24,182,147	Yes	No	No
1	Chia Hsin Property Management & Development Corporation (Note 3)	Chia Hsin Cement Corporation	c.	24,182,147	8,880,000	6,640,000	5,376,250	6,640,000	27.46%	24,182,147	No	Yes	No
2	Jaho Life Plus+ Management Corp., Ltd. (Note 4)	Gemcare Maternity Center	a.	200,000	1,000	1,000	1,000	1,000	-	400,000	No	No	No
		Gemcare Dunhua Maternity Center	a.	200,000	1,000	1,000	1,000	1,000	-	400,000	No	No	No

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

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

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

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

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

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

TABLE 3

CHIA HSIN CEMENT CORPORATION

MARKETABLE SECURITIES HELD
DECEMBER 31, 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	December 31, 2020				The Highest Number of Shares Held During the Period	Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value		
Chia Hsin Cement Corporation	Stock								
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTPL - current	7,740,307	$ 334,381	0.13	$ 334,381	$ 7,740,307	
	Asia Cement Corporation		Financial assets at FVTPL - current	71	3	-	3	71	
	China Chemical & Pharmaceutical Co., Ltd.		Financial assets at FVTPL - current	20,000	472	0.01	472	20,000	
	Foreign stock								
	Anhui Conch Cement Co., Ltd.		Financial assets at FVTPL - current	364,000	64,909	0.01	64,909	766,000	
	Foreign fund								
	HAITONG FREEDOM MULTI-TRANCHE BOND FUND - P1A (SERIES 27)		Financial assets at FVTPL - current	9,594	32,133	-	32,133	9,594	
	GREENWOODS GOLDEN CHINA FUND - UNRESTRICTED CLASS A (0518)		Financial assets at FVTPL - current	3,340	39,884	-	39,884	3,342	
	Stock								
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - current	25,400,783	1,097,314	0.43	1,097,314	25,400,783	
	CHC Resources Corporation		Financial assets at FVTOCI - current	4,285,694	203,356	1.72	203,356	4,285,694	
	Chien Kuo Construction Co., Ltd.		Financial assets at FVTOCI - current	771,256	10,373	0.30	10,373	771,256	
	Stock								
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	184,718,366	7,979,833	3.11	7,979,833	184,718,366	
	Stock								
	B Current Impact Investment Fund 3		Financial assets at FVTOCI - non-current	1,000,000	10,000	10.00	10,000	1,000,000	
	Pan Asian (Engineers & Constructors) Corporation		Financial assets at FVTOCI - non-current	2,718,217	21,664	2.38	21,664	2,178,217	
	Chia Hsin Ready-Mixed Concrete Corporation		Financial assets at FVTOCI - non-current	12,718,440	256,277	13.71	256,277	12,718,440	
	Overseas Investment & Development Corp.		Financial assets at FVTOCI - non-current	2,000,000	16,960	2.22	16,960	2,000,000	
	Asia Pacific Gongshanglian Corporation Limited		Financial assets at FVTOCI - non-current	21,090	-	0.03	-	21,090	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020				The Highest Number of Shares Held During the Period	Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value		
	Chia Hsin Livestock Corp.		Financial assets at FVTOCI - non-current	6,600,000	$ -	1.17	$ -	$ 6,600,000	
	Huatung Heping River Mining Industry Development Co., Ltd.		Financial assets at FVTOCI - non-current	9,350	-	1.87	-	9,350	
Tong Yang Chia Hsin International Corporation	Stock								
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTPL - current	13,591,719	587,162	0.23	587,162	15,214,293	
	Foreign fund								
	HAITONG FREEDOM MULTI-TRANCHE BOND FUND - P1A (SERIES 27)		Financial assets at FVTPL - current	9,594	32,133	-	32,133	9,594	
	Stock								
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - current	32,457,173	1,402,150	0.55	1,402,150	32,457,173	
	Chia Hsin Cement Corporation	Parent company	Financial assets at FVTOCI - non-current	127,370,320	2,426,405	16.44	2,426,405	127,370,320	
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	60,242,447	2,602,474	1.01	2,602,474	60,242,447	
	IBT Second Venture Capital Co., Ltd.		Financial assets at FVTOCI - non-current	725,493	5,159	2.30	5,159	725,493	
	Kaohsiung Tug and Port Service Corp.		Financial assets at FVTOCI - non-current	350,000	2,863	0.88	2,863	350,000	

Note 1: For the information about subsidiaries, associates and joint ventures, refer to Table 8 and Table 9.

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

(Concluded)

TABLE 4

CHIA HSIN CEMENT CORPORATION

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities (Note 1)	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares	Amount
Chia Hsin Cement Corporation	L'Hotel De Chine Corporation	Investment accounted for using the equity method	Chinatrust Investment Co., Ltd.	-	-	$ -	67,998,915	$ 1,157,340	-	$ -	$ -	$ -	67,998,915	$ 1,164,251

Note: The marketable securities in this table includes the securities derived from stocks, bonds, beneficiary certificates, and the items mentioned above.

TABLE 5

CHIA HSIN CEMENT CORPORATION

DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, or in Thousands of Foreign Currencies)

Seller	Property	Event Date	Original Acquisition Date	Carrying Amount	Transaction Amount	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$ 43,203 (RMB 9,898) (Note 6)	NT$ 441,258 (RMB 105,430) (Note 6)	Collected	NT$ 335,919 (RMB 78,706) (Notes 3 and 6)	Shanghai Xuhui Land Reserve Center and Shanghai Xuhui Waterfront Development Investment Construction Co., Ltd.	Unrelated party	Government land reserve	(Note 4)	None
Chia Hsin Property Management & Development Corporation	Lands and buildings	November 11, 2020 (Note 2)	June 1971	NT$ 116,836	NT$ 1,686,299	Collected	NT$ 1,569,463	Taiwan Cement Corporation	Substantive related party	Assets activation	(Note 5)	None

Note 1: Means the date the resolution was approved by the subsidiary’s B.O.D. and shareholders in their meetings.

Note 2: Means the date the resolution was approved by the B.O.D. of the subsidiary.

Note 3: The disposal transaction was completed in June 2020.

Note 4: 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 5: Decided after referring to real estate appraisal report from Jiangsu Zhengxin Assets Evaluation Firm Co., Ltd. and Prudential Cross-Strait Real Estate Appraisers Firm and to the result of open tender.

Note 6: The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of December 31, 2020: RMB1=NT$4.185317. The income items denominated in foreign currencies are translated using the average exchange rate of 2020: RMB1=NT$4.268052.

TABLE 6

CHIA HSIN CEMENT CORPORATION

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes Receivable (Payable)/Trade Receivables (Payables)		Note
			Purchases/Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Chia Hsin Cement Corporation	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Purchases	$ 453,720	45	60 days from the purchase day	N/A (equal to the price for other clients)	N/A (same as the term for other clients)	$ (73,132)	(55)	

CHIA HSIN CEMENT CORPORATION

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 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	Investments accounted for using the equity method	$ 1,311,442 (Note 1)	-	$ -	-	$ -	$ -

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

Note 2: The amount received in subsequent period as of March 29, 2021.

CHIA HSIN CEMENT CORPORATION

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2020			Net Income/(Loss) of the Investee	Share of Profit/(Loss) of Investee	Remark
				December 31, 2020	December 31, 2019	Number of Shares (Thousands of Shares)	%	Carrying Amount			
Chia Hsin Cement Corporation	Chia Hsin Construction & Development Corp.	11F, No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Office buildings construction and lease and sale of public housings	$ 656,292	$ 656,292	31,458,920	43.87	$ 1,792,694	$ 208,159	$ 91,318	(Notes 3)
	Tong Yang Chia Hsin International Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	General international trade	1,600,159	1,600,159	257,073,050	87.18	6,378,276	558,250	486,683	Subsidiary
	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	1,000,000	1,000,000	100,000,000	100.00	5,279,930	1,616,250	1,616,250	Subsidiary
	Chia Pei International Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Mining; Wholesale of Building Materials; Nonmetallic Mining; Retail Sale of Building Materials; International Trade; Rental and Leasing Business; Retail Sale of Other Machinery and Equipment	120,000	120,000	19,560,000	100.00	197,301	55,148	55,148	Subsidiary
	BlueSky Co., Ltd.	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	International trade; real estate trading; real estate leasing	81,561	81,561	8,300,000	100.00	83,930	518	518	Subsidiary
	Chia Hsin Pacific Limited	Cayman Islands	Holding company	969,104	969,104	19,186,070	74.16	2,341,844	361,186	267,837	Subsidiary
	YJ International Corporation	11F, No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Real estate rental and leasing; real estate management; realtor agent	2,280,000	2,280,000	228,000,000	100.00	1,373,289	(638,048)	(638,048)	Subsidiary
	Jaho Life Plus+ Management Corp., Ltd.	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Management consulting service	400,000	300,000	40,000,000	100.00	224,254	(87,907)	(87,907)	Subsidiary
	LDC ROME HOTELS S.R.L.	Rome, Italy	Hotel management	NT$ 597,815 (EUR 17,070,667)	NT$ 560,460 (EUR 16,004,000)	-	40.00	367,335	(188,754)	(75,502)	(Note 3)
	L'Hotel De Chine Corporation	11F, No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Hotel and tourism	1,157,340	-	67,998,915	23.10	1,164,251	37,429	9,264	(Note 3)
	Chia Huan Tung Cement Corporation	5F.-1, No. 21, Wufu 3rd Rd., Qianjin Dist., Kaohsiung City	Cement and concrete mix manufacturing	-	142,014	-	-	-	(1,146)	(237)	(Note 4)
	International Chia Hsin Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	International trade; general investment	69,341	69,341	5,800,000	19.33	112,156	21,700	4,195	
Chia Hsin Property Management & Development Corporation	Chia Sheng Construction Corp.	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Wholesale and retail business of machinery; residence, factory buildings and office buildings leasing and selling; PPE leasing and selling	250,000	250,000	25,000,000	100.00	246,637	7,279	7,279	Second-tier subsidiary
YJ International Corporation	CHC Ryukyu Development GK	26 Tokashiki, Aza, Tomigusuku-shi, Okinawa, Japan	Real estate rental and leasing; management consulting service	NT$ 270,657 (JPY 979,575,335)	NT$ 270,657 (JPY 979,575,335)	-	100.00	160,512	(10,636)	(10,636)	Second-tier subsidiary
	CHC Ryukyu COLLECTIVE KK	2 Chome-1-12 Matsuyama, Naha, Okinawa, Japan	Hotel management	NT$ 1,939,743 (JPY 7,020,424,665)	NT$ 1,939,743 (JPY 7,020,424,665)	-	100.00	1,168,713	(623,242)	(623,242)	Second-tier subsidiary
Chia Hsin Pacific Limited	Yonica Pte Ltd	Singapore	Investment and holding company	NT$ 1,895,379 (US$ 66,551,243)	NT$ 1,895,379 (US$ 66,551,243)	104,908,690	100.00	NT$ 789,296 (US$ 27,714,033)	NT$ 87,656 (US$ 2,966,468)	NT$ 87,656 (US$ 2,966,468)	Second-tier subsidiary
	Effervesce Investment Pte. Ltd.	Singapore	Investment and holding company	NT$ 885,120 (US$ 31,078,656)	NT$ 885,120 (US$ 31,078,656)	53,274,892	100.00	NT$ 1,422,111 (US$ 49,933,668)	NT$ 168,603 (US$ 5,705,877)	NT$ 168,603 (US$ 5,705,877)	Second-tier subsidiary
	Sparksview Pte. Ltd.	Singapore	Investment and holding company	NT$ 81,804 (US$ 2,872,328)	NT$ 81,804 (US$ 2,872,328)	3,763,350	100.00	NT$ 173,065 (US$ 6,076,736)	NT$ 83,390 (US$ 2,822,087)	NT$ 83,390 (US$ 2,822,087)	Second-tier subsidiary
Tong Yang Chia Hsin International Corporation	International Chia Hsin Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	International trade; general investment	36,642	36,642	6,052,636	20.18	123,998	21,700	4,379	
	Tong Yang Chia Hsin Marine Corp.	Panama	Shipping service	NT$ 76,896 (US$ 2,700,000)	NT$ 76,896 (US$ 2,700,000)	2,700	100.00	445,925	12,230	12,230	Second-tier subsidiary
	Chia Hsin Pacific Limited	Cayman Islands	Holding company	626,119	626,119	6,257,179	24.18	763,748	361,186	87,350	Subsidiary

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 NT$ using the exchange rate as of December 31, 2020: US$1=NT$28.48, JPY1=NT$0.2763, EUR1=NT$35.020; net income items denominated in foreign currencies are translated using the average exchange rate of 2020: US$1=NT$29.549, JPY1=NT$0.277, EUR1=NT$33.708.

Note 3: Material associates

Note 4: The dissolution of the Company was approved by Ministry of Economic Affairs on June 14, 2019, and the liquidation was completed on October 27, 2020.

Note 5: The highest number of shares held by each investees during the period is the same as those held at the end of the period, and all the shares held are not pledged as collateral.

CHIA HSIN CEMENT CORPORATION

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, or in Thousands of Foreign Currencies)

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1 (a.))	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020 (Note 1 (a.))	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020 (Note 1 (a.))	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1 (a.))	Carrying Amount as of December 31, 2020 (Note 1 (a.))	Accumulated Repatriation of Investment Income as of December 31, 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	$ 240,941 (US$ 8,460)	b. and d.	$ 362,323 (US$ 12,722)	$ - (US$ -)	$ - (US$ -)	$ 362,323 (US$ 12,722)	95.23	$ 262,148 (US$ 8,872)	$ 515,535 (US$ 18,102)	$ - (US$ -)	Note 1 (b.) (2)
Shanghai Chia Hsin Ganghui Co., Ltd.	Warehousing and packing bulk cement and formulating and delivering high-strength cement	299,040 (US$ 10,500)	b.	457,560 (US$ 16,066)	- (US$ -)	- (US$ -)	457,560 (US$ 16,066)	95.23	(19,459) (US$ -659)	424,336 (US$ 14,899)	- (US$ -)	Note 1 (b.) (2)
Jiangsu Union Cement Co., Ltd. (Note 5)	Processing, manufacturing and selling of cement	- (US$ -)	c.	1,965,775 (US$ 69,023)	- (US$ -)	- (US$ -)	1,965,775 (US$ 69,023)	-	1,506 (US$ 51)	- (US$ -)	- (US$ -)	Note 1 (b.) (2)
Shanghai Chang Hsin Shipping Co., Ltd.	Delivering cement	142,400 (US$ 5,000)	b.	87,291 (US$ 3,065)	- (US$ -)	- (US$ -)	87,291 (US$ 3,065)	38.09	30,103 (US$ 1,019)	68,137 (US$ 2,393)	- (US$ -)	Note 1 (b.) (2) and Note 7
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Consulting for developing information system for business and finance purpose	492,989 (US$ 17,310)	b.	754,635 (US$ 26,497)	- (US$ -)	- (US$ -)	754,635 (US$ 26,497)	95.23	(20,118) (US$ -681)	560,266 (US$ 19,672)	- (US$ -)	Note 1 (b.) (2)
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Consulting for management of healthcare and hotel business	200,782 (RMB 46,000)	f. Investor: Chia Hsin Business Consulting (Shanghai) Co., Ltd.	- (US$ -)	- (US$ -)	- (US$ -)	- (US$ -)	95.23	(24,099) (US$ -816)	143,680 (US$ 5,045)	- (US$ -)	Note 1 (b.) (2)
Jiapeng Maternal and Child Care (Yangzhou) Co., Ltd.	Providing healthcare service to mothers in pregnancy, parturition and postpartum period	87,297 (RMB 28,000)	f. Investor: Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	- (US$ -)	- (US$ -)	- (US$ -)	- (US$ -)	95.23	(17,421) (US$ -590)	89,580 (US$ 3,145)	- (US$ -)	Note 1 (b.) (2)
Jiapeng Maternal and Child Care (Suzhou) Co., Ltd.	Providing healthcare service to mothers in pregnancy, parturition and postpartum period	26,189 (RMB 6,000)	f. Investor: Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	- (US$ -)	- (US$ -)	- (US$ -)	- (US$ -)	95.23	(7,822) (US$ -265)	18,217 (US$ 640)	- (US$ -)	Note 1 (b.) (2)
Jiangsu Union Mining Industry Ltd. (Note 6)	Processing, manufacturing and delivering of limestone and other related products	348,750 (RMB 79,900)	c.	141,546 (US$ 4,970)	- (US$ -)	- (US$ -)	141,546 (US$ 4,970)	47.62	(910) (US$ -31)	- (US$ -)	- (US$ -)	Note 1 (b.) (2) and Note 8

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1 (a.))	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020 (Note 1 (a.))	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020 (Note 1 (a.))	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1 (a.))	Carrying Amount as of December 31, 2020 (Note 1 (a.))	Accumulated Repatriation of Investment Income as of December 31, 2020	Note
					Outward (Note 1 (a.))	Inward (Note 1 (a.))						
Jiangsu Jiaguo Construction Material Storage Co., Ltd.	Engaging in overland delivery of ordinary goods and the processing, manufacturing and selling of cement and other construction material	375,936 (US$ 13,200)	e.	$ 394,363 (US$ 13,847)	$ - (US$ -)	$ - (US$ -)	$ 394,363 (US$ 13,847)	87.18	$ 12,143 (US$ 411)	$ 439,329 (US$ 15,426)	$ - (US$ -)	Note 1 (b.) (2)
Jiangsu Jiaxin Property Limited Company	Developing and selling real estate and providing property management service	87,297 (RMB 20,000)	f. Investor: Jiangsu Jiaguo Construction Material Storage Co., Ltd.	- (US$ -)	- (US$ -)	- (US$ -)	- (US$ -)	87.18	6,293 (US$ 213)	94,216 (US$ 3,308)	- (US$ -)	Note 1 (b.) (2)

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

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 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)
$ 6,540,945 (US$ 229,668)	$ 6,610,892 (US$ 232,124)	$ 14,509,288

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 NT$ using the exchange rate as of December 31, 2020: US$1=NT$28.48, RMB1=NT$4.364827; net income items denominated in foreign currencies are translated using the average exchange rate of 2020: US$1=NT$29.549, RMB1=$4.282469.

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

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

Note 2: The method of investment includes the following:

a. Direct investment in mainland China.

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

c. Indirect investment in mainland China through companies registered in a third region. The Company and Tong Yang Chia Hsin International Corporation invest in Chia Hsin Pacific Limited, which then invest in Yonica Pte. Ltd., the company that invests in mainland China.

d. Indirect investment in mainland China through companies registered in a third region. The Company and Tong Yang Chia Hsin International Corporation invest in Chia Hsin Pacific Limited, which then invest in Spaksview Pte. Ltd., the company that invests in mainland China.

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

f. Other method.

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

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

(Continued)

Note 5: On April 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: On December 29, 2020, the dissolution of Jiangsu Union Mining Industry Ltd. had been approved by authorities.

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

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

(Concluded)

TABLE 10

CHIA HSIN CEMENT CORPORATION

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 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 preference shares registered as dematerialized security (including treasury shares) in the centralized securities depository enterprise as of the last business day of the reporting period. Based on different calculation method, the number of share recorded in the financial statements could be different from that registered as dematerialized security.

6.6 Impact on the Company's Financial Position for the Occurrence of Financial Difficulties of the Company and its Affiliates in the Past Year and up to the Publication Date of this Annual Report: None.

7. Review and Analysis of Financial Position, Financial Performance, and Risk Management

7.1 Financial Position

Unit: NTD thousands

Item \ Year	2020	2019	Difference	
			Amount	%
Current Assets	11,726,520	10,657,604	1,068,916	10
Property, Plant and Equipment	6,195,433	6,535,574	(340,141)	(5)
Other Assets	22,724,274	21,527,456	1,196,818	6
Total Assets	40,646,227	38,720,634	1,925,593	5
Current Liabilities	3,042,465	3,700,460	(657,995)	(18)
Non-current Liabilities	12,586,413	11,343,949	1,242,464	11
Total Liabilities	15,628,878	15,044,409	584,469	4
Share Capital	7,747,805	7,747,805	-	-
Capital Surplus	960,402	847,377	113,025	13
Retained Earnings	11,653,749	10,660,775	992,974	9
Other Equity	4,939,214	4,654,268	284,946	6
Treasury Shares	(1,119,023)	(1,096,783)	(22,240)	2
Total Equity Attributable to Owners of the Company	24,182,147	22,813,442	1,368,705	6
Non-controlling Interests	835,202	862,783	(27,581)	(3)
Total Equity	25,017,349	23,676,225	1,341,124	6
Analysis of difference ratio reaching 20% or above: NA				

7.2 Financial Performance

Unit：NTD Thousands

Item \ Year	2020	2019	Difference	
			Amount	%
Operating Revenue	2,058,417	1,884,002	174,415	9
Operating Cost	2,202,158	1,685,405	516,753	31
Gross Profit	(143,741)	198,597	(342,338)	(172)
Operating Expenses	603,155	633,383	(30,228)	(5)
Net Other Income and Expenses	1,569,463	-	1,569,463	-
(Loss) Profit from Operations	822,567	(434,786)	1,257,353	289
Non-Operating Income and Expenses	1,283,475	1,420,557	(137,082)	(10)
Profit Before Income Tax from Continuing Operations	2,106,042	985,771	1,120,271	114
Income Tax Expense	(269,547)	(167,261)	(102,286)	61
Net Profit from discontinued operations	1,499	590,161	(588,662)	(100)
Net Profit for the Year	1,837,994	1,408,671	429,323	30

Analysis of difference ratio reaching 20% or above:

1. Increase of operating cost and decrease of gross profit: Mainly due to the starting operation of Hotel Collective in 2020 and operating revenue was affected by the Coronavirus, resulting in increase of cost and decrease of gross profit.
2. Increase of net other income and expenses, (loss) profit from operations, profit before income tax from continuing operations, net profit for the year: Mainly due to the gains from disposal of investment properties (Luzhu) in 2020 by subsidiary CHPMD.
3. Decrease of net profit from discontinued operations: Mainly due to the completion of liquidation process of Jiangsu Union Cement Co. Ltd.

7.3 Cash Flow

1. Analysis of Cash Flow Changes for the Past Year

Unit: NTD thousands

Beginning Cash and Cash Equivalents	Annual Net Cash Flow from Operating Activities	Annual Net Cash Flow from Investing and Financing Activities	Cash Surplus (Insufficiency)	Remedial Measures for Cash Insufficiency	
				Investment Plans	Financing Plans
2,066,897	530,831	778,253	3,375,981	-	-

1. Analysis of change in cash flow in the current year:
 (1) Operating activities: Mainly due to the receipt of tax refund and increase of tax payables.
 (2) Investment and Financing activities: Mainly due to cash inflow from disposal of land and plant.
2. Remedial measures for insufficient cash: NA.

2. Analysis of Cash Flow Changes for the Past Two Years

Item / Year	2020	2019	Difference (%)
Cash Flow Ratio (%)	17.45%	0.00%	100
Cash Flow Adequacy Ratio (%)	15.70%	17.68%	(11)
Cash Reinvestment Ratio (%)	0.00%	0.00%	-

Explanation of difference:

The increase of cash flow ratio: Mainly due to the operating activity had net cash inflow in 2020.

3. Analysis of Cash Liquidity for the Coming Year

Unit: NTD thousands

Beginning Cash and Cash Equivalent	Estimated Net Cash Flows from Operating Activities	Estimated Cash Flows from Investing and Financing Activities	Cash Surplus (Insufficiency)	Remedial Measures for Cash Insufficiency	
				Investment plans	Financing plans
3,375,981	(64,416)	(958,170)	2,353,395	-	-

Analysis of cash liquidity in the coming year:

Based on the Company’s 2021 internal budget, a stable operating performance is expected and there will be no shortage of capital in the coming year.

7.4 Impact of Major Capital Expenditures on Financial Position and Operation in the Past Year

In 2020, the Company acquired equity shares in LDC Hotels & Resorts with NTD 1.157 billion for strategic investment accounted for using equity method, and made a final payment of JPY 2.25 billion for the Hotel Collective construction project.

7.5 Investment Policies in the Past Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year

The Company's re-investment strategy is based on overall business strategies of the Group. The decision process will be followed on the basis of investment report which covers the details of the underlying assets, industry overview, financial condition, competitive strategy, return analysis, risk management as well as the synergy with the Company.

The Company invested in LDC hotels & Resorts 23.1% of equity in November 2020. With less confirmed cases of Covid-19, Taiwan tourism industry had a better year than other countries and a significant growth in the domestic market. Therefore, the overall business of LDC Hotels & Resorts performed well. However, the situation was different in Italy. Due to worse situation of the Covid-19 pandemic in Italy, LDC Rome Hotels S.R.L. was closed from March 2020. The net loss of LDC Rome Hotels S.R.L. in 2020 was NTD 188.75 million, an increase of NTD 154.7 million compared to the loss in 2019.

Chia Hsin Construction & Development Corp., of which the Company holds a 43.87% shareholding, had net profit of NTD 208 million, a 34% increase compared to that of 2019. The increase was due to the share of profit of Tong Yang Chia Hsin International Corp. recognized using equity method.

7.6 Analysis of Risk Management

7.6.1 Impact of Changes in Interest Rates, Exchange Rates and Inflation on Corporate Finance, and Future Response Measures

The main type of financing loan within the Business Group is long-term loan. The Company closely monitors the financial markets, the Group's overall operation needs and its financial status, as well as the interest rate trend in order to determine on the most effective financial instruments to cope with the interest rate risks.

Since the beginning of 2020, the spread of Coronavirus has become a global pandemic. Countries have implemented economic lockdown restrictions or other control measures for effective epidemic prevention. Nevertheless, this enforcement has seriously deteriorated the real economy worldwide. With the global commitment on COVID-19 vaccine development along with its roll-out success and the accelerating vaccination, the above economic lockdown restrictions are expected to be lifted during the second half of 2021. As expected in many countries, central banks have continuously adopted loose monetary schemes and launched expansionary fiscal policies to stimulate the economic growth; therefore, a moderate recovery of the global economy seems to be the consensus for the year of 2021.

To maintain a stable domestic financial environment as the premise, the government has carried out corresponding measures to provide sufficient liquidity, to normalize financial intermediary operations, and to encourage solid bank credit and loan business, etc. The short-term domestic interest rates will remain low and the long-term domestic interest rates are forecasted to decline as well. Under this circumstance, the short-term impact of changes in the domestic interest rates on the Company's financial status is limited.

In summary, the corresponding measures taken by the Company for the changes in interest rates and foreign exchange rates are as follows:

1. To avoid risks derived from the fluctuation of foreign exchange rates, the Company undertakes loans from local banks in the country of operations. The Company also has long-term loans along with capital injection as the primary funding source for its capital expenditures to avoid volatility risks from the interest rate markets.
2. To effectively manage its foreign currency position, the Company constantly focuses on the global foreign exchange market movements and takes appropriate hedging strategies. A diversified foreign currency deposits portfolio is implemented in order to meet with the Company's capital requirements.

   In order to keep abreast of the global economy and financial markets, the Company assigns its employees to attend workshops held by the financial institutions on global economic outlooks, currency hedging instruments, foreign exchange trading and analysis etc. By participating in such sessions, employees will become more sensitive to changes in the financial markets and are equipped to propose valid risk management strategies against the volatilities in both interest rate and foreign exchange rate markets.

7.6.2 Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-Risk, High-Leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

The Company does not engage in any high-risk or high-leveraged investment. Whenever engaging in lending or offering endorsement and guarantees to counterparties, the Company acts in compliance with its policies on "Procedures for Acquisition or Disposal of Assets" and "Procedures for Lending, Endorsement and Guarantee".

7.6.3 Future Research & Development Projects and Corresponding Budget: None.

7.6.4 Impact of and Response Measures to Major Changes in Policies and Regulations Relating to Corporate Finance and Operation

Each department of the Company monitors the changes of laws and decrees or any other major policies at home and abroad, alerts matters of attention, and evaluates potential impacts on the Company. Beginning 2019, the Legal Division has issued legal affairs newsletters to announce legal and major policy changes on a regular basis. In addition, Human Resources Division also has published human resources updates through its newsletters since early 2020. Whenever necessary, attorneys, accountants, or other professionals were consulted for their opinions on the relevant impacts on the Company caused by changes in policies and regulations. Based on these above professional evaluations and recommendations, the Company acts predominantly in line with regulation updates and hence minimizes those impacts on its finance and operation.

7.6.5 Impact of and Response Measures to Changes in Technology and the Industry Relating to Corporate Finance and Operation

The Board of Directors and management frequently focus on the changes in both technology and industry, adjust the Company's business models as seen fit, and actively employ countermeasures if needed.

7.6.6 Impact of Changes in Corporate Image on Crisis Management, and the Company's Response Measures

As the Group enters into the hospitality industry and shifts from the traditional industry, the Company has therefore focused on rebuilding and strengthening its new corporate image since 2019. Professionals were engaged to conduct a campaign, including videos, presentations, and press events specifically targeted towards the general public, media, institutional investors, employees, customers, and shareholders. Stepping into consumer sector has made the Company more cautious and aware of corporate identity management. As social media becomes more prominent, a single negative comment may create significant impacts on the Company's reputation and business performance. To this respect, the Company employs designated public relations personnel who manage corporate identity, monitor external reviews and propose crisis management strategies in taking promptly measures to prevent the corporate image from potential damages.

7.6.7 Expected Benefits from, Risks Relating to and Response Measures to Merger and Acquisition Plans: None.

7.6.8 Expected Benefits from, Risks Relating to and Response Measures to Plant Expansion Plans

The Company does not have any plant expansion in progress currently, but its subsidiaries continue to invest in hotels and postpartum care centers. Prior to any investment, the target cases are carefully reviewed and the professional management teams are recruited to be in charge of the investment projects executed.

7.6.9 Risks Relating to and Response Measures to Purchasing and Sales Concentration: None.

7.6.10 Impact of, Risks Relating to and Response Measures to Mass Share Transfers or Changes in Shareholdings by Directors or Shareholders with 10% Shareholding or more: None.

7.6.11 Impact of, Risks Relating to and Response Measures to the Changes in Management Rights: None.

7.6.12 Litigation or Non-litigation Matters

On December 30, 2016, the Company's Board of Directors decided to liquidate Jiangsu Union Cement Co., Ltd. ("JUC") A Liquidation Task Force was set up in 2017 and filed for liquidation with the Administration for Industry and Commerce, Zhenjiang City, Jiangsu, China. The liquidation process was completed and JUC was de-registered as of April 2020.

7.6.13 Other Important Risks and Response Measures

1. Risks Relating to and Response Measures to Information Security

The Company administers the following measures to prevent risk and strengthen management of information security, ensure the availability, integrity and confidentiality of information, and avoid intentional and accidental threats internally and externally:

(1) Computer Facility Security Management

1. All devices, such as host computer device and application servers, are situated in a dedicated server room. Access to this room is monitored and controlled with access cards and the entrance and exit logs are kept on file.
2. The computer room is equipped with independent air conditioning to ensure computer devices operating under a controlled environment. A chemical fire extinguisher is placed in the room in case of fire.
3. The host computer is equipped with UPS system and voltage stabilizer and is connected to the building's dedicated emergency power supply system for uninterrupted performance, in case of a power outage from the grid.

(2) Network Security Management

1. Computer network access control and entry are strengthened to the external network. Enterprise-level firewall is set up to prevent hacking.
2. Site-to-site encrypted data communication installed between Taichung and Keelung Distribution Center with Taipei Head Office to prevent date interception.
3. Authorized VPN account is required to remotely access the intranet ERP system. Employees can only log in through a secured VPN and each access login is recorded for future audit.
4. Devices for internet behavior and filter are set up to monitor and control the internet access for security and bandwidth. Employees are not allowed to visit IP addresses and content that are hazardous or against company policy.

(3) Virus Protection and Management

1. Endpoint protection system is installed in server computers and desktop devices. Virus codes are updated automatically so that the latest virus can be blocked, while detecting and preventing the installation of potentially dangerous files.
2. Email server is equipped with mail virus protection and spam mail filtering mechanism to block viruses and junk mail from accessing end users' PCs.
3. Anti-virus system is in place to quarantine or delete the detected viruses. Reports are automatically generated to allow the manager to take necessary timely action.

(4) System Access Control

1. A system access authorization process is imposed. Employees need to submit an application for approval by a direct supervisor. Upon such approval, IT department will set up accounts for the applicants. Relevant systems are only accessed upon the authorization of each system master.
2. Account passwords criteria include length requirements and combination of letters, numbers and symbols.
3. When an employee resigns, IT department will be notified and all related system accesses will be deleted.

(5) Continuous System Operation

1. Data backup: a cloud backup system is set up with daily backup mechanism. Applications and databases are backed up in three locations: cloud, computer room, and a safety deposit box in the bank.
2. Disaster data recovery drills: Once a year, a drill is conducted for data recovery and restoration for each application. After IT restores all the data, the accuracy is confirmed in writing by each respective user department. This confirms the integrity of the storage devices and data.
3. Parallel systems: Two data lines (ADSL and fiber) are leased in conjunction with bandwidth management, act as backup systems to prevent communication from interruption.

(6) Information Security Awareness and Training

1. Alert emails are sent to all employees for them to change passwords on a regular basis.
2. Periodic training courses are held to enhance employees' awareness on information security.

2. Risks Relating to and Response Measures to Coronavirus Pandemic

On January 30, 2020, the World Health Organization (WHO) announced that the Coronavirus disease (COVID-19) is a public health emergency of international concern. This COVID-19 pandemic has caused unprecedented loss of human lives and economic, political and social turmoil around the world. In order to deal with these impacts on the Company's operation, both home and abroad, the Company has adopted the following risk management measures:

(1) To Set up a Dedicated Unit

A Risk Control Task Force under the corporate governance organization is set up to coordinate matters related to the pandemic.

(2) To Establish a Pandemic Reporting Mechanism

The Group's COVID-19 reporting system is strengthened to obtain the pandemic updates at departmental level by using instant communication software. This ensures that the communication, proposed solution and decision-making for mitigation of the impacts on the Company are instrumental and effective between the executives and the top management.

(3) To Maintain Flexibility in Management Rules and Regulations

The Group has kept track of its employees' health condition, both physical and mental, through regular checkups upon arrival at work during the pandemic. This also enables that their inquiries, anxieties and special needs, if any, will be attended to in time. In addition to social distance as a must for all, the Group has also introduced and implemented work shifts, work from home (WFH) and other quarantine measures as provided by the Central Epidemic Command Center. Furthermore, visits to fellow companies of various businesses and business travels, which are virtually suspended, are scrutinized based on the severity of the pandemic in order to ensure that both our personnel and workplace are safe.

(4) To Set up Practical Guidelines for Disease Prevention

An inventory procurement and control for the Group's epidemic prevention needs, such as hygiene alcohol spray, forehead thermometer, medical masks, etc., is in place. Standard procedures are enforced for medical masks wearing and automated body temperature checkup, with records duly compiled. They are also applied to visitors who get access to the premises, with the attendance of the security and guided route signs are installed. The Risk Control Task Force also keeps up to date with the latest local pandemic news and reports in order to come up with immediate and practical solutions.

(5) To Review Regularly the Impact of the Pandemic as it Evolves

Beginning January 2020, the Group has requested all of its business divisions (including its affiliates) to examine the level of impact of the pandemic on each of them on regular basis. The Risk Control Task Force receives operational reports from each business, follows closely general business trend and provides counsel to specific business division, if needed.

(6) To Adjust Timely the Operational Strategy:

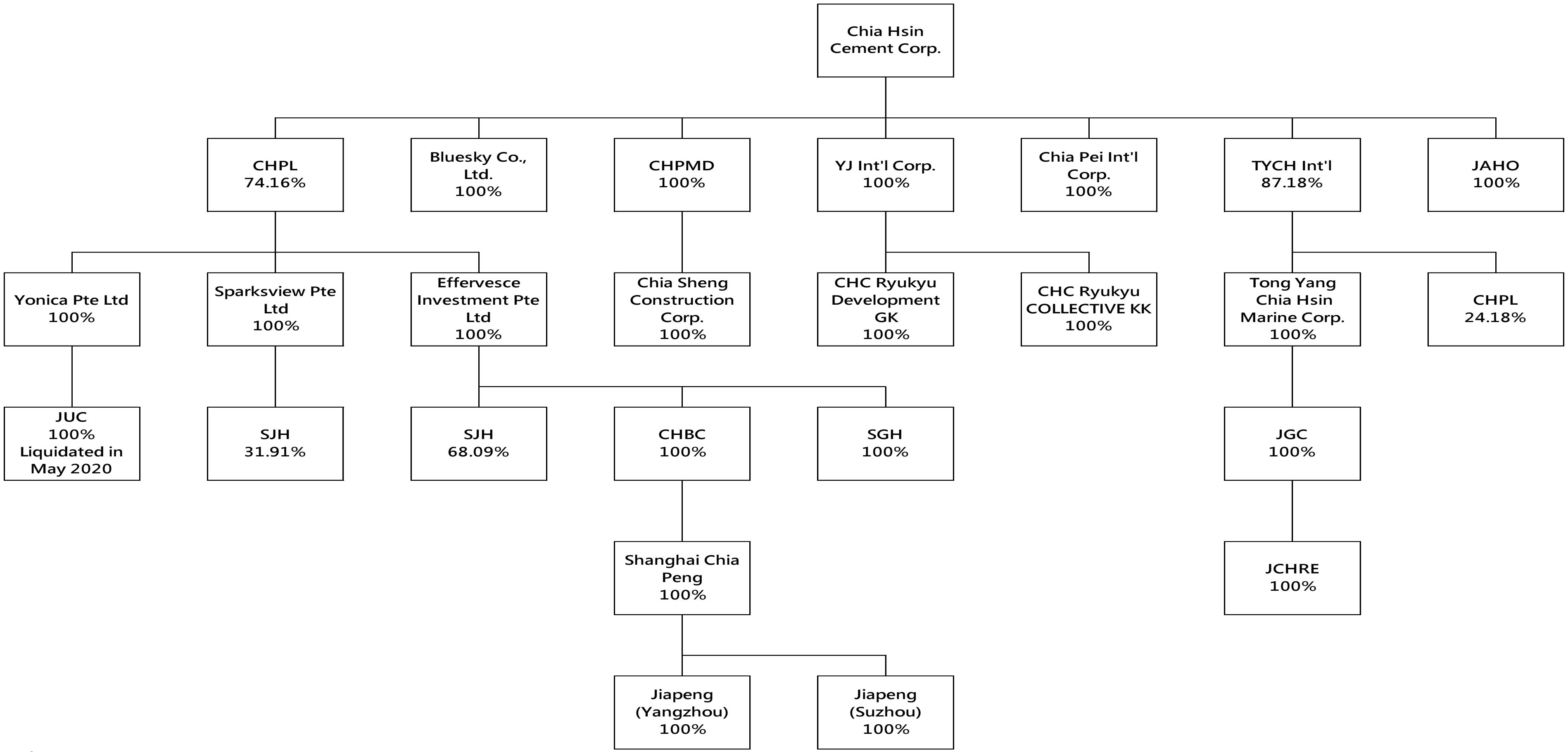
The Group has evaluated specifically the impact of Covid-19 pandemic on both its lodging and healthcare services sectors, and makes suggestions of adjustment in their operational strategies to mitigate the adverse effect in light of the uncertainties and challenges lying ahead.

7.7 Other Material Matters: Please refer to the attached tables in 6.4 Consolidated Financial Statement of this Annual Report.

8. Special Disclosures

8.1 Information of Affiliates

(1) Organization Chart of Affiliates (As of 12/31/2020)



List of Company names:

CHPL:	Chia Hsin Pacific Limited
CHPMD:	Chia Hsin Property Management & Development Corp.
TYCH Int'l:	Tong Yang Chai Hsin International Corp.
JAHO:	Jaho Life Plus+ Management Corp.
JUC:	Jiangsu Union Cement Co., Ltd.
SJH:	Shanghai Jia Huan Concrete Co., Ltd.
CHBC:	Chia Hsin Business Consulting (Shanghai) Co., Ltd.
SGH:	Shanghai Chia Hsin Ganghui Co., Ltd.
JGC:	Jiangsu Jiaguo Construction Material & Storage Co., Ltd.
JCHRE:	Jiangsu Chia Hsin Real Estate Co., Ltd.
Shanghai Chia Peng:	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.
Jiapeng (Yangzhou):	Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd.
Jiapeng (Suzhou):	Jiapeng Gemcare Maternity (Suzhou) Co., Ltd.

(2) Basic Information of Affiliates

12/31/2020
In NTD thousands；
Foreign Currency in Units

Company Name	Date Incorporated	Address	Paid-In Capital	Main Businesses or Production Items
Chia Hsin Cement Corp.	12/13/1954	96 Section 2, Zhongshan N. Road, Taipei, Taiwan	7,747,805	Cement manufacturing; Wholesale of building materials; Retail of building materials; Mining of non-metallic; Manufacture of ready-mix concrete; International trade; Developing, sales, and leasing of residence and building; Developing, sales and leasing of industrial factory; Real estate business; Real estate leasing; Urban renewal and reconstruction, and Warehousing; Health care; Sports training; Beverage, baked and steamed food manufacturing
Chia Hsin Property Management & Development Corp.	12/15/2003	96 Section 2, Zhongshan N. Road, Taipei, Taiwan	1,000,000	Machinery wholesale and retail; Warehousing; Developing, sales and leasing of residence, building and industrial factory; Real estate business and leasing
Chia Pei International Corp.	08/24/2006	96 Section 2, Zhongshan N. Road, Taipei, Taiwan	195,600	Quarrying; Wholesale of building materials; Mining of non-metallic; Retail of building materials; International trade; Leasing business; Retail of machinery and equipment
Bluesky Co., Ltd.	07/11/2012	96 Section 2, Zhongshan N. Road, Taipei, Taiwan	83,000	International trade; Real estate business; Real estate leasing
Tong Yang Chia Hsin International Corp.	12/15/1973	1F, 96 Section 2, Zhongshan N. Road, Taipei, Taiwan	2,948,606	General export-import trade (except those require license)

12/31/2020
In NTD thousands；
Foreign Currency in Units

Company Name	Date Incorporated	Address	Paid-In Capital		Main Businesses or Production Items
Chia Hsin Pacific Ltd.	09/20/1995	Ugland House, P.O. Box 309 George Town, Grand Cayman, Cayman Island, British West Indies	USD	28,543,892	Investment holding company
YJ International Corp.	03/24/2014	96 Section 2, Zhongshan N. Road, Taipei, Taiwan		2,280,000	Real estate holding, leasing management, brokerage, sales and other related businesses
Jaho Life Plus+ Management Corp.	11/13/2015	96 Section 2, Zhongshan N. Road, Taipei, Taiwan		400,000	Management Consulting
Chia Sheng Construction Corp.	05/06/2013	96 Section 2, Zhongshan N. Road, Taipei, Taiwan		250,000	Machinery wholesale; retail of machinery and equipment; warehousing; Developing, leasing and sales of residence and building
CHC Ryukyu Development GK	12/19/2013	2F, Gojinsha Naha Matsuyama Bldg., 2-1-12, Matsuyama, Naha-shi, Okinawa, Japan	JPY	1,000,000,000	Real estate leasing and management consulting
CHC Ryukyu COLLECTIVE KK	07/01/2019	2F, Gojinsha Naha Matsuyama Bldg., 2-1-12, Matsuyama, Naha-shi, Okinawa, Japan	JPY	7,000,000,000	Hotel operation
Tong Yang Chia Hsin Marine Corp.	12/22/1993	Salduba Building, 3rd Floor, 53rd East Street, Urbanization Marbella, P.O. Box 0816-02884 Panama, Rep. of Panama	USD	2,700,000	Marine business
Yonica Pte Ltd	04/03/1996	333 North Bridge Road #08-00 KH Kea Building Singapore 188721	SGD	104,908,690	Investment holding company

12/31/2020
In NTD thousands；
Foreign Currency in Units

Company Name	Date Incorporated	Address	Paid-In Capital		Main Businesses or Production Items
Effervesce Investment Pte Ltd	07/15/1993	333 North Bridge Road #08-00 KH Kea Building Singapore 188721	SGD	53,274,892	Investment holding company
Sparksview Pte Ltd	06/04/1994	333 North Bridge Road #08-00 KH Kea Building Singapore 188721	SGD	3,763,350	Investment holding company
Shanghai Chia Hsin Ganghui Co., Ltd.	06/12/1997	4100 Long Wu Road, Shanghai, P.R.C.	RMB	86,949,230	Warehousing and packaging of bulk cement; Processing and marketing of high strength cement
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	12/29/1997	Room 610-1, 1 Jilong Road , Waigaoqiao Tax Free Zone, Shanghai, China	RMB	144,525,600	Business, finance and information system technology development consulting
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	07/14/2017	No. 344 Sanlin Road, Shanghai, P.R.C.	RMB	46,000,000	Health and lodging business management consulting
Shanghai Jia Huan Concrete Co., Ltd.	07/11/1995	2200 Long Wu Road, Shanghai, China	RMB	70,212,577	Manufacture and sales of cement products and ready-mix concrete products
Jiangsu Jiaguo Construction Material & Storage Co., Ltd.	02/18/2004	High-tech Industrial Park, Zhenjiang New Area, Jiangsu, P.R.C	RMB	103,570,860	Land transportation of general cargo; Processing, configuration, packaging, warehousing and sales of cement and other building materials

12/31/2020
In NTD thousands；
Foreign Currency in Units

Company Name	Date Incorporated	Address	Paid-In Capital		Main Businesses or Production Items
Jiangsu Chia Hsin Real Estate Co., Ltd.	07/25/2007	5th floor, No. 22, Jiefang Rd., Jingye Building, Zhenjiang, Jiangsu, P.R.C	RMB	20,000,000	Real estate development (after qualification obtained) and sales, and property management (Projects subject to approval in accordance with law can only begin operation with the approval of relevant authority)
Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd.	12/21/2018	No. 58 West Xingcheng Road, Hanjiang District, Yangzhou, Jiangsu, P.R.C	RMB	28,000,000	Recovery and health care services business for maternal and infant during pregnancy, delivery and nursing period
Jiapeng Gemcare Maternity (Suzhou) Co., Ltd.	11/27/2020	Rm 416, No. 101 Kefa Rd., High-tech Zone,(Gaoxiqu) Suzhou, Jiangsu, P.R.C.	RMB	6,000,000	Mother and infant health care; Sales of mother & baby supplies; Life & beauty services

(3) Shareholders Information of Affiliates that are Presumed to Have a Controlling and Subordinate Relations: None.

(4) Industries and Diversification of Affiliates

Industries in which affiliated companies operate include:

1. Cement business, technical service, and leasing business.
2. Real estate, trading, and warehousing.
3. General Investments.
4. Hospitality Business.

Refer to the above (2) Basic Information of Affiliates for the main businesses or production items of affiliates.

(5) Information of Chairman, Directors, Supervisors, and President of Affiliates

03/31/2021

Unit: NTD thousands；Foreign Currency in Units；Shares；%

Company Name	Title	Name of Representative	Holding	
			Share/ Investment Amount	Percentage (%)
Chia Hsin Cement Corp.	Chairman	Jason K. L. Chang	4,478,396	0.58
	Director	Chi-Te Chen	692,955	0.09
	Director	Representative of Tong Yang Chia Hsin International Corp. : Pan Howard Wei-Hao	127,370,320	16.44
	Director	Representative of Tong Yang Chia Hsin International Corp.: I-Chen Liu	127,370,320	16.44
	Independent Director	Robert K. Su	-	-
	Independent Director	Chia-Shen Chen	-	-
	Independent Director	Kuan-Ming Chen	-	-
	President	Shih-Chu Chi	-	-
Chia Hsin Property Management & Development Corp.	Chairman	Representative of Chia Hsin Cement Corp.: Chih-Chu Chi	100,000,000	100.00
	Director	Representative of Chia Hsin Cement Corp.: Jason K. L. Chang	100,000,000	100.00
	Director	Representative of Chia Hsin Cement Corp.: Chi-Te Chen	100,000,000	100.00
	Director	Representative of Chia Hsin Cement Corp.: Pan Howard Wei-Hao	100,000,000	100.00
	Supervisor	Representative of Chia Hsin Cement Corp.: Li-Hsin Wang	100,000,000	100.00
	President	Zheng-Guang Yao	-	-
Tong Yang Chia Hsin International Corp.	Chairman	Jason K. L. Chang	-	-
	Director	Representative of Chia Hsin Cement Corp.: Shih-Chu Chi	257,073,050	87.18
	Director	Representative of Chia Hsin Cement Corp. : Ching-Chuan Fu	257,073,050	87.18
	Director	Representative of Chia Hsin Cement Corp. : Hua-Chou Huang	257,073,050	87.18
	Director	Representative of International Chia Hsin Corp.：Li-Hsin Wang	462,490	0.16

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Unit: NTD thousands；Foreign Currency in Units；Shares；%

Company Name	Title	Name of Representative	Holding	
			Share/ Investment Amount	Percentage (%)
	Supervisor	Hsien-Ping Chang	1,349	-
	Supervisor	Representative of Chia Hsin Construction and Development Corp. : Hsiao-Lin Chen	30,687,643	10.41
	President	Shih-Chu Chi	-	-
Chia Pei International Corp.	Chairman	Representative of Chia Hsin Cement Corp. : Ching-Chuan Fu	19,560,000	100.00
	Director	Representative of Chia Hsin Cement Corp. : Jason K. L. Chang	19,560,000	100.00
	Director	Representative of Chia Hsin Cement Corp. : Shih-Chu Chi	19,560,000	100.00
	Director	Representative of Chia Hsin Cement Corp. : Li-Hsin Wang	19,560,000	100.00
	Director	Representative of Chia Hsin Cement Corp. : Shere-Min Chang	19,560,000	100.00
	Supervisor	Representative of Chia Hsin Cement Corp. : Hua-Chou Huang	19,560,000	100.00
	Supervisor	Representative of Chia Hsin Cement Corp. : Jane Y. C. Chou	19,560,000	100.00
	President	Sheng-Wen Li	-	-
Bluesky Co., Ltd.	Chairman	Representative of Chia Hsin Cement Corp. : Jason K. L. Chang	8,300,000	100.00
	Director	Representative of Chia Hsin Cement Corp. : Chih-Chu Chi	8,300,000	100.00
	Director	Representative of Chia Hsin Cement Corp. : Pan Howard Wei-Hao	8,300,000	100.00
	Supervisor	Representative of Chia Hsin Cement Corp. : Li-Hsin Wang	8,300,000	100.00
Chia Hsin Pacific Ltd.	Chairman	Li-Hsin Wang	-	-
	Director	Jason K. L. Chang	-	-
	Director	Pan Howard Wei-Hao	-	-

03/31/2021

Unit: NTD thousands ; Foreign Currency in Units ; Shares ; %

Company Name	Title	Name of Representative	Holding	
			Share/ Investment Amount	Percentage (%)
YJ International Corp.	Chairman	Representative of Chia Hsin Cement Corp. : Jason K. L. Chang	228,000,000	100.00
	Director	Representative of Chia Hsin Cement Corp. : Li-Hsin Wang	228,000,000	100.00
	Director	Representative of Chia Hsin Cement Corp. : Puo-Chien Lin	228,000,000	100.00
	Director	Representative of Chia Hsin Cement Corp. : Tatsuyuki Matsumoto	228,000,000	100.00
	Supervisor	Representative of Chia Hsin Cement Corp. : Jane Y. C. Chou	228,000,000	100.00
	President	Zi-Bin, Liang	-	-
Jaho Life Plus+ Management Corp.	Chairman	Representative of Chia Hsin Cement Corp. : Li-Hsin Wang	40,000,000	100.00
	Director	Representative of Chia Hsin Cement Corp. : Chen-Yun Wang	40,000,000	100.00
	Director	Representative of Chia Hsin Cement Corp. : Pan Howard Wei-Hao	40,000,000	100.00
	Supervisor	Representative of Chia Hsin Cement Corp. : Jane Y. C. Chou	40,000,000	100.00
	President	Xiao-Shan Zha	-	-
Chia Sheng Construction Corp.	Chairman	Representative of Chia Hsin Property Management & Development Corp. : Jason K. L. Chang	25,000,000	100.00
	Director	Representative of Chia Hsin Property Management & Development Corp. : Chih-Chu Chi	25,000,000	100.00
	Director	Representative of Chia Hsin Property Management & Development Corp. : Pan Howard Wei-Hao	25,000,000	100.00
	Supervisor	Representative of Chia Hsin Property Management & Development Corp. : Li-Hsin Wang	25,000,000	100.00
CHC Ryukyu Development GK	Executive officer	Representative of YJ International Corp. : Tatsuyuki Matsumoto	JPY 1,000,000,000	100.00
	Executive officer	Representative of YJ International Corp. : Li-Hsin Wang	JPY 1,000,000,000	100.00
	Executive officer	Representative of YJ International Corp. : Puo-Chien Lin	JPY 1,000,000,000	100.00
CHC Ryukyu COLLECTIVE KK	Representative Director	Tatsuyuki Matsumoto	-	-
	Director	Li-Hsin Wang	-	-

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Unit: NTD thousands；Foreign Currency in Units；Shares；%

Company Name	Title	Name of Representative	Holding	
			Share/ Investment Amount	Percentage (%)
	Director	Puo-Chien Lin	-	-
	Corporate Auditor	Jane Y. C. Chou	-	-
Tong Yang Chia Hsin Marine Corp.	Director	Representative of Tong Yang Chia Hsin International Corp. : Jason K. L. Chang	USD 2,700,000	100.00
	Director	Representative of Tong Yang Chia Hsin International Corp. : Li-Hsin Wang	USD 2,700,000	100.00
	Director	Representative of Tong Yang Chia Hsin International Corp. : Shih-Chu Chi	USD 2,700,000	100.00
	President	Representative of Tong Yang Chia Hsin International Corp. : Jason K. L. Chang	-	-
Yonica Pte Ltd	Director	Jason K. L. Chang	-	-
	Director	Li-Hsin Wang	-	-
	Director	Pan Howard Wei-Hao	-	-
	Director	Kenneth Chiam Siang Roung	-	-
Effervesce Investment Pte Ltd	Director	Jason K. L. Chang	-	-
	Director	Li-Hsin Wang	-	-
	Director	Pan Howard Wei-Hao	-	-
	Director	Kenneth Chiam Siang Roung	-	-
Sparksview Pte Ltd	Director	Jason K. L. Chang	-	-
	Director	Li-Hsin Wang	-	-
	Director	Pan Howard Wei-Hao	-	-
	Director	Kenneth Chiam Siang Roung	-	-

03/31/2021

Unit: NTD thousands ; Foreign Currency in Units ; Shares ; %

Company Name	Title	Name of Representative	Holding		
			Share/ Investment Amount		Percentage (%)
Shanghai Chia Hsin Ganghui Co., Ltd.	Chairman	Representative of Effervesce Investment Pte Ltd. : Ching-Chuan Fu	RMB	86,949,230	100.00
	Director	Representative of Shanghai International Port (Group) Co., Ltd., Longwu Branch : Sheng-Hua Ren		-	-
	Director	Representative of Effervesce Investment Pte Ltd : Jason K. L. Chang	RMB	86,949,230	100.00
	Director	Representative of Effervesce Investment Pte Ltd : I-Ping Chang	RMB	86,949,230	100.00
	Director	Representative of Effervesce Investment Pte Ltd : Li-Hsin Wang	RMB	86,949,230	100.00
	Supervisor	Representative of Effervesce Investment Pte Ltd : Ying-Ying Chen	RMB	86,949,230	100.00
	President	Representative of Effervesce Investment Pte Ltd : Yu-Hong Zhu		-	-
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Chairman	Representative of Effervesce Investment Pte Ltd : I-Ping Chang	RMB	144,525,600	100.00
	Director	Representative of Effervesce Investment Pte Ltd : Li-Hsin Wang	RMB	144,525,600	100.00
	Director	Representative of Effervesce Investment Pte Ltd : Jason K.L. Chang	RMB	144,525,600	100.00
	Supervisor	Representative of Effervesce Investment Pte Ltd : Ying-Ying Chen	RMB	144,525,600	100.00
	President	Representative of Effervesce Investment Pte Ltd : I-Ping Chang		-	-
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Chairman	Representative of Chia Hsin Business Consulting (Shanghai) Co., Ltd. : Yu-Hong Zhu	RMB	54,000,000	100.00
	Director	Representative of Chia Hsin Business Consulting (Shanghai) Co., Ltd. : Li-Hsin Wang	RMB	54,000,000	100.00
	Director	Representative of Chia Hsin Business Consulting (Shanghai) Co., Ltd. : Xiao-Shan Zha	RMB	54,000,000	100.00
	Supervisor	Representative of Chia Hsin Business Consulting (Shanghai) Co., Ltd. : Hua-Chou Huang	RMB	54,000,000	100.00

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Unit: NTD thousands；Foreign Currency in Units；Shares；%

Company Name	Title	Name of Representative	Holding	
			Share/ Investment Amount	Percentage (%)
	President	Representative of Chia Hsin Business Consulting (Shanghai) Co., Ltd. : Yu-Hong Zhu	-	-
Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd.	Chairman	Representative of Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. : Yu-Hong Zhu	RMB 42,000,000	100.00
	Director	Representative of Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. : L-Hsin Wang	RMB 42,000,000	100.00
	Director	Representative of Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. : Xiao-Shan Zha	RMB 42,000,000	100.00
	Supervisor	Representative of Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. : Hua-Chou Huang	RMB 42,000,000	100.00
	President	Representative of Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. : Jian-Wei Qiu	-	-
Jiapeng Gemcare Maternity (Suzhou) Co., Ltd.	Chairman	Representative of Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. : Yu-Hong Zhu	RMB 6,000,000	100.00
	Director	Representative of Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. : L-Hsin Wang	RMB 6,000,000	100.00
	Director	Representative of Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. : Xiao-Shan Zha	RMB 6,000,000	100.00
	Supervisor	Representative of Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. : Hua-Chou Huang	RMB 6,000,000	100.00
	President	Representative of Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. : Jian-Wei Qiu	-	-
Shanghai Jia Huan Concrete Co., Ltd.	Chairman	Representative of Effervesce Investment Pte Ltd : I-Ping Chang	RMB 47,744,552	68.00
	Director	Representative of Effervesce Investment Pte Ltd : Jason K. L. Chang	RMB 47,744,552	68.00
	Director	Representative of Sparksview Pte Ltd : Chih-Chu Chi	RMB 22,468,025	32.00

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Unit: NTD thousands ; Foreign Currency in Units ; Shares ; %

Company Name	Title	Name of Representative	Holding		
			Share/ Investment Amount		Percentage (%)
	Supervisor	Representative of Sparksview Pte Ltd : Ying-Ying Chen	RMB	22,468,025	32.00
	President	Representative of Effervesce Investment Pte Ltd : I-Ping Chang		-	-
Jiangsu Jiaguo Construction Material & Storage Co., Ltd.	Chairman	Representative of Tong Yang Chia Hsin Marine Corp. : I-Ping Chang	RMB	103,570,860	100.00
	Director	Representative of Tong Yang Chia Hsin Marine Corp. : Shere-Min Chang	RMB	103,570,860	100.00
	Director	Representative of Tong Yang Chia Hsin Marine Corp. : Shih-Chu Chi	RMB	103,570,860	100.00
	Supervisor	Representative of Tong Yang Chia Hsin Marine Corp. : Ying-Ying Chen	RMB	103,570,860	100.00
	President	Representative of Tong Yang Chia Hsin Marine Corp. : I-Ping Chang		-	-
Jiangsu Chia Hsin Real Estate Co., Ltd.	Chairman	Representative of Jiangsu Jiaguo Construction Material & Storage Co., Ltd. : Fu-Chiuan Yang	RMB	20,000,000	100.00
	Director	Representative of Jiangsu Jiaguo Construction Material & Storage Co., Ltd. : I-Ping Chang	RMB	20,000,000	100.00
	Director	Representative of Jiangsu Jiaguo Construction Material & Storage Co., Ltd. : Yong-Zhi Huang	RMB	20,000,000	100.00
	Director	Representative of Jiangsu Jiaguo Construction Material & Storage Co., Ltd. : Zhe-Shuo Chang	RMB	20,000,000	100.00
	Director	Representative of Jiangsu Jiaguo Construction Material & Storage Co., Ltd. : Chih-Chu Chi	RMB	20,000,000	100.00
	Supervisor	Representative of Jiangsu Jiaguo Construction Material & Storage Co., Ltd. : Ying-Ying Chen	RMB	20,000,000	100.00
	President	Representative of Jiangsu Jiaguo Construction Material & Storage Co., Ltd. : I-Ping Chang		-	-

(6) Operational highlights of Affiliates

12/31/2020

Unit: NTD thousands ; Earnings (Loss) Per Share in NTD

Company Name	Capital	Total Assets	Total Liabilities	Stockholders' Equity	Revenue	Profit (Loss) from Operations	Net Income (Loss)	Earnings (Loss) Per Share
Chia Hsin Cement Corp.	7,747,805	32,979,016	8,796,869	24,182,147	1,186,875	(237,300)	1,764,366	2.74
Chia Hsin Property Management & Development Corp.	1,000,000	6,908,642	1,628,711	5,279,931	265,241	1,697,567	1,616,249	16.16
Chia Pei International Corp.	195,600	1,552,102	1,354,802	197,300	516,281	74,895	56,160	2.87
Bluesky Corp.	83,000	85,311	1,382	83,929	1,871	626	518	0.06
Tong Yang Chia Hsin International Corp.	2,948,606	8,775,770	243,909	8,531,861	105,013	2,796	558,250	1.89
Chia Hsin Pacific Ltd.	812,930	3,159,548	1,502	3,158,046	-	(5,927)	361,186	13.96
YJ International Corp.	2,280,000	1,375,884	557	1,375,327	-	(3,981)	(638,048)	(2.80)
Jaho Life Plus+ Management Corp.	400,000	376,666	152,413	224,253	68,051	(57,821)	(87,907)	(2.20)
Chia Sheng Construction Corp.	250,000	246,910	273	246,637	7,501	7,228	7,278	0.29
CHC Ryukyu Development GK	270,657	585,180	424,668	160,512	875	(9,688)	(10,663)	NA
CHC Ryukyu COLLECTIVE KK	1,937,743	5,369,328	4,200,615	1,168,713	115,905	(605,266)	(624,817)	NA
Yonica Pte Ltd	2,262,628	789,545	249	789,296	-	(459)	87,656	0.84
Effervesce Investment Pte Ltd	1,149,011	1,422,435	324	1,422,111	-	(1,402)	168,603	3.16
Sparksview Pte Ltd	81,166	173,288	223	173,065	-	(444)	83,390	22.16
Tong Yang Chia Hsin Marine Corp.	76,896	445,925	-	445,925	-	(43)	12,230	NA
Shanghai Chia Hsin Ganghui Co., Ltd.	379,518	542,657	118,321	424,336	6,327	(17,472)	19,459	NA
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	630,829	562,033	1,767	560,266	1,169	(6,497)	(20,118)	NA
Shanghai Jia Huan Concrete Co., Ltd.	307,466	610,200	94,665	515,535	-	(3,819)	262,148	NA
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	200,782	143,994	314	143,680	-	(3,229)	(28,038)	NA
Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd.	122,215	179,499	89,919	89,580	-	(12,983)	(17,421)	NA
Jiangsu Jiaguo Construction Material & Storage Co., Ltd.	452,069	441,754	2,424	439,330	6,042	(672)	12,143	NA
Jiangsu Chia Hsin Real Estate Co., Ltd.	87,297	94,916	700	94,216	811	(2,459)	6,293	NA
Jiapeng Gemcare Maternity (Suzhou) Co., Ltd.	26,189	95,759	77,542	18,217	-	(6,412)	(7,822)	NA

Note 1: Exchange rates are as follows:

Balance sheet: (1) USD/NTD=28.48; (2) SGD/NTD=21.567591; (3) RMB/NTD=4.364827; (4) JPY/NTD=0.2763

Profit and loss statement: (1) USD/NTD=29.549; (2) SGD/NTD=21.427989; (3) RMB/NTD=4.282469; (4) JPY/NTD=0.2777

8.2 Private Placement Securities in the Past Year and up to the Publication Date of this Annual Report: None.

8.3 The Company's Shares Acquired, Disposed of, and Held by Subsidiaries in the Past Year and up to the Publication Date of this Annual Report

The Company's Shares Acquired, Disposed of, and Held by Subsidiaries in the Past Year and up to the Publication Date of this Annual Report (as of 04/30/2021)

Unit: NTD thousands; Shares; %

Name of Subsidiary	Paid-in Capital	Fund Source	Shareholding Ratio of the Company	Date of Acquisition or Disposition	Shares and Amount Acquired	Shares and Amount Disposed of	Investment Gain (Loss)	Shares and Amount Held up to the Publication Date of this Annual Report	Pledged	Endorsement Amount Made for the Subsidiary	Amount Loaned to the Subsidiary
Tong Yang Chia Hsin International Corp.	2,948,606	The company's own Fund	87.18%	Current year up to the publication date of this Annual Report	0	0	0	127,370,320 shares 3,311,628	Nil (Note)	0	0

Note：The company has not created any pledges and there is no effect on the Company's financial performance and financial position.

8.4 Other Supplemental Information: None.

9. Events with Material Impact on Shareholders' Equity or Share Price as Specified in Item 3, Paragraph 2, Article 36 of the Securities and Exchange Act in the Past Year and up to the Publication Date of this Annual Report: None.

嘉新企業團
CHIA HSIN CEMENT GROUP

CHIA HSIN CEMENT CORPORATION

Chairman
Jason K. L. Chang

嘉新企業團
CHIA HSIN CEMENT GROUP