

**Chia Hsin Cement Corporation and  
Subsidiaries**

**Consolidated Financial Statements for the  
Nine Months Ended September 30, 2023 and 2022 and  
Independent Auditors' Review Report**

## INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders  
Chia Hsin Cement Corporation

### Introduction

We have reviewed the accompanying consolidated balance sheets of Chia Hsin Cement Corporation and its subsidiaries (collectively, the “Group”) as of September 30, 2023 and 2022, the related consolidated statements of comprehensive income for the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Basis for Qualified Conclusion

As disclosed in Note 14 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of September 30, 2023 and 2022, combined total assets of these non-significant subsidiaries were NT\$7,724,942 thousand and NT\$11,597,429 thousand, respectively, representing 21.41% and 32.05%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT\$876,515 thousand and NT\$4,397,215 thousand, respectively, representing 6.22% and 31.03%, respectively, of the consolidated total liabilities; for the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, the amounts of combined comprehensive income (loss) of these subsidiaries were NT\$(40,252) thousand, NT\$(16,886) thousand, NT\$96,232 thousand and NT\$(333,808) thousand, respectively, representing 2.76%, 5.10%, 48.79% and 9.79%, respectively, of the consolidated total comprehensive income (loss). In addition, as disclosed in Note 15 to the consolidated financial statements, as of September 30, 2023 and 2022, the amounts of investments

accounted for using the equity method were NT\$3,678,282 thousand and NT\$3,386,721 thousand, respectively, and for the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, the amounts of the share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method were NT\$(40,534) thousand, NT\$34,052 thousand, NT\$126,738 thousand and NT\$(62,728) thousand, respectively. The abovementioned amounts were recognized according to the unreviewed financial statements for the same accounting periods of the aforementioned investee companies. The related information disclosed in Note 39 to the consolidated financial statements and the information of the aforementioned subsidiaries and investee companies were also not reviewed by the auditors.

### **Qualified Conclusion**

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and investee companies as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2023 and 2022, its consolidated financial performance for the three months ended September 30, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Chiang Hsun Chen      Sheng - Tai      Liang

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

November 8, 2023

### Notice to Readers

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

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

# CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2023		December 31, 2022 (Restated)		September 30, 2022 (Restated)	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 2,268,484	6	\$ 4,463,396	12	\$ 3,739,361	10
Financial assets at fair value through profit or loss - current (Note 7)	1,492,895	4	1,317,483	4	1,174,037	3
Financial assets at fair value through other comprehensive income - current (Note 8)	2,374,450	7	2,347,407	7	2,353,601	7
Financial assets at amortized cost - current (Note 9)	3,856,654	11	1,689,701	5	2,540,038	7
Notes receivable from unrelated parties (Notes 10 and 26)	160,008	-	141,706	-	125,847	-
Trade receivables from unrelated parties (Notes 10 and 26)	107,877	-	108,919	-	88,112	-
Trade receivables from related parties (Notes 10, 26 and 34)	7,104	-	4,876	-	3,774	-
Finance lease receivables - current (Note 12)	1,846	-	2,916	-	2,900	-
Other receivables from unrelated parties (Note 11)	66,418	-	37,579	-	46,652	-
Other receivables from related parties (Note 34)	68	-	68	-	317	-
Current tax assets (Note 4)	2,917	-	1,021	-	588	-
Inventories (Note 13)	168,208	1	163,658	1	176,439	1
Prepayments (Note 20)	130,769	-	114,900	-	129,867	1
Other current assets (Note 20)	3,894	-	1,717	-	2,605	-
Total current assets	<u>10,641,592</u>	<u>29</u>	<u>10,395,347</u>	<u>29</u>	<u>10,384,138</u>	<u>29</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through other comprehensive income - non-current (Note 8)	9,451,741	27	9,533,730	26	9,580,710	27
Financial assets at amortized cost - non-current (Notes 9 and 35)	27,221	-	27,428	-	27,395	-
Investments accounted for using the equity method (Note 15)	3,678,282	10	3,540,258	10	3,386,721	9
Property, plant and equipment (Notes 16 and 35)	4,343,061	12	4,848,433	13	4,714,404	13
Right-of-use assets (Note 17)	1,382,362	4	1,545,094	4	1,595,787	4
Investment properties (Notes 18 and 35)	6,195,936	17	6,194,334	17	6,152,498	17
Intangible assets (Note 19)	4,503	-	6,651	-	7,051	-
Deferred tax assets (Notes 3 and 4)	276,584	1	306,894	1	299,919	1
Finance lease receivables - non-current (Note 12)	-	-	1,111	-	1,846	-
Net defined benefit assets - non-current (Notes 4 and 24)	18,732	-	18,579	-	4,958	-
Other non-current assets (Notes 10 and 20)	60,048	-	32,714	-	33,173	-
Total non-current assets	<u>25,438,470</u>	<u>71</u>	<u>26,055,226</u>	<u>71</u>	<u>25,804,462</u>	<u>71</u>
<b>TOTAL</b>	<u>\$ 36,080,062</u>	<u>100</u>	<u>\$ 36,450,573</u>	<u>100</u>	<u>\$ 36,188,600</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Notes 21 and 35)	\$ 1,422,362	4	\$ 1,673,664	5	\$ 1,401,030	4
Short-term bills payable (Note 21)	549,081	2	127,614	-	279,924	1
Contract liabilities (Note 26)	34,072	-	27,860	-	29,951	-
Notes payable to unrelated parties (Note 22)	3,197	-	1,907	-	1,834	-
Trade payables to unrelated parties (Note 22)	141,958	-	86,994	-	83,518	-
Trade payables to related parties (Note 34)	124,810	-	83,229	-	83,210	-
Other payables to unrelated parties (Notes 23 and 31)	188,956	1	206,644	1	141,624	1
Other payables to related parties (Note 34)	5	-	-	-	1	-
Current tax liabilities (Notes 4 and 28)	10,461	-	108,242	-	109,937	-
Lease liabilities - current (Note 17)	114,574	-	139,172	1	135,351	-
Current portion of long-term borrowings (Notes 21 and 35)	995,982	3	933,090	3	1,036,433	3
Other current liabilities (Note 23)	53,136	-	43,068	-	37,763	-
Total current liabilities	<u>3,638,594</u>	<u>10</u>	<u>3,431,484</u>	<u>10</u>	<u>3,340,576</u>	<u>9</u>
<b>NON-CURRENT LIABILITIES</b>						
Long-term borrowings (Notes 21 and 35)	7,035,386	20	7,439,628	20	7,233,915	20
Deferred tax liabilities (Notes 3 and 4)	1,613,296	4	1,632,508	5	1,623,540	5
Lease liabilities - non-current (Note 17)	1,394,015	4	1,514,484	4	1,554,674	4
Deferred revenue - non-current (Notes 23 and 30)	311,882	1	342,402	1	327,276	1
Other non-current liabilities - other (Notes 23 and 34)	93,767	-	90,640	-	89,572	-
Total non-current liabilities	<u>10,448,346</u>	<u>29</u>	<u>11,019,662</u>	<u>30</u>	<u>10,828,977</u>	<u>30</u>
Total liabilities	<u>14,086,940</u>	<u>39</u>	<u>14,451,146</u>	<u>40</u>	<u>14,169,553</u>	<u>39</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 25)</b>						
Share capital						
Ordinary shares	<u>7,902,474</u>	<u>22</u>	<u>7,747,805</u>	<u>21</u>	<u>7,747,805</u>	<u>22</u>
Capital surplus	<u>1,273,309</u>	<u>3</u>	<u>1,238,426</u>	<u>3</u>	<u>1,216,057</u>	<u>3</u>
Retained earnings						
Legal reserve	2,571,235	7	2,571,235	7	2,571,235	7
Special reserve	2,257,048	7	2,257,996	6	2,257,996	6
Unappropriated earnings	<u>5,486,950</u>	<u>15</u>	<u>5,737,233</u>	<u>16</u>	<u>5,689,807</u>	<u>16</u>
Total retained earnings	<u>10,315,233</u>	<u>29</u>	<u>10,566,464</u>	<u>29</u>	<u>10,519,038</u>	<u>29</u>
Other equity	<u>2,859,400</u>	<u>8</u>	<u>2,811,250</u>	<u>8</u>	<u>2,896,667</u>	<u>8</u>
Treasury shares	<u>(1,077,950)</u>	<u>(3)</u>	<u>(1,077,950)</u>	<u>(3)</u>	<u>(1,077,950)</u>	<u>(3)</u>
Total equity attributable to owners of the Company	21,272,466	59	21,285,995	58	21,301,617	59
<b>NON-CONTROLLING INTERESTS (Note 25)</b>	<u>720,656</u>	<u>2</u>	<u>713,432</u>	<u>2</u>	<u>717,430</u>	<u>2</u>
Total equity	<u>21,993,122</u>	<u>61</u>	<u>21,999,427</u>	<u>60</u>	<u>22,019,047</u>	<u>61</u>
<b>TOTAL</b>	<u>\$ 36,080,062</u>	<u>100</u>	<u>\$ 36,450,573</u>	<u>100</u>	<u>\$ 36,188,600</u>	<u>100</u>

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

(With Deloitte & Touche review report dated November 8, 2023)

## CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 26 and 34)	\$ 738,527	100	\$ 566,460	100	\$ 2,115,231	100	\$ 1,593,823	100
OPERATING COSTS (Notes 13, 27 and 34)	<u>(630,635)</u>	<u>(86)</u>	<u>(522,802)</u>	<u>(92)</u>	<u>(1,866,223)</u>	<u>(88)</u>	<u>(1,539,019)</u>	<u>(96)</u>
GROSS PROFIT	<u>107,892</u>	<u>14</u>	<u>43,658</u>	<u>8</u>	<u>249,008</u>	<u>12</u>	<u>54,804</u>	<u>4</u>
OPERATING EXPENSES (Notes 10, 11, 27 and 34)								
Selling and marketing expenses	(10,597)	(1)	(10,136)	(2)	(33,275)	(2)	(30,621)	(2)
General and administrative expenses	(124,244)	(17)	(142,338)	(25)	(342,172)	(16)	(348,468)	(22)
Expected credit gain (loss)	<u>244</u>	<u>-</u>	<u>(136)</u>	<u>-</u>	<u>(115)</u>	<u>-</u>	<u>133</u>	<u>-</u>
Total operating expenses	<u>(134,597)</u>	<u>(18)</u>	<u>(152,610)</u>	<u>(27)</u>	<u>(375,562)</u>	<u>(18)</u>	<u>(378,956)</u>	<u>(24)</u>
LOSS FROM OPERATIONS	<u>(26,705)</u>	<u>(4)</u>	<u>(108,952)</u>	<u>(19)</u>	<u>(126,554)</u>	<u>(6)</u>	<u>(324,152)</u>	<u>(20)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 15 and 27)								
Interest income	42,616	6	21,173	4	117,543	5	46,513	3
Other income	211,583	29	360,946	64	248,667	12	431,606	27
Other gains and losses	(70,164)	(10)	15,468	3	(58,291)	(3)	(220,311)	(14)
Finance costs	(51,278)	(7)	(42,088)	(8)	(151,929)	(7)	(123,351)	(8)
Share of profit (loss) of associates and joint ventures	<u>26,134</u>	<u>4</u>	<u>57,253</u>	<u>10</u>	<u>120,458</u>	<u>6</u>	<u>23,152</u>	<u>2</u>
Total non-operating income and expenses	<u>158,891</u>	<u>22</u>	<u>412,752</u>	<u>73</u>	<u>276,448</u>	<u>13</u>	<u>157,609</u>	<u>10</u>
PROFIT (LOSS) BEFORE INCOME TAX	132,186	18	303,800	54	149,894	7	(166,543)	(10)
INCOME TAX EXPENSE (Notes 4 and 28)	<u>(10,608)</u>	<u>(1)</u>	<u>(17,627)</u>	<u>(3)</u>	<u>(2,353)</u>	<u>-</u>	<u>(43,796)</u>	<u>(3)</u>
NET PROFIT (LOSS)	<u>121,578</u>	<u>17</u>	<u>286,173</u>	<u>51</u>	<u>147,541</u>	<u>7</u>	<u>(210,339)</u>	<u>(13)</u>
OTHER COMPREHENSIVE INCOME (Notes 4, 25 and 28)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized (loss) or gain on investments in equity instruments at fair value through other comprehensive income	(1,621,849)	(220)	(710,054)	(125)	(50,452)	(2)	(3,303,404)	(207)
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	<u>(68,539)</u>	<u>(9)</u>	<u>(25,129)</u>	<u>(5)</u>	<u>4,514</u>	<u>-</u>	<u>(89,460)</u>	<u>(6)</u>
	<u>(1,690,388)</u>	<u>(229)</u>	<u>(735,183)</u>	<u>(130)</u>	<u>(45,938)</u>	<u>(2)</u>	<u>(3,392,864)</u>	<u>(213)</u>

(Continued)

# CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	\$ 145,752	20	\$ 154,609	27	\$ 119,735	5	\$ 243,175	15
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	1,871	-	1,928	1	1,766	-	3,580	-
Income tax related to items that may be reclassified subsequently to profit or loss	<u>(36,199)</u>	<u>(5)</u>	<u>(38,529)</u>	<u>(7)</u>	<u>(25,864)</u>	<u>(1)</u>	<u>(52,143)</u>	<u>(3)</u>
	<u>111,424</u>	<u>15</u>	<u>118,008</u>	<u>21</u>	<u>95,637</u>	<u>4</u>	<u>194,612</u>	<u>12</u>
Other comprehensive income (loss) for the period, net of income tax	<u>(1,578,964)</u>	<u>(214)</u>	<u>(617,175)</u>	<u>(109)</u>	<u>49,699</u>	<u>2</u>	<u>(3,198,252)</u>	<u>(201)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ (1,457,386)</u>	<u>(197)</u>	<u>\$ (331,002)</u>	<u>(58)</u>	<u>\$ 197,240</u>	<u>9</u>	<u>\$ (3,408,591)</u>	<u>(214)</u>
NET INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 117,448	17	\$ 265,457	47	\$ 135,442	6	\$ (215,386)	(13)
Non-controlling interests	<u>4,130</u>	<u>-</u>	<u>20,716</u>	<u>4</u>	<u>12,099</u>	<u>1</u>	<u>5,047</u>	<u>-</u>
	<u>\$ 121,578</u>	<u>17</u>	<u>\$ 286,173</u>	<u>51</u>	<u>\$ 147,541</u>	<u>7</u>	<u>\$ (210,339)</u>	<u>(13)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ (1,404,038)	(190)	\$ (330,651)	(58)	\$ 183,592	9	\$ (3,297,837)	(207)
Non-controlling interests	<u>(53,348)</u>	<u>(7)</u>	<u>(351)</u>	<u>-</u>	<u>13,648</u>	<u>-</u>	<u>(110,754)</u>	<u>(7)</u>
	<u>\$ (1,457,386)</u>	<u>(197)</u>	<u>\$ (331,002)</u>	<u>(58)</u>	<u>\$ 197,240</u>	<u>9</u>	<u>\$ (3,408,591)</u>	<u>(214)</u>
EARNINGS (LOSS) PER SHARE (Note 29)								
From continuing operations								
Basic	<u>\$ 0.18</u>		<u>\$ 0.40</u>		<u>\$ 0.21</u>		<u>\$ (0.33)</u>	
Diluted	<u>\$ 0.18</u>		<u>\$ 0.40</u>		<u>\$ 0.21</u>		<u>\$ (0.33)</u>	

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

(With Deloitte & Touche review report dated November 8, 2023)

(Concluded)

**CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company										
	Retained Earnings					Other Equity		Treasury Shares	Total	Non-controlling Interests	Total Equity
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income				
BALANCE, JANUARY 1, 2022	\$ 7,747,805	\$ 1,139,296	\$ 2,503,173	\$ 2,257,996	\$ 6,475,930	\$ (800,236)	\$ 6,779,354	\$ (1,077,950)	\$ 25,025,368	\$ 884,865	\$ 25,910,233
Appropriation of 2021 earnings (Note 25)											
Legal reserve	-	-	68,062	-	(68,062)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(502,675)	-	-	-	(502,675)	-	(502,675)
Changes in equity of associates accounted for using the equity method (Note 25)	-	4,616	-	-	-	-	-	-	4,616	-	4,616
Unclaimed dividends extinguished by prescription (Note 25)	-	(32)	-	-	-	-	-	-	(32)	-	(32)
Net (loss) profit for the nine months ended September 30, 2022	-	-	-	-	(215,386)	-	-	-	(215,386)	5,047	(210,339)
Other comprehensive (loss) income for the nine months ended September 30, 2022	-	-	-	-	-	180,358	(3,262,809)	-	(3,082,451)	(115,801)	(3,198,252)
Total comprehensive income (loss) for the nine months ended September 30, 2022	-	-	-	-	(215,386)	180,358	(3,262,809)	-	(3,297,837)	(110,754)	(3,408,591)
Changes in capital surplus due to cash dividends of the Company paid to subsidiaries (Note 25)	-	72,177	-	-	-	-	-	-	72,177	-	72,177
Decrease in non-controlling interests (Note 25)	-	-	-	-	-	-	-	-	-	(56,681)	(56,681)
BALANCE, SEPTEMBER 30, 2022	<u>\$ 7,747,805</u>	<u>\$ 1,216,057</u>	<u>\$ 2,571,235</u>	<u>\$ 2,257,996</u>	<u>\$ 5,689,807</u>	<u>\$ (619,878)</u>	<u>\$ 3,516,545</u>	<u>\$ (1,077,950)</u>	<u>\$ 21,301,617</u>	<u>\$ 717,430</u>	<u>\$ 22,019,047</u>
BALANCE, JANUARY 1, 2023	\$ 7,747,805	\$ 1,238,426	\$ 2,571,235	\$ 2,257,996	\$ 5,737,233	\$ (648,722)	\$ 3,459,972	\$ (1,077,950)	\$ 21,285,995	\$ 713,432	\$ 21,999,427
Appropriation of 2022 earnings (Note 25)											
Cash dividends distributed by the Company	-	-	-	-	(232,004)	-	-	-	(232,004)	-	(232,004)
Share dividends distributed by the Company	154,669	-	-	-	(154,669)	-	-	-	-	-	-
Reverse of special reserve	-	-	-	(948)	948	-	-	-	-	-	-
Changes in equity of associates accounted for using the equity method (Note 25)	-	1,580	-	-	-	-	-	-	1,580	-	1,580
Unclaimed dividends extinguished by prescription (Note 25)	-	(10)	-	-	-	-	-	-	(10)	-	(10)
Net profit for the nine months ended September 30, 2023	-	-	-	-	135,442	-	-	-	135,442	12,099	147,541
Other comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	-	88,834	(40,684)	-	48,150	1,549	49,699
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	135,442	88,834	(40,684)	-	183,592	13,648	197,240
Changes in capital surplus due to cash dividends of the Company paid to subsidiaries (Note 25)	-	33,313	-	-	-	-	-	-	33,313	-	33,313
Decrease in non-controlling interests (Note 25)	-	-	-	-	-	-	-	-	-	(6,424)	(6,424)
BALANCE, SEPTEMBER 30, 2023	<u>\$ 7,902,474</u>	<u>\$ 1,273,309</u>	<u>\$ 2,571,235</u>	<u>\$ 2,257,048</u>	<u>\$ 5,486,950</u>	<u>\$ (559,888)</u>	<u>\$ 3,419,288</u>	<u>\$ (1,077,950)</u>	<u>\$ 21,272,466</u>	<u>\$ 720,656</u>	<u>\$ 21,993,122</u>

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

(With Deloitte & Touche review report dated November 8, 2023)

# CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income (loss) before income tax	\$ 149,894	\$ (166,543)
Adjustments for:		
Depreciation expenses	345,954	374,286
Amortization expenses	2,047	1,928
Expected credit loss recognized (reversed) on trade receivables	115	(133)
Net (gain) loss on fair value changes of financial assets at fair value through profit or loss	(10,551)	250,842
Finance costs	151,929	123,351
Interest income	(117,543)	(46,513)
Dividend income	(201,105)	(351,906)
Share of profit of associates and joint ventures	(120,458)	(23,152)
(Gain) loss on disposal of property, plant and equipment	(62)	19,614
Gain on disposal of right-of-use assets	(5)	(5,469)
Realized gain on deferred revenue	(6,891)	(9,364)
Impairment on non-financial assets	-	1,553
Net gain on foreign currency exchange	(5,667)	(54,757)
Changes in operating assets and liabilities:		
Financial assets mandatorily classified as at fair value through profit or loss	(162,402)	3,949
Notes receivable from unrelated parties	(18,454)	11,746
Trade receivables from unrelated parties	(1,598)	(11,365)
Trade receivables from related parties	(2,228)	7,090
Other receivables from unrelated parties	700	(1,566)
Inventories	(4,852)	(122,917)
Prepayments	(17,263)	(22,998)
Other current assets	(2,246)	(2,554)
Contract liabilities	6,485	6,415
Notes payable to unrelated parties	1,290	(1,517)
Trade payables to unrelated parties	55,398	(34,291)
Trade payables to related parties	41,581	(40,800)
Other payables to unrelated parties	7,639	(80,959)
Other payables to related parties	5	(71)
Advance receipts	2,132	(1,508)
Other current liabilities	(2,394)	1,085
Net defined benefit liabilities	(153)	(124)
Cash used in operations	91,297	(176,648)
Interest paid	(133,646)	(103,811)
Income tax paid	(116,792)	(37,548)
	<u>(159,141)</u>	<u>(318,007)</u>
Net cash used in operating activities		(318,007)

(Continued)



# CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2023	2022
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	\$ -	\$ (91,485)
Purchase of financial assets at amortized cost	(2,067,750)	(318,539)
Proceeds from sale of financial assets at amortized cost	270	529,992
Purchase of associates accounted for using the equity method	(27,056)	(48,698)
Payments for property, plant and equipment	(36,871)	(36,682)
Payments for and proceeds from disposal of property, plant and equipment	102	(14,694)
(Increase) decrease in refundable deposits	(17,559)	2,305
Payments for intangible assets	(202)	(1,970)
Payments for investment properties	(42,908)	(72,253)
Decrease in finance lease receivables	2,181	2,133
Decrease in other non-current assets	232	2,499
Increase in prepayments for equipment	(10,090)	(1,479)
Interest received	89,131	30,775
Dividends received	<u>235,105</u>	<u>389,657</u>
Net cash (used in) generated from investing activities	<u>(1,875,415)</u>	<u>371,561</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Repayments of) proceeds from short-term borrowings	(240,400)	489,790
Proceeds from short-term bills payable	422,000	145,000
Repayments of long-term loans	(110,883)	(287,440)
Proceeds from (refunds of) guarantee deposits received	13,630	(2,484)
Repayments of the principal portion of lease liabilities	(68,832)	(75,658)
Dividend paid to owners of the Company	(198,691)	(430,498)
Dividends paid to non-controlling interests	(6,301)	(55,600)
Return of unclaimed dividends extinguished by prescription	<u>(10)</u>	<u>(32)</u>
Net cash used in financing activities	<u>(189,487)</u>	<u>(216,922)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>		
	<u>29,131</u>	<u>217,382</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(2,194,912)	54,014
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>4,463,396</u>	<u>3,685,347</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>\$ 2,268,484</u>	<u>\$ 3,739,361</u>

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

(With Deloitte & Touche review report dated November 8, 2023)

(Concluded)

# CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 1. GENERAL INFORMATION

Chia Hsin Cement Corporation (the “Company”; the Company and the entities controlled by the Company are referred to as the “Group”) was incorporated in the Republic of China (ROC) with capital of \$24,000 thousand in December 1954. Over the years, the Company has increased its capital through capital contributions in cash, undistributed earnings, and asset revaluation increments. As of September 30, 2023, the Company has authorized capital of \$15,000,000 thousand and paid-in capital of \$7,902,474 thousand. The Group’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, hotel management and energy technology services.

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 November 8, 2023.

### 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 a material impact on the Group’s accounting policies:

Amendments to IAS 12 “Deferred Tax related to Assets and  
Liabilities Arising from a Single Transaction”

The amendments clarify that the initial recognition exemption under IAS 12 does not apply to transactions in which equal taxable and deductible temporary differences arise on initial recognition. The Group applied the amendments and recognized a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations on January 1, 2022. The Group shall apply the amendments prospectively to transactions other than leases and decommissioning obligations that occur on or after January 1, 2022. Upon initial application of the amendments to IAS 12, the Group recognized the cumulative effect of retrospective application in retained earnings on January 1, 2022, and restated comparative information.

Had the Group applied the original IAS 12 in the current year, the following adjustments should be made to reflect the line items and balances under the original IAS 12.

Impact on assets, liabilities and equity for the current year

	<b>September 30, 2023</b>
Increase in deferred tax assets	\$ <u>35,550</u>
Increase in assets	\$ <u>35,550</u>
Increase in deferred tax liabilities	\$ <u>35,550</u>
Increase in liabilities	\$ <u>35,550</u>

Upon initial application of the amendments to IAS 12, the impact for the prior year is summarized below:

Impact on assets, liabilities and equity for the prior year

	<b>As Originally Stated</b>	<b>Adjustments Arising from Initial Application</b>	<b>Restated</b>
<u>December 31, 2022</u>			
Deferred tax assets	\$ <u>268,635</u>	\$ <u>38,259</u>	\$ <u>306,894</u>
Total effect on assets	\$ <u>268,635</u>	\$ <u>38,259</u>	\$ <u>306,894</u>
Deferred tax liabilities	\$ <u>1,594,249</u>	\$ <u>38,259</u>	\$ <u>1,632,508</u>
Total effect on liabilities	\$ <u>1,594,249</u>	\$ <u>38,259</u>	\$ <u>1,632,508</u>
<u>September 30, 2022</u>			
Deferred tax assets	\$ <u>260,138</u>	\$ <u>39,781</u>	\$ <u>299,919</u>
Total effect on assets	\$ <u>260,138</u>	\$ <u>39,781</u>	\$ <u>299,919</u>
Deferred tax liabilities	\$ <u>1,583,759</u>	\$ <u>39,781</u>	\$ <u>1,623,540</u>
Total effect on liabilities	\$ <u>1,583,759</u>	\$ <u>39,781</u>	\$ <u>1,623,540</u>
<u>January 1, 2022</u>			
Deferred tax assets	\$ <u>333,077</u>	\$ <u>39,216</u>	\$ <u>372,293</u>
Total effect on assets	\$ <u>333,077</u>	\$ <u>39,216</u>	\$ <u>372,293</u>
Deferred tax liabilities	\$ <u>1,583,897</u>	\$ <u>39,216</u>	\$ <u>1,623,113</u>
Total effect on liabilities	\$ <u>1,583,897</u>	\$ <u>39,216</u>	\$ <u>1,623,113</u>

- b. The IFRSs endorsed by the FSC for application starting from 2024

<b>New IFRSs</b>	<b>Effective Date Announced by IASB (Note 1)</b>
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024 (Note 3)

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

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

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

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

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB (Note 1)</b>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

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

#### 4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

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

##### a. Statement of compliance

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

##### b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit assets 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 in its entirety, are described as follows:

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

##### c. Basis of consolidation

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

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

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

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

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

See Note 14 and Table 6 and Table 7 in Note 39 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2022.

1) Retirement benefits

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

2) Income tax expense

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

3) 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. If a temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit, and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences, the resulting deferred tax asset or liability is not recognized. In addition, a deferred tax liability is not recognized on taxable temporary differences arising from the initial recognition of goodwill.

## **5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

When developing material accounting estimates, the Group keeps reviewing the estimates and underlying assumptions on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Refer to the consolidated financial statements for the year ended December 31, 2022 for the critical accounting judgments and key sources of estimation uncertainty.

## 6. CASH AND CASH EQUIVALENTS

	September 30, 2023	December 31, 2022	September 30, 2022
Cash on hand	\$ 4,474	\$ 3,869	\$ 3,910
Checking accounts and demand deposits	1,170,693	1,228,193	1,406,288
Cash equivalents			
Commercial paper	150,638	170,730	89,862
Time deposits with original maturities of 3 months or less	942,679	3,060,604	2,207,126
Repurchase agreements collateralized by bonds	<u>-</u>	<u>-</u>	<u>32,175</u>
	<u>\$ 2,268,484</u>	<u>\$ 4,463,396</u>	<u>\$ 3,739,361</u>

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

	September 30, 2023	December 31, 2022	September 30, 2022
Commercial paper	1.06%-1.18%	0.82%-0.95%	0.62%-0.72%
Cash in the bank	0.001%-5.33%	0.001%-4.60%	0.001%-2.70%
Repurchase agreements collateralized by bonds	-	-	2.35%

## 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Financial assets mandatorily classified as at fair value through profit or loss (FVTPL) - current</u>			
Non-derivative financial assets			
Domestic listed shares	\$ 780,171	\$ 789,557	\$ 793,076
Overseas listed shares	167,257	39,077	36,660
Overseas mutual funds - beneficiary certificates	515,467	488,849	344,301
Domestic convertible bonds	<u>30,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,492,895</u>	<u>\$ 1,317,483</u>	<u>\$ 1,174,037</u>

As of September 30, 2023, the Group held 356,542,623 shares of Taiwan Cement Corporation accounted for as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income at carrying amount of \$780,168 thousand and \$11,074,874 thousand, respectively. Information for other price risk and sensitivity analysis is provided in Note 33.

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Investments in equity instruments - current</u>			
Domestic investments			
Listed shares and emerging market shares	\$ 2,374,450	\$ 2,347,407	\$ 2,353,601
<u>Investments in equity instruments - non-current</u>			
Domestic investments			
Listed shares and emerging market shares	\$ 8,958,857	\$ 9,066,633	\$ 9,107,049
Unlisted shares	492,884	467,097	473,661
	<u>\$ 9,451,741</u>	<u>\$ 9,533,730</u>	<u>\$ 9,580,710</u>

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

The Group purchased ordinary shares of Gping Wellness Co., Ltd. with the amount of \$91,485 thousand in January 2022. The investment is held for medium- to long-term strategic purposes. Accordingly, the management designated these investments as at FVTOCI.

## 9. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Current</u>			
Time deposits with original maturities of more than 3 months	\$ 3,856,654	\$ 1,689,701	\$ 2,540,038
<u>Non-current</u>			
Restricted deposits	\$ 27,221	\$ 27,428	\$ 27,395
<u>Interest rate range</u>			
Time deposits with original maturities of more than 3 months	0.03%-5.50%	0.05%-5.00%	0.09%-3.27%
Restricted deposits	0.60%-1.575%	0.42%-1.44%	0.12%-1.325%



- a. The Group has tasked its credit management committee to develop a credit risk grading framework to determine whether the credit risk of the financial assets at amortized cost increases significantly since the last period to the reporting date as well as to measure the expected credit losses. The credit rating information may be obtained from independent rating agencies where available and, if not available, the credit management committee uses other publicly available financial information to rate the debtors. In the consideration of an analysis of the debtor's current financial position and the forecasted direction of economic conditions in the industry, the Group forecasts both 12-month expected credit losses or lifetime expected credit losses of financial assets at amortized cost. As of September 30, 2023, December 31, 2022 and September 30, 2022, the Group assessed the expected credit loss rate as 0%.
- b. Refer to Note 35 for the carrying amounts of financial assets pledged by the Group to secure obligations.

## 10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OVERDUE RECEIVABLES

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 161,611	\$ 143,133	\$ 127,105
Less: Allowance for impairment loss	<u>(1,603)</u>	<u>(1,427)</u>	<u>(1,258)</u>
	<u>\$ 160,008</u>	<u>\$ 141,706</u>	<u>\$ 125,847</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 108,312	\$ 109,430	\$ 88,398
Less: Allowance for impairment loss	<u>(435)</u>	<u>(511)</u>	<u>(286)</u>
	<u>\$ 107,877</u>	<u>\$ 108,919</u>	<u>\$ 88,112</u>
<u>Overdue receivables (Note)</u>			
At amortized cost			
Gross carrying amount	\$ 13,409	\$ 13,155	\$ 13,342
Less: Allowance for impairment loss	<u>(13,409)</u>	<u>(13,155)</u>	<u>(13,342)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

### Notes Receivable

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

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

### Trade Receivables

The average credit period of the sales of goods was 30 to 90 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 ECLs on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the debtors, the debtors' current financial position, economic conditions of the industry in which the debtors operate, as well as an assessment of both the current and the forecasted direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation, or when the trade receivables are over one year past due. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. When recoveries are made, these are recognized in profit or loss.

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

#### September 30, 2023

	<b>Not Overdue</b>	<b>Overdue within 90 Days</b>	<b>Overdue 91-360 Days</b>	<b>Overdue 1 Year or More</b>	<b>Total</b>
Expected credit loss rate	0.73%	1.06%	-	100%	
Gross carrying amount	\$ 276,175	\$ 852	\$ -	\$ 13,409	\$ 290,436
Loss allowance (Lifetime ECLs)	<u>(2,029)</u>	<u>(9)</u>	<u>-</u>	<u>(13,409)</u>	<u>(15,447)</u>
Amortized cost	<u>\$ 274,146</u>	<u>\$ 843</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 274,989</u>

December 31, 2022

	Not Overdue	Overdue within 90 Days	Overdue 91-360 Days	Overdue 1 Year or More	Total
Expected credit loss rate	0.75%	1.00%	-	100%	
Gross carrying amount	\$ 256,640	\$ 799	\$ -	\$ 13,155	\$ 270,594
Loss allowance (Lifetime ECLs)	<u>(1,930)</u>	<u>(8)</u>	<u>-</u>	<u>(13,155)</u>	<u>(15,093)</u>
Amortized cost	<u>\$ 254,710</u>	<u>\$ 791</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 255,501</u>

September 30, 2022

	Not Overdue	Overdue within 90 Days	Overdue 91-360 Days	Overdue 1 Year or More	Total
Expected credit loss rate	0.70%	1.03%	-	100%	
Gross carrying amount	\$ 218,600	\$ 677	\$ -	\$ 13,342	\$ 232,619
Loss allowance (Lifetime ECLs)	<u>(1,537)</u>	<u>(7)</u>	<u>-</u>	<u>(13,342)</u>	<u>(14,886)</u>
Amortized cost	<u>\$ 217,063</u>	<u>\$ 670</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 217,733</u>

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

	<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 15,093	\$ 14,638
Add: Net remeasurement of loss allowance	175	-
Less: Net remeasurement of loss allowance reversed	(60)	(133)
Foreign exchange gains and losses	<u>239</u>	<u>381</u>
Balance at September 30	<u>\$ 15,447</u>	<u>\$ 14,886</u>

**11. OTHER RECEIVABLES**

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Interest receivable	\$ 52,010	\$ 22,422	\$ 31,217
VAT refund receivable	2,799	2,799	-
Others	13,556	14,269	17,373
Less: Allowance of impairment loss	<u>(1,947)</u>	<u>(1,911)</u>	<u>(1,938)</u>
	<u>\$ 66,418</u>	<u>\$ 37,579</u>	<u>\$ 46,652</u>

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

	<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 1,911	\$ 1,881
Foreign exchange gains and losses	<u>36</u>	<u>57</u>
Balance at September 30	<u>\$ 1,947</u>	<u>\$ 1,938</u>

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

September 30, 2023

	<b>Not Overdue</b>	<b>Overdue within 90 Days</b>	<b>Overdue 91-360 Days</b>	<b>Overdue 1 Year or More</b>	<b>Total</b>
Expected credit loss rate	0%	-	-	100%	
Gross carrying amount	\$ 66,418	\$ -	\$ -	\$ 1,947	\$ 68,365
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,947)</u>	<u>(1,947)</u>
Amortized cost	<u>\$ 66,418</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,418</u>

December 31, 2022

	<b>Not Overdue</b>	<b>Overdue within 90 Days</b>	<b>Overdue 91-360 Days</b>	<b>Overdue 1 Year or More</b>	<b>Total</b>
Expected credit loss rate	0%	-	0%	100%	
Gross carrying amount	\$ 36,080	\$ -	\$ 1,499	\$ 1,911	\$ 39,490
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,911)</u>	<u>(1,911)</u>
Amortized cost	<u>\$ 36,080</u>	<u>\$ -</u>	<u>\$ 1,499</u>	<u>\$ -</u>	<u>\$ 37,579</u>

September 30, 2022

	<b>Not Overdue</b>	<b>Overdue within 90 Days</b>	<b>Overdue 91-360 Days</b>	<b>Overdue 1 Year or More</b>	<b>Total</b>
Expected credit loss rate	0%	0%	-	100%	
Gross carrying amount	\$ 45,131	\$ 1,521	\$ -	\$ 1,938	\$ 48,590
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,938)</u>	<u>(1,938)</u>
Amortized cost	<u>\$ 45,131</u>	<u>\$ 1,521</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,652</u>

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

## 12. FINANCE LEASE RECEIVABLES

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Undiscounted lease payments</u>			
Year 1	\$ 1,857	\$ 2,972	\$ 2,972
Year 2	<u>-</u>	<u>1,114</u>	<u>1,857</u>
	1,857	4,086	4,829
Less: Unearned finance income	<u>(11)</u>	<u>(59)</u>	<u>(83)</u>
Lease payments receivable	<u>1,846</u>	<u>4,027</u>	<u>4,746</u>
Net investment in leases presented as finance lease receivables	<u>\$ 1,846</u>	<u>\$ 4,027</u>	<u>\$ 4,746</u>
<u>Lease payments receivable</u>			
Not more than 1 year	\$ 1,846	\$ 2,916	\$ 2,900
More than 1 year but not more than 5 years	<u>-</u>	<u>1,111</u>	<u>1,846</u>
	<u>\$ 1,846</u>	<u>\$ 4,027</u>	<u>\$ 4,746</u>

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

The interest rates inherent in the leases are fixed at the contract dates for the entire term of the lease. As of September 30, 2023, December 31, 2022 and September 30, 2022, the interest rate inherent in the finance leases were 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.

The Group measures the loss allowance for finance lease receivables at an amount equal to lifetime ECLs. As of September 30, 2023, December 31, 2022 and September 30, 2022, no finance lease receivables were past due. The Group has not recognized a loss allowance for finance lease receivables after taking into consideration the historical default experience and the future prospects of the industries in which the lessee operates, together with the value of collateral held over these finance lease receivables.

## 13. INVENTORIES

	September 30, 2023	December 31, 2022	September 30, 2022
Finished goods	\$ 163,485	\$ 159,315	\$ 171,495
Raw materials	333	266	277
Supplies	<u>1,224</u>	<u>911</u>	<u>1,501</u>
	<u>165,042</u>	<u>160,492</u>	<u>173,273</u>
Land held for construction	<u>3,166</u>	<u>3,166</u>	<u>3,166</u>
	<u>\$ 168,208</u>	<u>\$ 163,658</u>	<u>\$ 176,439</u>

The cost of inventories recognized as cost of goods sold for the three months ended September 30, 2023 and 2022 and the nine months ended September 30, 2023 and 2022 was \$299,895 thousand, \$242,234 thousand, \$886,467 thousand and \$691,768 thousand, respectively.

## 14. SUBSIDIARIES

### a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			September 30, 2023	December 31, 2022	September 30, 2022	
Chia Hsin Cement Corporation	Tong Yang Chia Hsin International Corporation	General international trade (all business items that are not prohibited or restricted by law, except those that are subject to special approval)	87.18	87.18	87.18	-
Chia Hsin Cement Corporation	Chia Hsin Property Management & Development Corporation	Wholesale and retail business of machinery; residence, factory buildings and office buildings leasing and selling; PPE leasing and selling	100.00	100.00	100.00	-
Chia Hsin Cement Corporation	Chia Pei International Corporation	Mining; wholesale of building materials; nonmetallic mining; retail sale of building materials; international trade; rental and leasing business; retail sale of other machinery and equipment	100.00	100.00	100.00	-
Chia Hsin Cement Corporation	Chia Hsin Pacific Limited	Holding company	74.16	74.16	74.16	Exchange rate risk
Chia Hsin Cement Corporation	BlueSky. Co., Ltd.	International trade; real estate trading; real estate leasing	100.00	100.00	100.00	-
Chia Hsin Cement Corporation	YJ International Corporation	Real estate rental and leasing; real estate management; realtor agent	100.00	100.00	100.00	-
Chia Hsin Cement Corporation	Jaho Life Plus+ Management Corp., Ltd.	Management consulting service	100.00	100.00	100.00	-
Chia Hsin Cement Corporation	Chia Hsin Green Electricity Corporation (Note 1)	Electricity generation; self-use renewable energy generation equipment; electrical installation; electrical equipment inspection and maintenance; energy technology service	100.00	-	-	-
YJ International Corporation	CHC Ryukyu Development GK	Real estate rental and leasing; management consulting service	100.00	100.00	100.00	Exchange rate risk
YJ International Corporation	CHC Ryukyu COLLECTIVE KK	Hotel management	100.00	100.00	100.00	Exchange rate risk
Tong Yang Chia Hsin International Corporation	Tong Yang Chia Hsin Marine Corp.	Shipping service	100.00	100.00	100.00	Exchange rate risk
Tong Yang Chia Hsin International Corporation	Chia Hsin Pacific Limited	Holding company	24.18	24.18	24.18	Exchange rate risk
Tong Yang Chia Hsin Marine Corp.	Jiangsu Jiaguo Construction Material Storage Co., Ltd. (Note 2)	Engaging in overland delivery of ordinary goods and the processing, manufacturing and selling of cement and other construction material	100.00	100.00	100.00	Exchange rate risk and political risk arising from cross-strait relations
Jiangsu Jiaguo Construction Material Storage Co., Ltd.	Jiangsu Chia Hsin Real Estate Co., Ltd. (Notes 3 and 4)	Developing and operating 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 Corporation	Chia Sheng Construction Corp.	Wholesale and retail business of machinery; residence, factory buildings and office buildings leasing and selling; PPE leasing and selling	100.00	100.00	100.00	-
Chia Hsin Property Management & Development Corporation	Chuang Neng Technology Co., Ltd. (Note 5)	Energy technology service	100.00	100.00	100.00	-
Chia Hsin Pacific Limited	Effervesce Investment Pte. Ltd.	Investment and holding company	100.00	100.00	100.00	Exchange rate risk
Effervesce Investment Pte. Ltd.	Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Consulting for developing information system for business and finance purpose	100.00	100.00	100.00	Exchange rate risk arising from cross-strait relations
Effervesce Investment Pte. Ltd.	Shanghai Chia Hsin Ganghui Co., Ltd.	Warehousing and packaging bulk cement and formulating and delivering high-strength cement	100.00	100.00	100.00	Exchange rate risk and political risk arising from cross-strait relations
Effervesce Investment Pte. Ltd.	Shanghai Jia Huan Concrete Co., Ltd. (Note 6)	Processing, manufacturing and selling of cement, concrete and other related products	68.00	68.00	68.00	Exchange rate risk and political risk arising from cross-strait relations
Chia Hsin Pacific Limited	Sparkview Pte. Ltd.	Investment and holding company	100.00	100.00	100.00	Exchange rate risk
Sparkview Pte. Ltd.	Shanghai Jia Huan Concrete Co., Ltd. (Note 6)	Processing, manufacturing and selling of cement, concrete and other related products	32.00	32.00	32.00	Exchange rate risk and political risk arising from cross-strait relations

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			September 30, 2023	December 31, 2022	September 30, 2022	
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. (Note 7)	Consulting for management of healthcare and hotel business	100.00	100.00	100.00	Exchange rate risk and political risk arising from cross-strait relations
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Chia Peng Gemcare Maternity (Yangzhou) Co., Ltd. (Note 8)	Maternity and infant health care; sales of mother & baby supplies; life & beauty services	100.00	100.00	100.00	Exchange rate risk and political risk arising from cross-strait relations
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Chia Peng Gemcare Maternity (Suzhou) Co., Ltd. (Notes 9 and 10)	Maternity and infant health care; sales of mother & baby supplies; life & beauty services	-	-	-	Exchange rate risk and political risk arising from cross-strait relations

(Concluded)

- Note 1: On June 27, 2023, Chia Hsin Green Electricity Corporation received an investment of \$5,000 thousand from the Company, and it was legally registered by the Taipei City Government on July 11, 2023.
- Note 2: The shareholders of Jiangsu Jianguo Construction Material Storage Co., Ltd. approved the reduction of its capital by US\$9,200 thousand which were remitted to its investor on August 1, 2022.
- Note 3: The shareholders of Jiangsu Chia Hsin Real Estate Co., Ltd. approved the reduction of its capital by RMB10,000 thousand which were remitted to its investor on March 31, 2022.
- Note 4: The liquidation of the company was resolved by the board of directors of Jiangsu Chia Hsin Real Estate Co., Ltd. on April 26, 2023. The cancellation of registration was completed on August 29, 2023.
- Note 5: On September 21, 2022, Chia Hsin Property Management & Development Corporation was invested by \$5,000 thousand, and it was legally registered by the Taipei City Government on September 27, 2022.
- Note 6: The shareholders of Shanghai Jia Huan Concrete Co., Ltd. approved the reduction of its capital by US\$7,960 thousand which were remitted to its investor on August 1, 2023.
- Note 7: On June 18, 2023 and February 16, 2022, Chia Hsin Business Consulting (Shanghai) Co., Ltd. increased its investment in Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. by RMB4,000 thousand and RMB13,000 thousand, respectively.
- Note 8: On March 1, 2023, June 21, 2023, February 16, 2022 and November 28, 2022, Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. increased its investment in Chia Peng Gemcare Maternity (Yangzhou) Co., Ltd. by RMB3,000 thousand, RMB2,000 thousand, RMB5,000 thousand and RMB3,000 thousand, respectively.
- Note 9: On February 16, 2022, Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. increased its investment in Chia Peng Gemcare Maternity (Suzhou) Co., Ltd. by RMB5,000 thousand.
- Note 10: The liquidation of the company was resolved by the board of directors of Chia Peng Gemcare Maternity (Suzhou) Co., Ltd. on June 20, 2022. The cancellation of registration was completed on September 19, 2022.

Note 11: Except for Chia Hsin Property Management & Development Corporation, Tong Yang Chia Hsin International Corporation, CHC Ryukyu COLLECTIVE KK (not reviewed by the independent auditors from January 1, 2022 to September 30, 2022) and Chia Pei International Corporation, the significant subsidiary, which are reviewed by the independent auditors, the other non-significant subsidiaries included in the consolidated financial report for the nine months ended September 30, 2023 and 2022 are presented using unreviewed financial statements from each entity. As of September 30, 2023 and 2022, combined total assets of these non-significant subsidiaries were \$7,724,942 thousand and \$11,597,429 thousand, respectively, representing 21.41% and 32.05%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were \$876,515 thousand and \$4,397,215 thousand, respectively, representing 6.22% and 31.03%, respectively, of the consolidated total liabilities; for the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, the amounts of combined comprehensive income (loss) of these subsidiaries were \$(40,252) thousand, \$(16,886) thousand, \$96,232 thousand and \$(333,808) thousand, respectively, representing 2.76%, 5.10%, 48.79% and 9.79%, respectively, of the consolidated total comprehensive income.

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

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

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-Controlling Interests		
	September 30, 2023	December 31, 2022	September 30, 2022
	Tong Yang Chia Hsin International Corporation	12.82%	12.82%

Refer to Note 39, Table 6 “Information on Investees” for the nature of activities, principal places of business and countries of incorporation of the subsidiaries and associates.

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests		Accumulated Non-controlling Interests		
	For the Nine Months Ended September 30		September 30,	December 31,	September 30,
	2023	2022	2023	2022	2022
Tong Yang Chia Hsin International Corporation	\$ 12,596	\$ 5,602	\$ 820,173	\$ 814,409	\$ 817,806

The summarized financial information below represents amounts before intragroup eliminations.



Tong Yang Chia Hsin International Corporation

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>	
Current assets	\$ 1,736,686	\$ 1,763,722	\$ 1,792,615	
Non-current assets	4,947,148	4,951,117	4,959,549	
Current liabilities	(138,596)	(196,823)	(219,728)	
Non-current liabilities	<u>(149,391)</u>	<u>(167,114)</u>	<u>(155,040)</u>	
Equity	<u>\$ 6,395,847</u>	<u>\$ 6,350,902</u>	<u>\$ 6,377,396</u>	
Equity attributable to:				
Owners of the Group	\$ 5,575,674	\$ 5,536,493	\$ 5,559,590	
Non-controlling interests of Tong Yang Chia Hsin International Corporation	<u>820,173</u>	<u>814,409</u>	<u>817,806</u>	
	<u>\$ 6,395,847</u>	<u>\$ 6,350,902</u>	<u>\$ 6,377,396</u>	
	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Operating revenue	<u>\$ 28,103</u>	<u>\$ 25,141</u>	<u>\$ 84,078</u>	<u>\$ 78,114</u>
Net profit for the period	\$ 31,980	\$ 162,962	\$ 98,253	\$ 43,700
Other comprehensive income (loss)	<u>(792,990)</u>	<u>(334,115)</u>	<u>190,548</u>	<u>(1,429,212)</u>
Total comprehensive income (loss) for the period	<u>\$ (761,010)</u>	<u>\$ (171,153)</u>	<u>\$ 288,801</u>	<u>\$ (1,385,512)</u>
Profit attributable to:				
Owners of the Group	\$ 27,880	\$ 142,071	\$ 85,657	\$ 38,098
Non-controlling interests of Tong Yang Chia Hsin International Corporation	<u>4,100</u>	<u>20,891</u>	<u>12,596</u>	<u>5,602</u>
	<u>\$ 31,980</u>	<u>\$ 162,962</u>	<u>\$ 98,253</u>	<u>\$ 43,700</u>
Total comprehensive income (loss) attributable to:				
Owners of the Group	\$ (663,448)	\$ (149,211)	\$ 251,777	\$ (1,207,889)
Non-controlling interests of Tong Yang Chia Hsin International Corporation	<u>(97,562)</u>	<u>(21,942)</u>	<u>37,024</u>	<u>(177,623)</u>
	<u>\$ (761,010)</u>	<u>\$ (171,153)</u>	<u>\$ 288,801</u>	<u>\$ (1,385,512)</u>

	<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>
Net cash inflow (outflow) from:		
Operating activities	\$ 8,190	\$ 48,858
Investing activities	96,698	189,383
Financing activities	<u>(114,054)</u>	<u>(278,674)</u>
Net cash outflow	<u>\$ (9,166)</u>	<u>\$ (40,433)</u>

## 15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

### a. Investments in associates

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Material associates			
LDC ROME HOTELS S.R.L.	\$ 392,651	\$ 337,024	\$ 315,903
L'Hotel De Chine Corporation	1,268,955	1,219,545	1,092,798
Chia Hsin Construction & Development Corp.	1,784,061	1,747,897	1,743,537
Associates that are not individually material	<u>232,615</u>	<u>235,792</u>	<u>234,483</u>
	<u>\$ 3,678,282</u>	<u>\$ 3,540,258</u>	<u>\$ 3,386,721</u>

### 1) Material associates

	<b>Proportion of Ownership and Voting Rights</b>		
	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
LDC ROME HOTELS S.R.L.	40.00%	40.00%	40.00%
Chia Hsin Construction & Development Corp.	46.18%	46.18%	46.18%
L'Hotel De Chine Corporation	23.10%	23.10%	23.10%

Refer to Note 39, Table 6 "Information on Investees" for the nature of activities, principal places of business and countries of incorporation of the associates.

All the associates were accounted for using the equity method.

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.

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Current assets	\$ 492,146	\$ 391,523	\$ 387,284
Non-current assets	1,586,250	1,541,023	1,512,337
Current liabilities	(346,168)	(178,392)	(262,427)
Non-current liabilities	<u>(750,601)</u>	<u>(911,593)</u>	<u>(847,438)</u>
Equity	<u>\$ 981,627</u>	<u>\$ 842,561</u>	<u>\$ 789,756</u>
Proportion of the Group's ownership	40.00%	40.00%	40.00%
Equity attributable to the Group	<u>\$ 392,651</u>	<u>\$ 337,024</u>	<u>\$ 315,903</u>
Carrying amount	<u>\$ 392,651</u>	<u>\$ 337,024</u>	<u>\$ 315,903</u>

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Operating revenue	<u>\$ 208,728</u>	<u>\$ 161,096</u>	<u>\$ 578,012</u>	<u>\$ 340,514</u>
Net income (loss) for the period	\$ 14,490	\$ (7,245)	\$ 40,130	\$ (56,529)
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income (loss) for the period	<u>\$ 14,490</u>	<u>\$ (7,245)</u>	<u>\$ 40,130</u>	<u>\$ (56,529)</u>

On June 26, 2023 and September 28, 2022, the Group increased its investment in LDC ROME HOTELS S.R.L. by EUR800 thousand and EUR1,600 thousand (equivalent to \$27,056 thousand and \$48,698 thousand), respectively.

Chia Hsin Construction & Development Corp.

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Current assets	\$ 1,558,879	\$ 1,618,320	\$ 1,554,846
Non-current assets	2,444,286	2,342,794	2,458,511
Current liabilities	(56,024)	(191,670)	(56,835)
Non-current liabilities	<u>(110,845)</u>	<u>(11,458)</u>	<u>(208,884)</u>
Equity	<u>\$ 3,836,296</u>	<u>\$ 3,757,986</u>	<u>\$ 3,747,638</u>
Proportion of the Group's ownership	46.18%	46.18%	46.18%

(Continued)

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Equity attributable to the Group	\$ 1,771,605	\$ 1,735,441	\$ 1,730,662
Premium representing the difference between fair value and book value of remaining equity investments	<u>12,456</u>	<u>12,456</u>	<u>12,875</u>
Carrying amount	<u>\$ 1,784,061</u>	<u>\$ 1,747,897</u>	<u>\$ 1,743,537</u> (Concluded)

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Operating revenue	<u>\$ 26,058</u>	<u>\$ 165,298</u>	<u>\$ 77,919</u>	<u>\$ 215,602</u>
Net income (loss) for the period	\$ (12,104)	\$ 99,594	\$ 44,499	\$ (15,650)
Other comprehensive income (loss)	<u>(115,559)</u>	<u>(39,206)</u>	<u>33,810</u>	<u>(185,496)</u>
Total comprehensive income (loss) for the period	<u>\$ (127,663)</u>	<u>\$ 60,388</u>	<u>\$ 78,309</u>	<u>\$ (201,146)</u>

L'Hotel De Chine Corporation

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Current assets	\$ 366,959	\$ 642,150	\$ 1,325,854
Non-current assets	7,542,000	6,455,691	5,327,455
Current liabilities	(1,235,969)	(539,850)	(522,807)
Non-current liabilities	<u>(1,179,655)</u>	<u>(1,278,575)</u>	<u>(1,399,773)</u>
Equity	<u>\$ 5,493,335</u>	<u>\$ 5,279,416</u>	<u>\$ 4,730,729</u>
Proportion of the Group's ownership	23.10%	23.10%	23.10%
Equity attributable to the Group	<u>\$ 1,268,955</u>	<u>\$ 1,219,545</u>	<u>\$ 1,092,798</u>
Carrying amount	<u>\$ 1,268,955</u>	<u>\$ 1,219,545</u>	<u>\$ 1,092,798</u>

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Operating revenue	<u>\$ 274,808</u>	<u>\$ 271,889</u>	<u>\$ 824,380</u>	<u>\$ 743,062</u>
Net income for the period	\$ 86,566	\$ 35,578	\$ 312,226	\$ 205,077
Other comprehensive income (loss)	<u>-</u>	<u>-</u>	<u>(223)</u>	<u>-</u>
Total comprehensive income for the period	<u>\$ 86,566</u>	<u>\$ 35,578</u>	<u>\$ 312,003</u>	<u>\$ 205,077</u>

2) Aggregate information of associates that are not individually material

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
The Group's share of:				
Income (loss) from continuing operations	\$ 2,679	\$ 2,688	\$ 1,976	\$ (6,950)
Other comprehensive (loss) income	<u>(13,676)</u>	<u>(5,480)</u>	<u>(9,646)</u>	<u>(499)</u>
Total comprehensive (loss) income for the period	<u>\$ (10,997)</u>	<u>\$ (2,792)</u>	<u>\$ (7,670)</u>	<u>\$ (7,449)</u>

- b. The investments 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 not been reviewed.

## 16. PROPERTY, PLANT AND EQUIPMENT

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Assets used by the Group	\$ 4,280,122	\$ 4,784,817	\$ 4,649,224
Assets leased under operating leases	<u>62,939</u>	<u>63,616</u>	<u>65,180</u>
	<u>\$ 4,343,061</u>	<u>\$ 4,848,433</u>	<u>\$ 4,714,404</u>

a. Assets used by the Group

	Land	Building	Machinery and Equipment	Transportation Equipment	Leasehold Improvement	Other Equipment	Property under Construction	Total
<b>Cost</b>								
Balance at January 1, 2022	\$ 913,842	\$ 3,192,852	\$ 791,304	\$ 17,094	\$ 2,873,727	\$ 628,619	\$ 86,208	\$ 8,503,646
Additions	-	20	19,483	1,432	-	9,743	5,896	36,574
Disposals	-	-	(41,336)	(1,103)	(1,649)	(5,501)	-	(49,589)
Reclassified from prepayments	-	-	16,089	-	-	-	-	16,089
Reclassified from property under construction	-	-	-	-	93,549	505	(94,054)	-
Effect of foreign currency exchange differences	(77,119)	(271,094)	(12,422)	292	713	(30,192)	1,950	(387,872)
Balance at September 30, 2022	<u>\$ 836,723</u>	<u>\$ 2,921,778</u>	<u>\$ 773,118</u>	<u>\$ 17,715</u>	<u>\$ 2,966,340</u>	<u>\$ 603,174</u>	<u>\$ -</u>	<u>\$ 8,118,848</u>
<b>Revaluation</b>								
Balance at January 1, 2022	\$ -	\$ -	\$ 15,806	\$ -	\$ -	\$ 230	\$ -	\$ 16,036
Disposals	-	-	(15,806)	-	-	-	-	(15,806)
Effect of foreign currency exchange differences	-	-	-	-	-	-	-	-
Balance at September 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 230</u>	<u>\$ -</u>	<u>\$ 230</u>
<b>Accumulated depreciation</b>								
Balance at January 1, 2022	\$ -	\$ 259,129	\$ 591,590	\$ 12,178	\$ 1,877,105	\$ 338,023	\$ -	\$ 3,078,025
Depreciation expenses	-	89,383	21,598	1,113	87,512	70,388	-	269,994
Disposals	-	-	(57,142)	(1,054)	(303)	(2,440)	-	(60,939)
Effect of foreign currency exchange differences	-	(26,010)	(2,224)	213	56	(14,839)	-	(42,804)
Balance at September 30, 2022	<u>\$ -</u>	<u>\$ 322,502</u>	<u>\$ 553,822</u>	<u>\$ 12,450</u>	<u>\$ 1,964,370</u>	<u>\$ 391,132</u>	<u>\$ -</u>	<u>\$ 3,244,276</u>
<b>Accumulated impairment</b>								
Balance at January 1, 2022	\$ -	\$ -	\$ 55,939	\$ -	\$ 169,275	\$ -	\$ -	\$ 225,214
Effect of foreign currency exchange differences	-	-	269	-	95	-	-	364
Balance at September 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,208</u>	<u>\$ -</u>	<u>\$ 169,370</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 225,578</u>
Carrying amount at January 1, 2022	<u>\$ 913,842</u>	<u>\$ 2,933,723</u>	<u>\$ 159,581</u>	<u>\$ 4,916</u>	<u>\$ 827,347</u>	<u>\$ 290,826</u>	<u>\$ 86,208</u>	<u>\$ 5,216,443</u>
Carrying amount at September 30, 2022	<u>\$ 836,723</u>	<u>\$ 2,599,276</u>	<u>\$ 163,088</u>	<u>\$ 5,265</u>	<u>\$ 832,600</u>	<u>\$ 212,272</u>	<u>\$ -</u>	<u>\$ 4,649,224</u>
<b>Cost</b>								
Balance at January 1, 2023	\$ 883,221	\$ 3,085,233	\$ 781,422	\$ 17,621	\$ 2,996,454	\$ 625,857	\$ 883	\$ 8,390,691
Additions	-	228	240	-	1,172	5,264	-	6,904
Disposals	-	-	(2,031)	(439)	-	(40,525)	-	(42,995)
Reclassified from prepayments	-	-	-	-	-	111	-	111
Reclassified from property under construction	-	-	-	-	883	-	(883)	-
Effect of foreign currency exchange differences	(61,241)	(215,289)	(10,173)	126	2,582	(22,766)	-	(306,761)
Balance at September 30, 2023	<u>\$ 821,980</u>	<u>\$ 2,870,172</u>	<u>\$ 769,458</u>	<u>\$ 17,308</u>	<u>\$ 3,001,091</u>	<u>\$ 567,941</u>	<u>\$ -</u>	<u>\$ 8,047,950</u>
<b>Revaluation</b>								
Balance at January 1, 2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 230	\$ -	\$ 230
Disposals	-	-	-	-	-	-	-	-
Effect of foreign currency exchange differences	-	-	-	-	-	-	-	-
Balance at September 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 230</u>	<u>\$ -</u>	<u>\$ 230</u>
<b>Accumulated depreciation</b>								
Balance at January 1, 2023	\$ -	\$ 370,823	\$ 563,720	\$ 12,634	\$ 1,993,040	\$ 424,483	\$ -	\$ 3,364,700
Depreciation expenses	-	87,983	23,301	609	87,770	52,245	-	251,908
Disposals	-	-	(2,031)	(439)	-	(40,485)	-	(42,955)
Effect of foreign currency exchange differences	-	(29,312)	(3,216)	76	271	(15,056)	-	(47,237)
Balance at September 30, 2023	<u>\$ -</u>	<u>\$ 429,494</u>	<u>\$ 581,774</u>	<u>\$ 12,880</u>	<u>\$ 2,081,081</u>	<u>\$ 421,187</u>	<u>\$ -</u>	<u>\$ 3,526,416</u>

(Continued)

	Land	Building	Machinery and Equipment	Transportation Equipment	Leasehold Improvement	Other Equipment	Property under Construction	Total
<u>Accumulated impairment</u>								
Balance at January 1, 2023	\$ -	\$ -	\$ 56,079	\$ -	\$ 185,325	\$ -	\$ -	\$ 241,404
Effect of foreign currency exchange differences	-	-	176	-	62	-	-	238
Balance at September 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,255</u>	<u>\$ -</u>	<u>\$ 185,387</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 241,642</u>
Carrying amount at January 1, 2023	<u>\$ 883,221</u>	<u>\$ 2,714,410</u>	<u>\$ 161,623</u>	<u>\$ 4,987</u>	<u>\$ 818,089</u>	<u>\$ 201,604</u>	<u>\$ 883</u>	<u>\$ 4,784,817</u>
Carrying amount at September 30, 2023	<u>\$ 821,980</u>	<u>\$ 2,440,678</u>	<u>\$ 131,429</u>	<u>\$ 4,428</u>	<u>\$ 734,623</u>	<u>\$ 146,984</u>	<u>\$ -</u>	<u>\$ 4,280,122</u>

(Concluded)

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

#### Buildings

Office building	20 years
Storage and plant	20 years
Others	6-47 years
Machinery and equipment	2-20 years
Transportation equipment	3-8 years
Leasehold improvement	
Office building	5-40 years
Storage and plant	7-24 years
Others	3-24 years
Other equipment	2-20 years

#### b. Assets leased under operating leases

	Machinery and Equipment	Leasehold Improvement	Other Equipment	Total
<u>Cost</u>				
Balance at January 1, 2022	\$ 238,309	\$ 82,355	\$ 2,764	\$ 323,428
Disposals	(4,236)	-	(398)	(4,634)
Effect of foreign currency exchange differences	7,129	2,474	80	9,683
Balance at September 30, 2022	<u>\$ 241,202</u>	<u>\$ 84,829</u>	<u>\$ 2,446</u>	<u>\$ 328,477</u>
<u>Accumulated depreciation</u>				
Balance at January 1, 2022	\$ 206,306	\$ 41,225	\$ 2,463	\$ 249,994
Depreciation expenses	854	1,105	10	1,969
Disposals	(3,812)	-	(358)	(4,170)
Effect of foreign currency exchange differences	6,178	1,246	71	7,495
Balance at September 30, 2022	<u>\$ 209,526</u>	<u>\$ 43,576</u>	<u>\$ 2,186</u>	<u>\$ 255,288</u>

(Continued)

	<b>Machinery and Equipment</b>	<b>Leasehold Improvement</b>	<b>Other Equipment</b>	<b>Total</b>
<u>Accumulated impairment</u>				
Balance at January 1, 2022	\$ -	\$ 7,775	\$ -	\$ 7,775
Effect of foreign currency exchange differences	<u>-</u>	<u>234</u>	<u>-</u>	<u>234</u>
Balance at September 30, 2022	<u>\$ -</u>	<u>\$ 8,009</u>	<u>\$ -</u>	<u>\$ 8,009</u>
Carrying amount at January 1, 2022	<u>\$ 32,003</u>	<u>\$ 33,355</u>	<u>\$ 301</u>	<u>\$ 65,659</u>
Carrying amount at September 30, 2022	<u>\$ 31,676</u>	<u>\$ 33,244</u>	<u>\$ 260</u>	<u>\$ 65,180</u>
<u>Cost</u>				
Balance at January 1, 2023	\$ 237,830	\$ 83,643	\$ 2,412	\$ 323,885
Additions	-	-	98	98
Effect of foreign currency exchange differences	<u>4,590</u>	<u>1,614</u>	<u>48</u>	<u>6,252</u>
Balance at September 30, 2023	<u>\$ 242,420</u>	<u>\$ 85,257</u>	<u>\$ 2,558</u>	<u>\$ 330,235</u>
<u>Accumulated depreciation</u>				
Balance at January 1, 2023	\$ 206,880	\$ 43,333	\$ 2,159	\$ 252,372
Depreciation expenses	849	1,098	20	1,967
Effect of foreign currency exchange differences	<u>4,009</u>	<u>857</u>	<u>42</u>	<u>4,908</u>
Balance at September 30, 2023	<u>\$ 211,738</u>	<u>\$ 45,288</u>	<u>\$ 2,221</u>	<u>\$ 259,247</u>
<u>Accumulated impairment</u>				
Balance at January 1, 2023	\$ -	\$ 7,897	\$ -	\$ 7,897
Effect of foreign currency exchange differences	<u>-</u>	<u>152</u>	<u>-</u>	<u>152</u>
Balance at September 30, 2023	<u>\$ -</u>	<u>\$ 8,049</u>	<u>\$ -</u>	<u>\$ 8,049</u>
Carrying amount at January 1, 2023	<u>\$ 30,950</u>	<u>\$ 32,413</u>	<u>\$ 253</u>	<u>\$ 63,616</u>
Carrying amount at September 30, 2023	<u>\$ 30,682</u>	<u>\$ 31,920</u>	<u>\$ 337</u>	<u>\$ 62,939</u>

(Concluded)

Operating leases relate to lease of machinery and equipment, leasehold improvement, and other equipment 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:

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Year 1	\$ 7,459	\$ 30,012	\$ 30,028
Year 2	<u>-</u>	<u>-</u>	<u>7,503</u>
	<u>\$ 7,459</u>	<u>\$ 30,012</u>	<u>\$ 37,531</u>

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

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

- c. Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 35.

## 17. LEASE ARRANGEMENTS

- a. Right-of-use assets

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
<u>Carrying amount</u>			
Land	\$ 513,773	\$ 535,221	\$ 542,869
Land improvement	704,479	812,545	822,377
Building	163,796	196,159	229,058
Machinery and equipment	-	-	13
Transportation equipment	<u>314</u>	<u>1,169</u>	<u>1,470</u>
	<u>\$ 1,382,362</u>	<u>\$ 1,545,094</u>	<u>\$ 1,595,787</u>

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Additions to right-of-use assets	<u>\$ -</u>	<u>\$ 191</u>	<u>\$ 2,977</u>	<u>\$ 12,275</u>
Depreciation charge for				
Right-of-use assets				
Land	\$ 6,491	\$ 6,515	\$ 19,497	\$ 19,533
Land improvement	9,096	9,832	28,760	27,929
Building	12,355	13,138	36,995	47,473
Machinery and equipment	-	14	-	43
Transportation equipment	<u>190</u>	<u>320</u>	<u>835</u>	<u>969</u>
	<u>\$ 28,132</u>	<u>\$ 29,819</u>	<u>\$ 86,087</u>	<u>\$ 95,947</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the nine months ended September 30, 2023 and 2022. From January 1, 2022 to September 30, 2022, the Group terminated part of the lease contracts in advance, resulting in a decrease of \$354 thousand and \$52,091 thousand in right-of-use assets, and recognized \$5 thousand and \$5,469 thousand of gain on disposal of right-of-use assets under other gains and losses, respectively.

b. Lease liabilities

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
<u>Carrying amount</u>			
Current	<u>\$ 114,574</u>	<u>\$ 139,172</u>	<u>\$ 135,351</u>
Non-current	<u>\$ 1,394,015</u>	<u>\$ 1,514,484</u>	<u>\$ 1,554,674</u>

Ranges of discount rates for lease liabilities were as follows:

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Land	1.38%-5.46%	1.38%-5.46%	1.38%-5.46%
Land improvement	1.38%-1.58%	1.38%-1.58%	1.38%-1.58%
Building	1.30%-4.99%	1.30%-4.99%	1.30%-5.59%
Machinery and equipment	-	-	5.20%
Transportation equipment	2.00%-6.12%	2.00%-6.12%	2.00%-6.12%

c. Material lease activities and terms

1) Warehousing and storage service at the wharves

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

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

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

### Joint Operating Agreement

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

#### 2) Healthcare business

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

#### d. Other lease information

The Group’s leases as lessor of property, plant and equipment and investment properties under operating leases are set out in Notes 16 and 18, respectively; finance leases of assets are set out in Note 12.

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Expenses relating to short-term leases	<u>\$ 1,081</u>	<u>\$ 1,254</u>	<u>\$ 3,214</u>	<u>\$ 3,677</u>
Expenses relating to low-value asset leases	<u>\$ 344</u>	<u>\$ 239</u>	<u>\$ 1,072</u>	<u>\$ 740</u>
Total cash outflow for leases	<u>\$ (31,004)</u>	<u>\$ (34,920)</u>	<u>\$ (96,252)</u>	<u>\$ (106,146)</u>

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

## 18. INVESTMENT PROPERTIES

	Land	Building	Investment Property under Construction	Total
<u>Cost</u>				
Balance at January 1, 2022	\$ 2,163,359	\$ 296,540	\$ 182,533	\$ 2,642,432
Additions	-	-	76,416	76,416
Effect of foreign currency exchange differences	<u>(30,334)</u>	<u>1,901</u>	<u>(18,337)</u>	<u>(46,770)</u>
Balance at September 30, 2022	<u>\$ 2,133,025</u>	<u>\$ 298,441</u>	<u>\$ 240,612</u>	<u>\$ 2,672,078</u>
<u>Revaluation</u>				
Balance at January 1, 2022	\$ 3,691,636	\$ 151,010	\$ -	\$ 3,842,646
Balance at September 30, 2022	<u>\$ 3,691,636</u>	<u>\$ 151,010</u>	<u>\$ -</u>	<u>\$ 3,842,646</u>
<u>Accumulated depreciation</u>				
Balance at January 1, 2022	\$ -	\$ 343,073	\$ -	\$ 343,073
Depreciation expenses	-	6,376	-	6,376
Effect of foreign currency exchange differences	<u>-</u>	<u>841</u>	<u>-</u>	<u>841</u>
Balance at September 30, 2022	<u>\$ -</u>	<u>\$ 350,290</u>	<u>\$ -</u>	<u>\$ 350,290</u>
<u>Accumulated impairment</u>				
Balance at January 1, 2022	\$ -	\$ 11,588	\$ -	\$ 11,588
Effect of foreign currency exchange differences	<u>-</u>	<u>348</u>	<u>-</u>	<u>348</u>
Balance at September 30, 2022	<u>\$ -</u>	<u>\$ 11,936</u>	<u>\$ -</u>	<u>\$ 11,936</u>
Carrying amount at January 1, 2022	<u>\$ 5,854,995</u>	<u>\$ 92,889</u>	<u>\$ 182,533</u>	<u>\$ 6,130,417</u>
Carrying amount at September 30, 2022	<u>\$ 5,824,661</u>	<u>\$ 87,225</u>	<u>\$ 240,612</u>	<u>\$ 6,152,498</u>
<u>Cost</u>				
Balance at January 1, 2023	\$ 2,151,316	\$ 297,530	\$ 266,488	\$ 2,715,334
Additions	-	-	50,784	50,784
Disposals	-	(2,495)	-	(2,495)
Effect of foreign currency exchange differences	<u>(24,088)</u>	<u>1,240</u>	<u>(19,522)</u>	<u>(42,370)</u>
Balance at September 30, 2023	<u>\$ 2,127,228</u>	<u>\$ 296,275</u>	<u>\$ 297,750</u>	<u>\$ 2,721,253</u>

(Continued)

	<b>Land</b>	<b>Building</b>	<b>Investment Property under Construction</b>	<b>Total</b>
<u>Revaluation</u>				
Balance at January 1, 2023	\$ 3,691,636	\$ 151,010	\$ -	\$ 3,842,646
Disposals	<u>-</u>	<u>(1,285)</u>	<u>-</u>	<u>(1,285)</u>
Balance at September 30, 2023	<u>\$ 3,691,636</u>	<u>\$ 149,725</u>	<u>\$ -</u>	<u>\$ 3,841,361</u>
<u>Accumulated depreciation</u>				
Balance at January 1, 2023	\$ -	\$ 351,877	\$ -	\$ 351,877
Depreciation expenses	-	5,992	-	5,992
Disposals	-	(3,780)	-	(3,780)
Effect of foreign currency exchange differences	<u>-</u>	<u>593</u>	<u>-</u>	<u>593</u>
Balance at September 30, 2023	<u>\$ -</u>	<u>\$ 354,682</u>	<u>\$ -</u>	<u>\$ 354,682</u>
<u>Accumulated impairment</u>				
Balance at January 1, 2023	\$ -	\$ 11,769	\$ -	\$ 11,769
Effect of foreign currency exchange differences	<u>-</u>	<u>227</u>	<u>-</u>	<u>227</u>
Balance at September 30, 2023	<u>\$ -</u>	<u>\$ 11,996</u>	<u>\$ -</u>	<u>\$ 11,996</u>
Carrying amount at January 1, 2023	<u>\$ 5,842,952</u>	<u>\$ 84,894</u>	<u>\$ 266,488</u>	<u>\$ 6,194,334</u>
Carrying amount at September 30, 2023	<u>\$ 5,818,864</u>	<u>\$ 79,322</u>	<u>\$ 297,750</u>	<u>\$ 6,195,936</u> (Concluded)

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

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

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
The fair values of investment properties	\$ 12,574,842	\$ 12,483,663	\$ 12,791,885
Discount rate	8.1921%	7.9838%	6.9155%

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 35.

## 19. INTANGIBLE ASSETS

	September 30, 2023	December 31, 2022	September 30, 2022
Computer software	<u>\$ 4,503</u>	<u>\$ 6,651</u>	<u>\$ 7,051</u>

Except for amortization, the Group did not have significant addition, disposal, or impairment of intangible assets during the nine months ended September 30, 2023 and 2022.

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

Computer software 5 years

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2023	2022	2023	2022
An analysis of amortization by function				
General and administrative expenses	<u>\$ 669</u>	<u>\$ 665</u>	<u>\$ 2,047</u>	<u>\$ 1,928</u>

## 20. OTHER ASSETS

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Current</u>			
Prepayments			
Prepaid guarantee for freight	\$ 81,952	\$ 74,013	\$ 84,457
Overpaid sales tax	23,982	21,909	28,795
Office supplies	10,440	7,015	6,714
Prepayment for purchase	6,623	262	279
Prepaid rents	929	953	544
Others	<u>6,843</u>	<u>10,748</u>	<u>9,078</u>
	<u>\$ 130,769</u>	<u>\$ 114,900</u>	<u>\$ 129,867</u>
Other current assets			
Refundable deposits	\$ 15	\$ 15	\$ 15
Others	<u>3,879</u>	<u>1,702</u>	<u>2,590</u>
	<u>\$ 3,894</u>	<u>\$ 1,717</u>	<u>\$ 2,605</u>

(Continued)

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
<u>Non-current</u>			
Other non-current assets			
Refundable deposits	\$ 46,961	\$ 29,394	\$ 29,395
Prepayments for equipment	12,435	2,456	2,739
Others	652	864	1,039
Overdue receivables (Note 10)	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 60,048</u>	<u>\$ 32,714</u>	<u>\$ 33,173</u>
			(Concluded)

## 21. BORROWINGS

### a. Short-term borrowings

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Secured borrowings	\$ -	\$ 585,000	\$ -
Unsecured borrowings	<u>1,422,362</u>	<u>1,088,664</u>	<u>1,401,030</u>
	<u>\$ 1,422,362</u>	<u>\$ 1,673,664</u>	<u>\$ 1,401,030</u>

1) The ranges of interest rates on bank loans were 1.25%-1.91%, 1.30%-2.21% and 1.04%-1.50%, per annum as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively.

2) Refer to Note 35 for information on collaterals for the abovementioned borrowings.

### b. Short-term bills payable

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Commercial paper	\$ 550,000	\$ 128,000	\$ 280,000
Less: Unamortized discounts on bills payable	<u>(919)</u>	<u>(386)</u>	<u>(76)</u>
	<u>\$ 549,081</u>	<u>\$ 127,614</u>	<u>\$ 279,924</u>

Outstanding short-term bills payable were as follows:

September 30, 2023

<b>Promissory Institution</b>	<b>Nominal Amount</b>	<b>Discount Amount</b>	<b>Carrying Amount</b>	<b>Interest Rate Range</b>	<b>Collateral</b>
<u>Commercial paper</u>					
China Bills	\$ 200,000	\$ (189)	\$ 199,811	1.82%	None
Mega Bills	200,000	(538)	199,462	1.89%	None
Ta Ching Bills	<u>150,000</u>	<u>(192)</u>	<u>149,808</u>	1.87%	None
	<u>\$ 550,000</u>	<u>\$ (919)</u>	<u>\$ 549,081</u>		

December 31, 2022

<b>Promissory Institution</b>	<b>Nominal Amount</b>	<b>Discount Amount</b>	<b>Carrying Amount</b>	<b>Interest Rate Range</b>	<b>Collateral</b>
<u>Commercial paper</u>					
International Bills	<u>\$ 128,000</u>	<u>\$ (386)</u>	<u>\$ 127,614</u>	2.038%	None

September 30, 2022

<b>Promissory Institution</b>	<b>Nominal Amount</b>	<b>Discount Amount</b>	<b>Carrying Amount</b>	<b>Interest Rate Range</b>	<b>Collateral</b>
<u>Commercial paper</u>					
Ta Ching Bills	\$ 80,000	\$ (40)	\$ 79,960	1.41%	None
China Bills	<u>200,000</u>	<u>(36)</u>	<u>199,964</u>	1.36%	None
	<u>\$ 280,000</u>	<u>\$ (76)</u>	<u>\$ 279,924</u>		

c. Long-term borrowings

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
<u>Secured borrowings</u>			
Bank loans (1)	\$ 4,909,754	\$ 4,925,157	\$ 4,941,263
Loans from governments (2)	1,830,894	2,009,641	1,952,505
<u>Unsecured borrowings</u>			
Bank loans (3)	<u>1,290,720</u>	<u>1,437,920</u>	<u>1,376,580</u>
	8,031,368	8,372,718	8,270,348
Less: Current portion	<u>(995,982)</u>	<u>(933,090)</u>	<u>(1,036,433)</u>
Long-term borrowings	<u>\$ 7,035,386</u>	<u>\$ 7,439,628</u>	<u>\$ 7,233,915</u>



- 1) The Group signed medium-term secured loan contracts with First Commercial Bank, Cathay United Bank, Bank SinoPac, China Trust Commercial Bank, and Taiwan Cooperative Bank, respectively. The bank loans are to be repaid at once or in installments according to the agreements. The facilities allow drawdowns on a revolving basis. For the nine months ended September 30, 2023 and 2022, the Group has not drawn any new bank loans. As of September 30, 2023, December 31, 2022 and September 30, 2022, the annual interest rates are 1.25%-2.11%, 1.27%-1.86% and 1.28%-1.73%, respectively. The loan is repayable in 3 to 7 years, and the final maturity date of the loan is September 8, 2030.
- 2) The Group entered into a secured government loan facility contract with Okinawa Development Finance Corporation. The loan is to be repaid in installments according to the repayment schedule in the contract. For the nine months ended September 30, 2023 and 2022, the Group has not drawn any new bank loans. As of September 30, 2023, December 31, 2022 and September 30, 2022, the annual interest rates are 0.2%, 0.05%-0.2% and 0.05%-0.2%, respectively. The final maturity date of the loan is June 25, 2042.
- 3) The Group signed medium-term unsecured loan contracts with Bank SinoPac, Taishin Bank and China Trust Commercial Bank. The bank loans are to be repaid at once or in installments according to the agreements. The facilities allow drawdown on a revolving basis. For the nine months ended September 30, 2023 and 2022, the Group has not drawn any new bank loan. As of September 30, 2023, December 31, 2022 and September 30, 2022, the annual interest rates are 1.25%-1.80%, 1.27%-1.68% and 1.28%-1.43%, respectively. The loan is repayable in 3 to 5 years, and the final maturity date of the loan is December 28, 2026.
- 4) Refer to Note 35 for information on collaterals for the abovementioned borrowings.

## 22. NOTES PAYABLE AND TRADE PAYABLES

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Notes payable</u>			
Operating	\$ <u>3,197</u>	\$ <u>1,907</u>	\$ <u>1,834</u>
<u>Trade payables</u>			
Operating	\$ <u>141,958</u>	\$ <u>86,994</u>	\$ <u>83,518</u>

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

## 23. OTHER LIABILITIES

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Current</u>			
Other payables			
Payables for salaries and bonuses	\$ 63,566	\$ 68,189	\$ 48,208
Payables for machinery and equipment and construction in progress (Note 31)	13,413	35,413	127
Payables for VAT	53,238	35,666	47,069
Payables for interests	4,174	2,548	1,982
Payables for dividends (Note 31)	1,204	1,081	1,081
Payables for professional fees	3,318	11,249	2,781
Payables for insurance	4,756	6,058	4,366
Others	<u>45,287</u>	<u>46,440</u>	<u>36,010</u>
	<u>\$ 188,956</u>	<u>\$ 206,644</u>	<u>\$ 141,624</u>
Other liabilities			
Refundable deposits	\$ 40,287	\$ 29,759	\$ 26,530
Advanced receipts	8,762	6,536	7,477
Receipts under custody	<u>4,087</u>	<u>6,773</u>	<u>3,756</u>
	<u>\$ 53,136</u>	<u>\$ 43,068</u>	<u>\$ 37,763</u>
<u>Non-current</u>			
Deferred revenue			
Government grants (Note 30)	<u>\$ 311,882</u>	<u>\$ 342,402</u>	<u>\$ 327,276</u>
Other liabilities			
Refundable deposits (Note 34)	<u>\$ 93,767</u>	<u>\$ 90,640</u>	<u>\$ 89,572</u>

## 24. RETIREMENT BENEFIT PLANS

### a. Defined contribution plan

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

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

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

For the three months ended September 30, 2023 and 2022 and the nine months ended September 30, 2023 and 2022, the amounts included in the consolidated statements of comprehensive income in respect of the Group's defined contribution plan were \$3,329 thousand, \$3,381 thousand, \$10,061 thousand and \$10,000 thousand, respectively.

b. Defined benefit plan

For the three months ended September 30, 2023 and 2022 and the nine months ended September 30, 2023 and 2022, the pension expenses of defined benefit plans were \$334 thousand, \$446 thousand, \$1,003 thousand and \$1,339 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2022 and 2021, respectively.

## 25. EQUITY

a. Share capital

Ordinary shares

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Shares authorized (in thousands of shares)	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>
Amount of shares authorized	<u>\$ 15,000,000</u>	<u>\$ 15,000,000</u>	<u>\$ 15,000,000</u>
Shares issued and fully paid (in thousands of shares)	<u>790,247</u>	<u>774,781</u>	<u>774,781</u>
Amount of shares issued and fully paid	<u>\$ 7,902,474</u>	<u>\$ 7,747,805</u>	<u>\$ 7,747,805</u>

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

The Company's shareholders resolved to distribute share dividends of \$154,669 thousand in May 2023, which were approved by the FSC. The subscription base date was August 2, 2023 as determined by the board of directors.

b. Capital surplus

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
<u>May only be used to offset a deficit (1)</u>			
Treasury share transaction	\$ 367,772	\$ 367,772	\$ 367,772
Unclaimed dividends extinguished by prescription	9,782	9,792	9,162
Unclaimed dividends extinguished by prescription of subsidiaries	3,106	3,106	2,909
Changes in equity of associates accounted for using the equity method	31,348	29,768	8,226
			(Continued)

	September 30, 2023	December 31, 2022	September 30, 2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (2)			
<hr/>			
Treasury share transaction			
Dividends paid to subsidiaries	\$ 816,290	\$ 782,977	\$ 782,977
Disposal of treasury shares	24,829	24,829	24,829
Share-based payment	15,428	15,428	15,428
Share-based payment of subsidiaries	4,747	4,747	4,747
Difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal	<u>7</u>	<u>7</u>	<u>7</u>
	<u>\$ 1,273,309</u>	<u>\$ 1,238,426</u>	<u>\$ 1,216,057</u>
			(Concluded)

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

For the nine months ended September 30, 2023 and 2022, the Company distributed cash dividends to subsidiaries, with capital surplus - treasury shares adjusted by the amounts of \$33,313 thousand and \$72,177 thousand, respectively.

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Articles of Incorporation of the Company, when the Company makes the financial statement to obtain after-tax surplus earnings in a fiscal year, it shall make up its accumulated losses, set aside a sum as legal reserve, set aside or reverse a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors, refer to Note 27(g).

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

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

According to the Company Act No. 237, the Company shall recognize as legal reserve 10% of the remaining profit, until the accumulated legal reserve equals the total amount of paid-in capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

When a special reserve is appropriated for cumulative net debit balance reserves from prior period, the special reserve is only appropriated from the prior unappropriated earnings. The sum of net profit for current period and items other than net profit that are included directly in the unappropriated earnings for current period is used if the prior unappropriated earnings is not sufficient.

The appropriations of earnings for 2022 and 2021 approved in the shareholders' regular meetings on May 30, 2023 and June 14, 2022 were as follows:

	<b>Appropriation of Earnings</b>	
	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Legal reserve	\$ -	\$ 68,062
Cash dividends	232,004	502,675
Cash dividends per share (NT\$)	0.30	0.65
Share dividends	154,669	-
Share dividends per share (NT\$)	0.20	-

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.

The special reserves recognized as of September 30, 2023, December 31, 2022 and September 30, 2022 were as follows:

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Appropriation in respect of the Articles of Incorporation of the Company	\$ 295,756	\$ 295,756	\$ 295,756
First application of Rule issued by the FSC			
Revaluation of investment properties (Note)	1,792,502	1,793,450	1,793,450
Exchange differences on translation of the financial statements of foreign operations	<u>168,790</u>	<u>168,790</u>	<u>168,790</u>
	<u>\$ 2,257,048</u>	<u>\$ 2,257,996</u>	<u>\$ 2,257,996</u>

Note: In the third quarter of 2023, the Group completed subsequent disposal transactions and recognized a reversal of \$948 thousand on revaluation of investment properties due to the initial application of the IFRSs.

e. Other equity items

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

	<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	<u>\$ (648,722)</u>	<u>\$ (800,236)</u>
Recognized for the period		
Exchange differences on translation of the financial statements of foreign operations	111,721	226,498
Share from associates accounted for using the equity method	1,766	3,580
Related income tax	<u>(24,653)</u>	<u>(49,720)</u>
Other comprehensive income recognized for the period	<u>88,834</u>	<u>180,358</u>
Balance at September 30	<u>\$ (559,888)</u>	<u>\$ (619,878)</u>

2) Unrealized gain on financial assets at FVTOCI

	<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	<u>\$ 3,459,972</u>	<u>\$ 6,779,354</u>
Recognized for the period		
Unrealized loss on financial assets at FVTOCI	(45,830)	(3,173,382)
Unrealized gain (loss) on financial assets at FVTOCI held by associates accounted for using the equity method	<u>5,146</u>	<u>(89,427)</u>
Other comprehensive loss recognized for the period	<u>(40,684)</u>	<u>(3,262,809)</u>
Balance at September 30	<u>\$ 3,419,288</u>	<u>\$ 3,516,545</u>

f. Non-controlling interests

	<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 713,432	\$ 884,865
Share in profit for the period	12,099	5,047
Other comprehensive income (loss) during the period		
Exchange differences on translation of the financial statements of foreign entities	8,014	16,677
Related income tax	(1,211)	(2,423)
Unrealized loss on financial assets at FVTOCI	(4,622)	(130,022)
Unrealized loss on financial assets at FVTOCI held by associates accounted for using the equity method	(632)	(33)
Cash dividends	<u>(6,424)</u>	<u>(56,681)</u>
Balance at September 30	<u>\$ 720,656</u>	<u>\$ 717,430</u>

g. Treasury shares

Purpose of Buy-back	Shares Transferred to Employees (In Thousands of Shares)	Shares Held by Subsidiaries (In Thousands of Shares)	Total (In Thousands of Shares)
Number of shares at January 1, 2022	1,435	127,371	128,806
Increase during the period	-	-	-
Decrease during the period	<u>-</u>	<u>-</u>	<u>-</u>
Number of shares at September 30, 2022	<u>1,435</u>	<u>127,371</u>	<u>128,806</u>
Number of shares at January 1, 2023	1435	127,371	128,806
Increase during the period (Note)	-	2,547	2,547
Decrease during the period	<u>-</u>	<u>-</u>	<u>-</u>
Number of shares at September 30, 2023	<u>1435</u>	<u>129,918</u>	<u>131,353</u>

Note: The shares dividend distributed by the Company of the year 2023.

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

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	<u>Based on the Shareholding Ratio</u> Carrying Amount	Market Price
<u>September 30, 2023</u>			
<u>By direct investment</u>			
Tong Yang Chia Hsin International Corporation	129,918	<u>\$ 1,055,710</u>	<u>\$ 2,101,015</u>
<u>December 31, 2022</u>			
<u>By direct investment</u>			
Tong Yang Chia Hsin International Corporation	127,371	<u>\$ 1,055,710</u>	<u>\$ 1,932,121</u>
<u>September 30, 2022</u>			
<u>By direct investment</u>			
Tong Yang Chia Hsin International Corporation	127,371	<u>\$ 1,055,710</u>	<u>\$ 1,876,600</u>

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

## 26. REVENUE

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Revenue from contracts with customers				
Revenue from the sale of goods	\$ 310,434	\$ 246,187	\$ 909,566	\$ 708,282
Revenue from the rent	73,694	67,192	214,246	205,151
Revenue from rendering of services	189,474	151,364	519,382	451,375
Revenue from catering and hospitality	<u>164,925</u>	<u>101,717</u>	<u>472,037</u>	<u>229,015</u>
	<u>\$ 738,527</u>	<u>\$ 566,460</u>	<u>\$ 2,115,231</u>	<u>\$ 1,593,823</u>

### a. Contract information

#### Revenue from the sale of goods

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

#### Revenue from the rent

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

#### Revenue from rendering of services

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

#### Revenue from catering and hospitality services

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

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



b. Contract balances

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>	<b>January 1, 2022</b>
Notes receivable and trade receivables from unrelated parties (Note 10)	<u>\$ 267,885</u>	<u>\$ 250,625</u>	<u>\$ 213,959</u>	<u>\$ 215,745</u>
Trade receivables from related parties (Note 34)	<u>\$ 7,104</u>	<u>\$ 4,876</u>	<u>\$ 3,774</u>	<u>\$ 10,864</u>
Contract liabilities - current	<u>\$ 34,072</u>	<u>\$ 27,860</u>	<u>\$ 29,951</u>	<u>\$ 23,704</u>

c. Disaggregation of revenue

For information on disaggregation of revenue, please refer to Note 40.

## 27. NET PROFIT

Net profit from continuing operations was attributable to:

a. Interest income

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Bank deposits	<u>\$ 42,616</u>	<u>\$ 21,173</u>	<u>\$ 117,543</u>	<u>\$ 46,513</u>

b. Other income

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Rental income	\$ 9,500	\$ 8,353	\$ 24,990	\$ 23,526
Dividends	198,965	348,438	201,105	351,906
Government grants (Note 30)	2,235	2,876	6,891	17,340
Remuneration of directors (Note 34)	-	14	9,626	26,891
Others	<u>883</u>	<u>1,265</u>	<u>6,055</u>	<u>11,943</u>
	<u>\$ 211,583</u>	<u>\$ 360,946</u>	<u>\$ 248,667</u>	<u>\$ 431,606</u>

c. Other gains and losses

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
(Loss) gain on disposal of property, plant and equipment	\$ (9)	\$ (1,061)	\$ 62	\$ (19,614)
Net foreign exchange gains (losses) (Note 27-h)	24,863	56,937	(63,904)	45,901
(Loss) gain on financial assets mandatorily classified as at FVTPL	(93,966)	(40,247)	10,551	(250,842)
Gain on disposal of right-of-use assets	-	-	5	5,469
Others	<u>(1,052)</u>	<u>(161)</u>	<u>(5,005)</u>	<u>(1,225)</u>
	<u>\$ (70,164)</u>	<u>\$ 15,468</u>	<u>\$ (58,291)</u>	<u>\$ (220,311)</u>

d. Finance costs

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Interest on bank loans	\$ 43,899	\$ 36,201	\$ 128,936	\$ 101,443
Interest on lease liabilities	7,446	8,199	23,134	26,071
Less: Capitalized interest amount	<u>(67)</u>	<u>(2,312)</u>	<u>(141)</u>	<u>(4,163)</u>
	<u>\$ 51,278</u>	<u>\$ 42,088</u>	<u>\$ 151,929</u>	<u>\$ 123,351</u>

Information on capitalized interest is as follows:

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Capitalized interest amount	\$ 67	\$ 2,312	\$ 141	\$ 4,163
Capitalization rate	1.68%-2.04%	0.96%-1.44%	1.68%-2.04%	0.96%-1.44%

e. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Property, plant and equipment	\$ 80,509	\$ 88,970	\$ 253,875	\$ 271,963
Investment properties	1,987	2,056	5,992	6,376
Right-of-use assets	28,132	29,819	86,087	95,947
Intangible assets	<u>669</u>	<u>665</u>	<u>2,047</u>	<u>1,928</u>
	<u>\$ 111,297</u>	<u>\$ 121,510</u>	<u>\$ 348,001</u>	<u>\$ 376,214</u>
An analysis of depreciation by function				
Operating costs	\$ 95,658	\$ 102,031	\$ 299,771	\$ 314,972
Operating expenses	<u>14,970</u>	<u>18,814</u>	<u>46,183</u>	<u>59,314</u>
	<u>\$ 110,628</u>	<u>\$ 120,845</u>	<u>\$ 345,954</u>	<u>\$ 374,286</u>
An analysis of amortization by function				
Operating expenses	<u>\$ 669</u>	<u>\$ 665</u>	<u>\$ 2,047</u>	<u>\$ 1,928</u>

f. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Short-term benefits	\$ 125,463	\$ 127,978	\$ 361,900	\$ 323,473
Post-employment benefits (Note 24)				
Defined contribution plans	3,329	3,381	10,061	10,000
Defined benefit plans	334	446	1,003	1,339
Other employee benefits	<u>4,553</u>	<u>4,050</u>	<u>13,129</u>	<u>12,009</u>
	<u>\$ 133,679</u>	<u>\$ 135,855</u>	<u>\$ 386,093</u>	<u>\$ 346,821</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 59,294	\$ 46,835	\$ 175,972	\$ 137,768
Operating expenses	<u>74,385</u>	<u>89,020</u>	<u>210,121</u>	<u>209,053</u>
	<u>\$ 133,679</u>	<u>\$ 135,855</u>	<u>\$ 386,093</u>	<u>\$ 346,821</u>

g. Compensation of employees and remuneration of directors

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

The Company had loss before income tax for the nine months ended September 30, 2022. Therefore, no compensation of employees and remuneration of directors was accrued for the relevant period.

The compensation of employees and remuneration of directors for the nine months ended September 30, 2023, are as follows:

Accrual rate

	<b>For the Nine Months Ended September 30, 2023</b>
Compensation of employees	1.39%
Remuneration of directors	1.39%

Amount

	<b>For the Three Months Ended September 30, 2023</b>	<b>For the Nine Months Ended September 30, 2023</b>
Compensation of employees	<u>\$ 1,541</u>	<u>\$ 1,541</u>
Remuneration of directors	<u>\$ 1,541</u>	<u>\$ 1,541</u>

The Company had loss before income tax for the year ended December 31, 2022. Therefore, no compensation of employees and remuneration of directors was accrued for the relevant year. The compensation of employees and remuneration of directors for the year ended December 31, 2021, which were approved by the Company's board of directors on March 22, 2022, is as follows:

Amount

	<b>For the Year Ended December 31, 2021</b>	
	<b>Cash</b>	<b>Shares</b>
Compensation of employees	\$ 9,660	\$ -
Remuneration of directors	9,660	-

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 consolidated financial statements for the years ended December 31, 2022 and 2021.

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

h. Gains and losses on foreign currency exchange

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Foreign exchange gains	\$ 36,782	\$ 81,523	\$ 43,147	\$ 123,178
Foreign exchange losses	<u>(11,919)</u>	<u>(24,586)</u>	<u>(107,051)</u>	<u>(77,277)</u>
Net foreign exchange (losses) gains	<u>\$ 24,863</u>	<u>\$ 56,937</u>	<u>\$ (63,904)</u>	<u>\$ 45,901</u>

**28. INCOME TAXES**

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Current tax				
In respect of the current period	\$ (951)	\$ 3,693	\$ 16,996	\$ 11,109
Income tax on unappropriated earnings	-	-	-	12,346
Adjustments for prior years	<u>-</u>	<u>-</u>	<u>123</u>	<u>(316)</u>
	<u>(951)</u>	<u>3,693</u>	<u>17,119</u>	<u>23,139</u>
Deferred tax				
In respect of the current period	<u>11,559</u>	<u>13,934</u>	<u>(14,766)</u>	<u>20,657</u>
Income tax expense recognized in profit or loss	<u>\$ 10,608</u>	<u>\$ 17,627</u>	<u>\$ 2,353</u>	<u>\$ 43,796</u>

b. Income tax recognized in other comprehensive income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
<u>Deferred tax</u>				
In respect of the current years				
Translation of foreign operations	<u>\$ (36,199)</u>	<u>\$ (38,529)</u>	<u>\$ (25,864)</u>	<u>\$ (52,143)</u>
Total income tax recognized in other comprehensive income	<u>\$ (36,199)</u>	<u>\$ (38,529)</u>	<u>\$ (25,864)</u>	<u>\$ (52,143)</u>

c. Income tax assessments

- 1) The income tax returns of the Company and its subsidiaries, Chia Hsin Property Management & Development Corporation, through 2020 have been assessed by the tax authorities. The income tax returns of Tong Yang Chia Hsin International Corporation, Chia Pei International Corporation, Chia Sheng Construction Corp., Jaho Life Plus+ Management Corp., Ltd., BlueSky. Co., Ltd. and YJ International Corporation through 2021 have been assessed by the tax authorities. Except for the abovementioned issues, the Company and the abovementioned subsidiaries do not involve in material pending action in regard of taxation.
- 2) Other overseas entities in the Group do not involve in any material pending action in regard of taxation.

## 29. EARNINGS (LOSS) PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Basic earnings (loss) per share	<u>\$ 0.18</u>	<u>\$ 0.40</u>	<u>\$ 0.21</u>	<u>\$ (0.33)</u>
Diluted earnings (loss) per share	<u>\$ 0.18</u>	<u>\$ 0.40</u>	<u>\$ 0.21</u>	<u>\$ (0.33)</u>

The weighted average number of shares outstanding used for the earnings (loss) per share computation was adjusted retroactively for the issuance of bonus shares on August 2, 2023. The basic and diluted earnings (loss) per share adjusted retrospectively for the three months and nine months ended September 30, 2022 were as follows:

Unit: NT\$ Per Share

	Before Retrospective Adjustment		After Retrospective Adjustment	
	For the Three Months Ended September 30 2022	For the Nine Months Ended September 30, 2022	For the Three Months Ended September 30 2022	For the Nine Months Ended September 30, 2022
Basic earnings (loss) per share	<u>\$ 0.41</u>	<u>\$ (0.33)</u>	<u>\$ 0.40</u>	<u>\$ (0.33)</u>
Diluted earnings (loss) per share	<u>\$ 0.41</u>	<u>\$ (0.33)</u>	<u>\$ 0.40</u>	<u>\$ (0.33)</u>

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

**Net Earnings (Loss) for the Period**

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Earnings (loss) the period attributable to owners of the Company	\$ 117,448	\$ 265,457	\$ 135,442	\$ (215,386)
Effect of potentially dilutive ordinary shares				
Compensation of employees	<u>          -</u>	<u>          -</u>	<u>          -</u>	<u>          -</u>
Earnings (loss) used in the computation of diluted earnings (loss) per share from continuing operations	<u>\$ 117,448</u>	<u>\$ 265,457</u>	<u>\$ 135,442</u>	<u>\$ (215,386)</u>

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

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Weighted average number of ordinary shares used in the computation of basic earnings (loss) per share	658,894	658,894	658,894	658,894
Effect of potentially dilutive ordinary shares				
Compensation of employees	<u>      83</u>	<u>          -</u> (Note)	<u>      83</u>	<u>          -</u> (Note)
Weighted average number of ordinary shares used in the computation of diluted earnings (loss) per share	<u>658,977</u>	<u>658,894</u>	<u>658,977</u>	<u>658,894</u>

Note: The balance was anti-dilutive and excluded from the computation of diluted earnings per share.

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

### 30. GOVERNMENT GRANTS

- a. In order to finance the construction of Hotel COLLECTIVE in Okinawa and to respond the impact on operation due to Covid-19, the Group applied for a loan from Okinawa Development Finance Corporation. The loan facility was JPY10,500,000 thousand. The term of the loan lasts for 25 years, and the loan is to be repaid semi-annually in 42 installments, with the first installment commencing in the fourth year after the first drawdown date on December 20, 2017. The Group had drawn JPY10,500,000 thousand in total. The fair value of the borrowing was JPY8,873,333 thousand discounted at the market interest rate at the borrowing date. The difference of JPY1,626,667 thousand between the proceeds and the fair value of the loan is the benefit derived from the low-interest loan and has been recognized as deferred revenue. As of September 30, 2023, December 31, 2022 and September 30, 2022, the amount of deferred revenue was JPY1,442,565 thousand, JPY1,473,330 thousand and JPY1,486,943 thousand (equivalent to \$311,882 thousand, \$342,402 thousand and \$327,276 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 nine months ended September 30, 2023 and 2022, the Group has recognized JPY30,765 thousand and JPY40,836 thousand (equivalent to \$6,891 thousand and \$9,364 thousand) was recognized under other income, respectively.
- b. The Group received short-term compensation from Ministry of Health, Labor and Welfare in Japan. For the nine months ended September 30, 2022, the Group has recognized JPY28,557 thousand (equivalent to \$6,548 thousand) in total under other income.
- c. In accordance with the Japanese government's emergency declaration, the Group received salaries grants for decreasing working hours. For the nine months ended September 30, 2022, the Group has recognized JPY6,288 thousand (equivalent to \$1,428 thousand) under other income.

### 31. CASH FLOW INFORMATION

#### a. Non-cash transactions

For the nine months ended September 30, 2023 and 2022, 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 September 30, 2023, December 31, 2022 and September 30, 2022, the payables for equipment - property, plant and equipment were \$13,413 thousand, \$35,413 thousand and \$127 thousand, respectively.
  - 2) As of September 30, 2023, December 31, 2022 and September 30, 2022, the dividends declared but not yet paid to non-controlling interests - unrelated party were \$1,204 thousand, \$1,081 thousand and \$1,081 thousand, respectively.
  - 3) The Group transferred \$41,520 thousand of prepayment for investments into financial assets at FVTPL for the nine months ended September 30, 2022.
- b. Changes in liabilities arising from financing activities

For the nine months ended September 30, 2023

	Opening Balance	Cash Flows	Non-cash Changes					Closing Balance
			New Leases	Amortization of Interest Expense	Lease Modifications	Change in Exchange Rate	Others	
Short-term borrowings	\$ 1,673,664	\$ (240,400)	\$ -	\$ -	\$ -	\$ (10,902)	\$ -	\$ 1,422,362
Short-term bills payable	127,614	422,000	-	(533)	-	-	-	549,081
Long-term borrowings	8,372,718	(110,883)	-	17,279	-	(247,746)	-	8,031,368
Guarantee deposits received	120,399	13,630	-	-	-	25	-	134,054
Lease liabilities	1,653,656	(68,832)	2,977	23,134	(82,142)	2,930	(23,134)	1,508,589
	<u>\$ 11,948,051</u>	<u>\$ 15,515</u>	<u>\$ 2,977</u>	<u>\$ 39,880</u>	<u>\$ (82,142)</u>	<u>\$ (255,693)</u>	<u>\$ (23,134)</u>	<u>\$ 11,645,454</u>



For the nine months ended September 30, 2022

	Opening Balance	Cash Flows	Non-cash Changes				Closing Balance
			New Leases	Amortization of Interest Expense	Lease Modifications	Change in Exchange Rate	
Short-term borrowings	\$ 914,000	\$ 489,790	\$ -	\$ -	\$ -	\$ (2,760)	\$ 1,401,030
Short-term bills payable	134,842	145,000	-	82	-	-	279,924
Long-term borrowings	8,856,786	(287,440)	-	23,004	-	(322,002)	8,270,348
Guarantee deposits received	118,546	(2,484)	-	-	-	40	116,102
Lease liabilities	<u>1,731,714</u>	<u>(75,658)</u>	<u>12,275</u>	<u>26,071</u>	<u>15,391</u>	<u>6,303</u>	<u>1,690,025</u>
	<u>\$ 11,755,888</u>	<u>\$ 269,208</u>	<u>\$ 12,275</u>	<u>\$ 49,157</u>	<u>\$ 15,391</u>	<u>\$ (318,419)</u>	<u>\$ 11,757,429</u>

### 32. CAPITAL MANAGEMENT

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

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

The management of the Group periodically reviews its capital structure. As part of the review, the management considers the cost of capital 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.

### 33. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

September 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares in domestic market	\$ 780,171	\$ -	\$ -	\$ 780,171
Listed shares in foreign market	167,257	-	-	167,257
Mutual funds	20,508	-	494,959	515,467
Convertible bonds	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>30,000</u>
	<u>\$ 967,936</u>	<u>\$ -</u>	<u>\$ 524,959</u>	<u>\$ 1,492,895</u>
Financial assets at FVTOCI				
Listed shares in domestic market	\$ 11,333,307	\$ -	\$ -	\$ 11,333,307
Unlisted shares in domestic market	<u>-</u>	<u>-</u>	<u>492,884</u>	<u>492,884</u>
	<u>\$ 11,333,307</u>	<u>\$ -</u>	<u>\$ 492,884</u>	<u>\$ 11,826,191</u>

December 31, 2022

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTPL				
Listed shares in domestic market	\$ 789,557	\$ -	\$ -	\$ 789,557
Listed shares in foreign market	39,077	-	-	39,077
Mutual funds	<u>20,010</u>	<u>-</u>	<u>468,839</u>	<u>488,849</u>
	<u>\$ 848,644</u>	<u>\$ -</u>	<u>\$ 468,839</u>	<u>\$ 1,317,483</u>
Financial assets at FVTOCI				
Listed shares in domestic market	\$ 11,414,040	\$ -	\$ -	\$ 11,414,040
Unlisted shares in domestic market	<u>-</u>	<u>-</u>	<u>467,097</u>	<u>467,097</u>
	<u>\$ 11,414,040</u>	<u>\$ -</u>	<u>\$ 467,097</u>	<u>\$ 11,881,137</u>

September 30, 2022

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTPL				
Listed shares in domestic market	\$ 793,076	\$ -	\$ -	\$ 793,076
Listed shares in foreign market	36,660	-	-	36,660
Mutual funds	<u>19,030</u>	<u>-</u>	<u>325,271</u>	<u>344,301</u>
	<u>\$ 848,766</u>	<u>\$ -</u>	<u>\$ 325,271</u>	<u>\$ 1,174,037</u>
Financial assets at FVTOCI				
Listed shares in domestic market	\$ 11,460,650	\$ -	\$ -	\$ 11,460,650
Unlisted shares in domestic market	<u>-</u>	<u>-</u>	<u>473,661</u>	<u>473,661</u>
	<u>\$ 11,460,650</u>	<u>\$ -</u>	<u>\$ 473,661</u>	<u>\$ 11,934,311</u>

There were no transfers between Levels 1 and 2 in the nine months ended September 30, 2023 and 2022.

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

For the nine months ended September 30, 2023

<b>Financial Assets</b>	<b>Financial Assets at FVTPL Mutual Funds</b>	<b>Financial Assets at FVTOCI Convertible Bonds</b>	<b>Financial Assets at FVTOCI Equity Instruments</b>	<b>Total</b>
Balance at January 1, 2023	\$ 468,839	\$ -	\$ 467,097	\$ 935,936
Purchases	-	30,000	-	30,000
Recognized in profit or loss	26,120	-	-	26,120
Recognized in other comprehensive income (loss)	<u>-</u>	<u>-</u>	<u>25,787</u>	<u>25,787</u>
Balance at September 30, 2023	<u>\$ 494,959</u>	<u>\$ 30,000</u>	<u>\$ 492,884</u>	<u>\$ 1,017,843</u>
Unrealized gain for the current year included in profit or loss relating to assets held at the end of the period	<u>\$ 26,120</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,120</u>

For the nine months ended September 30, 2022

<b>Financial Assets</b>	<b>Financial Assets at FVTPL Mutual Funds</b>	<b>Financial Assets at FVTOCI Equity Instruments</b>	<b>Total</b>
Balance at January 1, 2022	\$ 251,261	\$ 394,326	\$ 645,587
Purchases	112,097	91,485	203,582
Disposal	(74,526)	-	(74,526)
Recognized in profit or loss	36,439	-	36,439
Recognized in other comprehensive income (loss)	<u>-</u>	<u>(12,150)</u>	<u>(12,150)</u>
Balance at September 30, 2022	<u>\$ 325,271</u>	<u>\$ 473,661</u>	<u>\$ 798,932</u>
Unrealized gain for the current year included in profit or loss relating to assets held at the end of the period	<u>\$ 36,439</u>	<u>\$ -</u>	<u>\$ 36,439</u>

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

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

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

The Group holds unlisted shares. The significant unobservable input in the measurement of such investments is liquidity discount. The fair value of unlisted shares is determined using market approach where the fair value of the shares of similar or peer companies is used as reference. As of September 30, 2023, December 31, 2022 and September 30, 2022, the ranges of liquidity discount used were 17.51%-30.00%, 14.18%-30.00% and 12.68%-45.23%, respectively.

c. Categories of financial instrument

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	\$ 1,492,895	\$ 1,317,483	\$ 1,174,037
Financial assets measured at amortized cost (1)	6,538,011	6,500,283	6,600,906
Financial assets at FVTOCI			
Equity instruments	11,826,191	11,881,137	11,934,311
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (2)	10,473,027	10,562,175	10,276,867

- 1) The balances include financial assets, which comprise cash and cash equivalent, notes receivable from unrelated parties, trade receivables from unrelated parties, trade receivables from related parties, other receivables from unrelated parties (excluding tax refund receivables), other receivables from related parties, financial assets at amortized cost, and refundable deposits.
- 2) The balances include financial liabilities, which comprise short-term loans, short-term bills payable, notes payable to unrelated parties, trade payables to unrelated parties, trade payables to related parties, other payables to unrelated parties (excluding payable for salaries and bonus, tax payable, payable for insurance, and payable for dividends), other payables to related parties, current portion of long-term borrowings payable, long-term borrowings, and guarantee deposits.

d. Financial risk management objectives and policies

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

The corporation's treasury function keeps close attention, and continuously tracks financial information and acts in concert with investment projects, plans and diversifies the positions of major international currencies to effectively manage the risks of interest rate and exchange rate changes and achieve the purpose of reducing risks. Also, the corporate treasury function reports regularly to the Group's management, which monitors risks and implements policies 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 37.

Sensitivity analysis

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

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollar (i.e., the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 5%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the year for a 5% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit and other equity associated with the New Taiwan dollar strengthening 5% against the relevant currency. For a 5% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity, and the balances below would be negative.

	<b>USD Impact</b>		<b>EUR Impact</b>	
	<b>For the Nine Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Profit or loss	\$ 55,863 (i)	\$ 55,901 (i)	\$ 90 (ii)	\$ 6,022 (ii)
			<b>JPY Impact</b>	
			<b>For the Nine Months Ended September 30</b>	
			<b>2023</b>	<b>2022</b>
Profit or loss			\$ 62,841 (iii)	\$ 50,639 (iii)

- i. The result was mainly attributable to the exposure on outstanding cash and cash equivalents and other receivables in USD that were not hedged at the end of the period.

- ii. The result was mainly attributable to the exposure on outstanding cash and cash equivalents in EUR that were not hedged at the end of the period.
- iii. The result was mainly attributable to the exposure on outstanding cash and cash equivalents in JPY that were not hedged at the end of the period.

The above results of the Group's tests of sensitivity to changes in foreign exchange rates during the current period were mainly due to the decrease in financial assets in USD and EUR, and the increase in financial assets in JPY.

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:

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Fair value interest rate risk			
Financial assets	\$ 4,857,820	\$ 4,839,323	\$ 4,807,705
Financial liabilities	4,732,876	4,524,575	4,608,484
Cash flow interest rate risk			
Financial assets	1,202,208	1,243,849	1,426,575
Financial liabilities	6,778,524	7,303,077	7,032,843

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 nine months ended September 30, 2023 and 2022 would have decreased/increased by \$10,456 thousand and \$10,512 thousand, respectively.

For the nine months ended September 30, 2023, the Group's sensitivity to interest rate did not change materially compared with the previous accounting period.

c) Other price risk

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

Sensitivity analysis

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

If equity prices (except for equity securities of Taiwan Cement Corporation) had been 1% higher/lower, the pre-tax profit or loss for the nine months ended September 30, 2023 would have increased/decreased by \$7,127 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the nine months ended September 30, 2023 would have increased/decreased by \$7,513 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If equity prices of Taiwan Cement Corporation had been 1% higher/lower, the pre-tax profit or loss for the nine months ended September 30, 2023 would have increased/decreased by \$7,802 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the nine months ended September 30, 2023 would have increased/decreased by \$110,749 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If equity prices (except for equity securities of Taiwan Cement Corporation) had been 1% higher/lower, the pre-tax profit or loss for the nine months ended September 30, 2022 would have increased/decreased by \$3,810 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the nine months ended September 30, 2022 would have increased/decreased by \$6,762 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If equity prices of Taiwan Cement Corporation had been 1% higher/lower, the pre-tax profit or loss for the nine months ended September 30, 2022 would have increased/decreased by \$7,931 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the nine months ended September 30, 2022 would have increased/decreased by \$112,581 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

Except for equity securities of Taiwan Cement Corporation, the Group's sensitivity to equity price of the financial assets increased due to the increase in the amount of such equity securities.

The difference of the Group's sensitivity to equity price of Taiwan Cement Corporation due to the change from the price of such equity securities.

## 2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. At the end of the accounting period, the Group's maximum exposure to credit risk which would cause a financial loss to the Group due to failure of counterparties to discharge their obligations and due to the financial guarantees provided by the Group, could be equal to the carrying amount of the respective recognized financial assets as stated in the balance sheets and the amount that could arise as liabilities on financial guarantees provided by the Group.

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

The credit risk was mainly concentrated on the top 10 customers of the Group. As of September 30, 2023, December 31, 2022 and September 30, 2022, trade receivables from the top 10 customers were 62%, 56% and 50%, respectively, of total receivables.

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

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

### 3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of September 30, 2023, December 31, 2022 and September 30, 2022, the Group had available unutilized bank loan facilities set out in (b) below.

#### a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

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

#### September 30, 2023

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
Non-interest bearing liabilities	\$ 196,791	\$ 152,132	\$ 28,730	\$ 34,457	\$ 59,310
Fixed interest rate liabilities	631,244	823,214	57,558	458,088	1,517,713
Lease liabilities	20,145	20,245	138,985	425,314	1,181,024
Variable interest rate liabilities	<u>434,223</u>	<u>437,934</u>	<u>698,307</u>	<u>4,417,688</u>	<u>1,122,089</u>
	<u>\$ 1,282,403</u>	<u>\$ 1,433,525</u>	<u>\$ 923,580</u>	<u>\$ 5,335,547</u>	<u>\$ 3,880,136</u>

Additional information on the maturity analysis for lease liabilities:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>20+ Years</b>
Lease liabilities	<u>\$ 179,375</u>	<u>\$ 425,314</u>	<u>\$ 420,423</u>	<u>\$ 327,889</u>	<u>\$ 327,890</u>	<u>\$ 104,822</u>



December 31, 2022

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
Non-interest bearing liabilities	\$ 221,262	\$ 54,125	\$ 23,233	\$ 37,989	\$ 52,651
Fixed interest rate liabilities	451,023	412,070	123,680	492,973	1,692,747
Lease liabilities	26,578	5,138	138,249	460,870	1,331,879
Variable interest rate liabilities	<u>60,204</u>	<u>909,692</u>	<u>889,516</u>	<u>5,531,051</u>	<u>576,365</u>
	<u>\$ 759,067</u>	<u>\$ 1,381,025</u>	<u>\$ 1,174,678</u>	<u>\$ 6,522,883</u>	<u>\$ 3,653,642</u>

Additional information on the maturity analysis for lease liabilities:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>20+ Years</b>
Lease liabilities	<u>\$ 169,965</u>	<u>\$ 460,870</u>	<u>\$ 443,931</u>	<u>\$ 383,555</u>	<u>\$ 343,179</u>	<u>\$ 161,214</u>

September 30, 2022

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>	<b>5+ Years</b>
Non-interest bearing liabilities	\$ 158,766	\$ 61,253	\$ 17,055	\$ 36,715	\$ 52,857
Fixed interest rate liabilities	700,767	323,777	58,471	467,413	1,661,288
Lease liabilities	26,508	19,111	121,156	469,858	1,371,455
Variable interest rate liabilities	<u>533,806</u>	<u>554,938</u>	<u>639,276</u>	<u>5,516,331</u>	<u>-</u>
	<u>\$ 1,419,847</u>	<u>\$ 959,079</u>	<u>\$ 835,958</u>	<u>\$ 6,490,317</u>	<u>\$ 3,085,600</u>

Additional information on the maturity analysis for lease liabilities:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>5-10 Years</b>	<b>10-15 Years</b>	<b>15-20 Years</b>	<b>20+ Years</b>
Lease liabilities	<u>\$ 166,775</u>	<u>\$ 469,858</u>	<u>\$ 449,834</u>	<u>\$ 400,069</u>	<u>\$ 343,179</u>	<u>\$ 178,373</u>

b) Financing facilities

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Unsecured bank overdraft facilities, reviewed annually and payable on demand:			
Amount used	\$ 3,263,082	\$ 2,654,584	\$ 3,057,610
Amount unused	<u>3,292,438</u>	<u>4,172,936</u>	<u>3,477,110</u>
	<u>\$ 6,555,520</u>	<u>\$ 6,827,520</u>	<u>\$ 6,534,720</u>
Secured bank overdraft facilities:			
Amount used	\$ 6,958,503	\$ 7,771,904	\$ 7,139,640
Amount unused	<u>1,340,000</u>	<u>465,000</u>	<u>940,000</u>
	<u>\$ 8,298,503</u>	<u>\$ 8,236,904</u>	<u>\$ 8,079,640</u>

### 34. 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

<u>Related Party Name</u>	<u>Related Party Category</u>
Taiwan Cement Corporation	The Company acts as a member of the board of directors (B.O.D.)
Overseas Investment & Development Crop.	The Company acts as a member of the board of directors (B.O.D.)
International Chia Hsin Corporation	Associate
Chia Hsin Construction & Development Corp.	Associate
LDC ROME HOTELS S.R.L.	Associate
FDC International Hotels Corporation	Associate
L'Hotel de Chine Corporation	Associate
Chia Hsin Winn Corp.	Substantive related party
Sung Ju Investment Corp.	Substantive related party
La Trinite Naturelle Corp.	Substantive related party
Chia Hsin Foundation	Substantive related party
Pak Lion Investment Co., Ltd	Substantive related party
Taiwan Transport & Storage Corp.	The Company acts as a member of the B.O.D. of its ultimate parent company

b. Revenue

Line Item	Related Party Category/Name	<u>For the Three Months Ended</u> <u>September 30</u>		<u>For the Nine Months Ended</u> <u>September 30</u>	
		2023	2022	2023	2022
Rental revenue	Associates	\$ 3,235	\$ 1,934	\$ 11,062	\$ 9,669
	Substantive related parties	2,443	1,911	7,328	5,734
	The Company acts as a member of the B.O.D. of its ultimate parent company	<u>631</u>	<u>617</u>	<u>1,892</u>	<u>1,851</u>
		<u>\$ 6,309</u>	<u>\$ 4,462</u>	<u>\$ 20,282</u>	<u>\$ 17,254</u>
Service revenue	The Company acts as a member of the B.O.D.	<u>\$ 8,968</u>	<u>\$ 8,234</u>	<u>\$ 27,843</u>	<u>\$ 24,157</u>

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

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

c. Cost of goods sold

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2023	2022	2023	2022
Purchases of goods	The Company acts as a member of the B.O.D.				
	Taiwan Cement Corporation	\$ 165,541	\$ 132,000	\$ 432,441	\$ 412,950
	Substantive related parties	<u>172</u>	<u>132</u>	<u>501</u>	<u>497</u>
		<u>\$ 165,713</u>	<u>\$ 132,132</u>	<u>\$ 432,942</u>	<u>\$ 413,447</u>

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

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

Line Item	Related Party Category/Name	September 30, 2023	December 31, 2022	September 30, 2022
Trade receivables	Associates			
	FDC International Hotels Corporation	\$ 630	\$ 1,648	\$ -
	Others	14	18	858
	The Company acts as a member of the B.O.D.			
	Taiwan Cement Corporation	6,456	3,206	2,911
	Substantive related parties	<u>4</u>	<u>4</u>	<u>5</u>
		<u>\$ 7,104</u>	<u>\$ 4,876</u>	<u>\$ 3,774</u>
Other receivables				
- other	Associates	<u>\$ 68</u>	<u>\$ 68</u>	<u>\$ 317</u>

The outstanding trade and other receivables from related parties are unsecured. For the nine months ended September 30, 2023 and 2022, 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	September 30, 2023	December 31, 2022	September 30, 2022
Trade payables	The Company acts as a member of the B.O.D.			
	Taiwan Cement Corporation	\$ 124,740	\$ 83,160	\$ 83,160
	Substantive related parties	<u>70</u>	<u>69</u>	<u>50</u>
		<u>\$ 124,810</u>	<u>\$ 83,229</u>	<u>\$ 83,210</u>
Other payables				
- other	Substantive related parties	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 1</u>

The outstanding trade payables to related parties are unsecured.

f. Lease arrangements

The Group is lessor under operating leases

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

Future lease payment receivables are as follows:

<b>Related Party Category/Name</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Associates	\$ 1,335	\$ 952	\$ 1,128
Substantive related parties	27,049	5,150	5,482
The Company acts as a member of the B.O.D. of its ultimate parent company	<u>2,097</u>	<u>3,902</u>	<u>4,519</u>
	<u>\$ 30,481</u>	<u>\$ 10,004</u>	<u>\$ 11,129</u>

g. Others

1)

<b>Line Item</b>	<b>Related Party Category/Name</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Refundable deposits	Substantive related parties	\$ 764	\$ 764	\$ 168
	Associates	971	971	971
	The Company acts as a member of the B.O.D. of its ultimate parent company	<u>423</u>	<u>423</u>	<u>423</u>
		<u>\$ 2,158</u>	<u>\$ 2,158</u>	<u>\$ 1,562</u>

<b>Line Item</b>	<b>Related Party Category/Name</b>	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
		<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Dividends revenue	The Company acts as a member of the B.O.D.				
	Taiwan Cement Corporation	\$ 178,171	\$ 323,918	\$ 178,171	\$ 323,918
	Others	<u>2,000</u>	<u>2,400</u>	<u>2,000</u>	<u>2,400</u>
		<u>\$ 180,171</u>	<u>\$ 326,318</u>	<u>\$ 180,171</u>	<u>\$ 326,318</u>

- 2) The Group acts as a member of the B.O.D. of related parties. The receipts of remuneration of directors recognized as other income are as follows:

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2023	2022	2023	2022
Other income	The Company acts as a member of the B.O.D.				
	Taiwan Cement Corporation	\$ -	\$ -	\$ 9,243	\$ 26,220
	Others	-	-	383	657
	Associates	-	14	-	14
		<u>\$ -</u>	<u>\$ 14</u>	<u>\$ 9,626</u>	<u>\$ 26,891</u>

- 3)

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2023	2022	2023	2022
General and administrative expenses	Substantive related parties	<u>\$ 2,070</u>	<u>\$ 2,148</u>	<u>\$ 7,281</u>	<u>\$ 6,294</u>

- h. Endorsements and guarantees

Endorsements and guarantees provided by the Group

	September 30, 2023		December 31, 2022		September 30, 2022	
	Amount Utilized	Amount Endorsed	Amount Utilized	Amount Endorsed	Amount Utilized	Amount Endorsed
Associates						
LDC ROME						
HOTELS S.R.L.	<u>\$ 284,844</u>	<u>\$ 340,000</u>	<u>\$ 314,112</u>	<u>\$ 340,000</u>	<u>\$ 300,096</u>	<u>\$ 340,000</u>

- i. Remuneration of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Short-term employee benefits	<u>\$ 16,686</u>	<u>\$ 32,054</u>	<u>\$ 30,289</u>	<u>\$ 44,394</u>

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

### 35. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	September 30, 2023	December 31, 2022	September 30, 2022
Financial assets at amortized cost - non-current	\$ 27,221	\$ 27,428	\$ 27,395
Carrying amount of property, plant and equipment	<u>2,656,784</u>	<u>2,861,259</u>	<u>2,723,111</u>
Land	817,312	878,553	832,055
Buildings	1,839,472	1,982,706	1,891,056
Carrying amount of investment properties	<u>3,153,037</u>	<u>3,180,543</u>	<u>3,163,392</u>
Land - after revaluation	3,120,965	3,145,054	3,126,764
Buildings - after revaluation	<u>32,072</u>	<u>35,489</u>	<u>36,628</u>
	<u>\$ 5,837,042</u>	<u>\$ 6,069,230</u>	<u>\$ 5,913,898</u>

### 36. 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 September 30, 2023, December 31, 2022 and September 30, 2022, the Group had bank guarantees of \$139,288 thousand, issued under its name for the operations in the ports.
- b. Unrecognized commitments were as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Property under construction	<u>\$ 161,312</u>	<u>\$ 145,412</u>	<u>\$ 144,597</u>

As of September 30, 2023, December 31, 2022 and September 30, 2022, the abovementioned unrecognized commitments also include contractual commitments of CHC Ryukyu Development GK for Tomigusuku development project in the amounts of \$101,563 thousand, \$121,247 thousand and \$120,052 thousand, respectively.

### 37. 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 the functional currencies of the entities in the Group and the related exchange rates between foreign currencies and respective functional currencies were as follows:

September 30, 2023

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount (In NTD)</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 29,709	32.27 (USD:NTD)	\$ 958,706
USD	4,913	1.3713 (USD:SGD)	158,550
EUR	53	33.91 (EUR:NTD)	1,800
JPY	2,336,229	0.0067 (JPY:USD)	505,113
JPY	3,476,904	0.2162 (JPY:NTD)	751,707
Non-monetary items			
Investments accounted for using the equity method			
EUR	11,579	33.91 (EUR:NTD)	392,651
Financial assets at FVTPL			
USD	11,180	32.27 (USD:NTD)	360,767
HKD	7,589	4.124 (HKD:NTD)	31,300
EUR	4,563	33.91 (EUR:NTD)	154,700

December 31, 2022

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount (In NTD)</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 29,567	30.71 (USD:NTD)	\$ 908,011
USD	4,764	1.3398 (USD:SGD)	146,292
JPY	2,335,666	0.0076 (JPY:USD)	542,840
JPY	3,343,622	0.2324 (JPY:NTD)	777,058
Non-monetary items			
Investments accounted for using the equity method			
EUR	10,300	32.72 (EUR:NTD)	337,024
Financial assets at FVTPL			
USD	10,889	30.71 (USD:NTD)	334,409
HKD	9,937	3.9324 (HKD:NTD)	39,077
EUR	4,720	32.72 (EUR:NTD)	154,440

September 30, 2022

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount (In NTD)</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 31,765	31.75 (USD:NTD)	\$ 1,008,526
USD	3,449	1.4348 (USD:SGD)	109,495
EUR	3,853	31.26 (EUR:NTD)	120,447
JPY	1,308,291	0.0069 (JPY:USD)	287,943
JPY	3,293,243	0.2201 (JPY:NTD)	724,843
Non-monetary items			
Investments accounted for using the equity method			
EUR	10,106	31.26 (EUR:NTD)	315,903
Financial assets at FVTPL			
USD	10,844	31.75 (USD:NTD)	344,301
HKD	9,064	4.0447 (HKD:NTD)	36,660

For the three months ended September 30, 2023 and 2022 and nine months ended September 30, 2023 and 2022, realized and unrealized net foreign exchange gains (losses) were \$24,863 thousand, \$56,937 thousand, \$(63,904) thousand and \$45,901 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.

### 38. OTHERS

#### a. Important contracts

- 1) 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 constructing East Wharf No. 16 and its related office, silos and transportation equipment. The leased land is 65,000 square meters and is used in operation of the subsidiary, Chia Pei International Corporation, to load and unload coal, sandstone, bulk and others. The lease term is 35 years and 5 months from December 10, 2009, the date of the transfer of the titles of related constructed equipment to Taiwan International Ports Co., Ltd. The annual minimum guaranteed volume for transportation is 1,200 thousand tons of coal and 5,950 thousand tons of sandstone.

The Group settled with Taiwan International Ports Co., Ltd. on December 27, 2016 and agreed that the Group's annual guaranteed transportation volume of sand and gravel can be replaced by the actual transportation of coal or other bulk cargoes during the year. (The annual replaceable limit shall be 4,050 thousand tons of guaranteed volume for transporting eastern sand and gravel to the north).

To promote the transporting of eastern sand and gravel to the north, Taiwan International Ports Co., Ltd. suspended Group's priority right to berth and provided Cargo the choice to berth their sand and gravel at Taipei Port First Bulk Cargo Center or Taipei Port Second Bulk Cargo Center according to their willingness instead. Meanwhile, Taiwan International Ports Co., Ltd. suspended 1,900 thousand tons of guaranteed volume for sand and gravel from January 1, 2020 to December 31, 2023.



- 2) 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 the 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 the loading fee in the port.
- 3) In order to satisfy the demand for cement in Taichung and its surrounding area, the Group leased, from Taichung Harbor Bureau, Taiwan International Ports Corporation Ltd, the land, cement warehouses and facilities at Wharf No. 27, Port of Taichung through its subsidiary, Tong Yang Chia Hsin International Corporation to operate the business of loading and unloading, transporting and storing cement. The lease period started from December 1, 2014 to December 31, 2024 and the Group has priority to lease the property when the lease contract has expired. In addition, during the lease period, the Group should pay the land use and administrative fees monthly, which will be adjusted according to the adjustment of loading fee in the Port.
- 4) In order to further establish the core development and transformation to the resort industry, the Group developed nearly 37 thousand square meters beach-side resorts at Toyosaki, Okinawa. On August 17, 2019, the Group and the Japan subsidiary of InterContinental Hotels Group (IHG), a large international hotel chain, signed a long-term management service contract for the management of InterContinental Okinawa Chura SUN Resort with the service period of 20 years from the completion of the resorts. It is expected to introduce the entrusted management of the resort from IHG.

b. Others

The East Wharf No. 15 in the Port of Taipei collapsed on January 21, 2019, and then at the Port of Keelung, Taiwan International Ports Corporation Ltd. (“Ports Corporation”) repaired the wharf, which was completed on November 12, 2020. Ports Corporation claimed that Chia Hsin Cement Corporation compensate the related repair expenses in the amount of \$116,791 thousand. After many court sessions and meetings, Ports Corporation confirmed that the collapse of East Wharf No. 15 in the Port of Taipei in 2019 was not attributable to Chia Hsin Cement Corporation. The two parties reached a settlement on May 3, 2023, and Chia Hsin Cement Corporation did not need to bear any repair expenses or penalties for damages.

### 39. SEPARATELY DISCLOSED ITEMS

- a. Information about significant transactions and b. investees:
- 1) Financing provided to others (None)
  - 2) Endorsements/guarantees provided (Table 1)
  - 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 2)
  - 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (None)
  - 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (None)
  - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
  - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 3)
  - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
  - 9) Trading in derivative instruments (Notes 7 and 33)
  - 10) Other: Business relationships and inter-company transactions between the parent company and the subsidiaries (Table 5)
  - 11) Information on investees (Table 6)
- c. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income and limit on the amount of investment in the mainland China area (Table 7)
  - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (None)
    - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
    - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
    - c) The amount of property transactions and the amount of the resultant gains or losses
    - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

- e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
  - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 8)

#### **40. 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 - in charge of cement sale.

Real estate segment - in charge of real estate trading and leasing.

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

Hospitality and catering services segment - in charge of catering and room service in the hotel and the maternal and childcare center.

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

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

The segment information reported on the following pages:

### Segment revenue and results

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

	<u>Segment Revenue</u>		<u>Segment Profit or Loss</u>	
	<u>For the Nine Months Ended</u>		<u>For the Nine Months Ended</u>	
	<u>September 30</u>		<u>September 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cement segment	\$ 908,883	\$ 706,859	\$ (7,833)	\$ (18,706)
Real estate segment	211,402	199,859	116,486	104,958
Warehousing and storage segment	472,584	403,207	32,690	1,596
Hospitality and catering services segment	522,362	283,898	(124,266)	(271,260)
Other segment	-	-	(18,733)	(15,322)
Revenue from continuing operation	<u>\$ 2,115,231</u>	<u>\$ 1,593,823</u>		
Interest income			117,543	46,513
Other income			248,667	431,606
Other gains and losses			(58,291)	(220,311)
Finance costs			(151,929)	(123,351)
Share of profit or loss of associates and joint ventures accounted for using the equity method			120,458	23,152
General and administrative expenses and remuneration of director			<u>(124,898)</u>	<u>(125,418)</u>
Profit (loss) before income tax from continuing operation			<u>\$ 149,894</u>	<u>\$ (166,543)</u>

The abovementioned revenue was the transactions between entities in the Group and the third parties. All inter-segment transactions for the nine months ended September 30, 2023 and 2022 were eliminated through the consolidation.

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

## CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023  
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 5)										
0	Chia Hsin Cement Corporation (Note 2)	LDC ROME HOTELS S.R.L.	f.	\$ 7,902,474 (Paid-in capital)	\$ 340,000	\$ 340,000	\$ 284,844	\$ -	1.60%	\$ 21,272,466	No	No	No
	Chia Hsin Cement Corporation (Notes 2 and 6)	CHC Ryukyu Development GK	b.	7,902,474 (Paid-in capital)	766,920	713,460	304,842	-	3.35%	21,272,466	Yes	No	No
		CHC Ryukyu COLLECTIVE KK	b.	7,902,474 (Paid-in capital)	1,525,955	1,421,435	1,167,480	-	6.68%	21,272,466	Yes	No	No
1	Chia Hsin Property Management & Development Corporation (Notes 3 and 6)	Chia Hsin Cement Corporation	c.	21,272,466	7,940,000	7,940,000	4,397,500	7,940,000	37.33%	21,272,466	No	Yes	No
2	Jaho Life Plus+ Management Corp., Ltd. (Note 4)	Gemcare Maternity Center	a.	19,649	2,500	2,500	2,500	2,500	0.01%	400,000	No	No	No
		Gemcare Dunhua Maternity Center	a.	25,354	1,000	1,000	1,000	1,000	0.00%	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 guarantee to any individual entity shall not exceed the paid-in capital of the Company. The total amount of guarantees shall not exceed the net worth of the Company.

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

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

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.

## CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD

SEPTEMBER 30, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Chia Hsin Cement Corporation	<u>Shares</u>							
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTPL - current	8,513,782	\$ 283,083	0.12	\$ 283,083	
	Asia Cement Corporation		Financial assets at FVTPL - current	71	3	0.00	3	
	<u>Foreign shares</u>							
	Anhui Conch Cement Co., Ltd.		Financial assets at FVTPL - current	364,000	31,300	0.01	31,300	
	<u>Foreign fund</u>							
	Greenwoods Golden China Fund - Unrestricted Class A (0518)		Financial assets at FVTPL - current	3,340	35,309	-	35,309	
	JPMorgan Funds - Russia		Financial assets at FVTPL - current	81,593	-	-	-	
	JPMorgan Funds - ASEAN Fund		Financial assets at FVTPL - current	2,697	11,922	-	11,922	
	JPMorgan Pacific Technology Fund		Financial assets at FVTPL - current	3,769	8,586	-	8,586	
	The Partners Fund - Class N-N (SERIES 27)		Financial assets at FVTPL - current	2,453	112,146	-	112,146	
	Blackstone Real Estate Income Trust iCapital Offshore Access Fund SPC-Class A ACC - (Series 14)		Financial assets at FVTPL - current	1,420	73,583	-	73,583	
	Blackstone Real Estate Income Trust iCapital Offshore Access Fund SPC-Class A ACC - (Series 30)		Financial assets at FVTPL - current	1,147	59,425	-	59,425	
	Gopher US Venture Fund III		Financial assets at FVTPL - current	-	59,796	-	59,796	
	Barings Europe Core Property Fund		Financial assets at FVTPL - current	4,168	154,700	-	154,700	
	<u>Bonds</u>							
	Smart Ageing Tech Co., Ltd. - convertible bonds	The Company acts as a member of the B.O.D.	Financial assets at FVTPL - current	-	30,000	-	30,000	
	<u>Shares</u>							
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - current	27,939,039	928,973	0.38	928,973	
	CHC Resources Corporation		Financial assets at FVTOCI - current	4,285,694	247,713	1.72	247,713	
Chien Kuo Construction Co., Ltd.		Financial assets at FVTOCI - current	771,256	10,720	0.31	10,720		
Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	203,176,955	6,755,633	2.76	6,755,633		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Tong Yang Chia Hsin International Corporation	<u>Shares</u> B Current Impact Investment Fund 3	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	1,000,000	\$ 10,000	10.00	\$ 10,000	Has been eliminated upon consolidation
	Pan Asian (Engineers & Constructors) Corporation		Financial assets at FVTOCI - non-current	2,718,217	44,198	2.38	44,198	
	Chia Hsin Ready-Mixed Concrete Corporation		Financial assets at FVTOCI - non-current	13,163,585	229,836	13.71	229,836	
	Overseas Investment & Development Corp.	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	2,000,000	23,420	2.22	23,420	
	Smart Ageing Tech Co., Ltd.	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	3,600,000	77,904	10.62	77,904	
	Gping Wellness Co., Ltd.		Financial assets at FVTOCI - non-current	494,512	99,011	18.00	99,011	
	Asia Pacific Gongshanglian Corporation Limited		Financial assets at FVTOCI - non-current	21,090	-	0.03	-	
	Chia Hsin Livestock Corp.		Financial assets at FVTOCI - non-current	6,600,000	-	1.17	-	
	Huatung Heping River Mining Industry Development Co., Ltd.		Financial assets at FVTOCI - non-current	9,350	-	1.87	-	
	Tong Yang Chia Hsin International Corporation	<u>Shares</u> Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTPL - current	14,949,915	497,085	0.20	
Taiwan Cement Corporation		The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - current	35,700,561	1,187,044	0.49	1,187,044	
Chia Hsin Cement Corporation		Parent company	Financial assets at FVTOCI - non-current	129,917,726	2,409,974	16.44	2,409,974	
Taiwan Cement Corporation		The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	66,262,371	2,203,224	0.90	2,203,224	
IBT Second Venture Capital Co., Ltd.			Financial assets at FVTOCI - non-current	725,493	5,711	4.17	5,711	
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	<u>Shares</u> Anhui Conch Cement Co., Ltd.		Financial assets at FVTOCI - non-current	350,000	2,804	0.88	2,804	
			Financial assets at FVTPL - current	1,162,100	135,957	0.02	135,957	

Note 1: For the information about subsidiaries, associates and joint ventures, refer to Table 6 and Table 7.

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

(Concluded)

**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 NINE MONTHS ENDED SEPTEMBER 30, 2023  
(In Thousands of New Taiwan Dollars)**

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes Receivable (Payable)/Trade Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Chia Hsin Cement Corporation	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Purchases	\$ 432,441	49	60 days from the purchase day	NA (equal to the price for other clients)	NA (same as the term for other clients)	\$ (124,740)	(50)	



**CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES**

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

**SEPTEMBER 30, 2023**

**(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	\$ 1,208,787 (Notes 1 and 4)	-	\$ -	-	\$ 15,013	\$ -
Effervesce Investment Pte. Ltd.	Shanghai Jia Huan Concrete Co., Ltd.	Subsidiary	\$ 174,903 (Notes 2 and 4)	-	-	-	174,903	\$ -

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

Note 2: The amount is capital reduction receivables.

Note 3: The amount received in subsequent period as of November 8, 2023.

Note 4: The transaction has been eliminated through consolidation.

## CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

PARENT-SUBSIDIARY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

(Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Transaction Details				
				Financial Statement Accounts	Amount (Note 5)	Payment Terms	% of Total Sales or Assets (Note 3)	
0	Chia Hsin Cement Corporation	Chia Pei International Corporation	a.	Warehousing and storage service revenue	\$ 84,745	The fee is billed monthly and paid quarterly with receipts issued in the same month when the fee is billed.	4.01	
		Chia Pei International Corporation	a.	Finance lease receivables	1,208,787		3.35	
		Chia Pei International Corporation	a.	Interest income from sublease	14,782		0.70	
		CHC Ryukyu Development GK	a.	Endorsement or guarantee	713,460		1.98	
		CHC Ryukyu COLLECTIVE KK	a.	Endorsement or guarantee	1,421,435		3.94	
		Chia Hsin Property Management & Development Corporation	a.	Investment accounted for using the equity method	110,000		Cash dividends	0.30
		Chia Hsin Property Management & Development Corporation	a.	Other receivables	22,527		Every May (linked tax payments)	0.06
		Tong Yang Chia Hsin International Corporation	a.	Investment accounted for using the equity method	43,702		Cash dividends	0.12
1	Chia Pei International Corporation	Chia Hsin Cement Corporation	b.	Service revenue	10,811	Billed and paid quarterly	0.51	
2	Tong Yang Chia Hsin International Corporation	Chia Hsin Cement Corporation	b.	Service revenue	47,566	The fee is billed monthly and collected in the next month.	2.25	
		Chia Hsin Cement Corporation	b.	Dividend revenue	33,313	Cash dividends	1.57	
3	Chia Hsin Property Management & Development Corporation	Chia Hsin Cement Corporation	b.	Endorsement or guarantee	7,940,000		22.01	
4	Effervesce Investment Pte. Ltd.	Shanghai Jia Huan Concrete Co., Ltd.	c.	Other receivables	174,903	Capital reduction receivables	0.48	
5	Sparksvie Pte. Ltd.	Shanghai Jia Huan Concrete Co., Ltd.	c.	Other receivables	81,966	Capital reduction receivables	0.23	
6	Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	c.	Investment accounted for using the equity method	17,978	Cash injection	0.05	
7	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Chia Peng Gemcare Maternity (Yangzhou) Co., Ltd.	c.	Investment accounted for using the equity method	22,473	Cash injection	0.06	
8	Jiangsu Jiaguo Construction Material Storage Co., Ltd.	Jiangsu Chia Hsin Real Estate Co., Ltd.	c.	Investment accounted for using the equity method	49,487	Capital reduction	0.14	

(Continued)

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

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

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

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

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

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

Note 4: The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of September 30, 2023: US\$1=NT\$32.27, JPY1=NT\$0.2162, RMB1=NT\$4.49455; net income items denominated in foreign currencies are translated using the average exchange rate for the nine months ended September 30, 2023: US\$1=NT\$30.928, JPY1=NT\$0.224, RMB1=NT\$4.413235.

Note 5: The transaction has been eliminated through consolidation.

(Concluded)

## CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023  
(In Thousands of New Taiwan Dollars, or Otherwise Stated)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2023			Net Income/(Loss) of the Investee	Share of Profit/(Loss) of Investee	Remark
				September 30, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
Chia Hsin Cement Corporation	Chia Hsin Construction & Development Corp.	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Office buildings construction and lease and sale of public housings	\$ 656,292	\$ 656,292	31,458,920	46.18	\$ 1,784,061	\$ 44,499	\$ 44,499	(Note 4)
	Tong Yang Chia Hsin International Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	General international trade (all business items that are not prohibited or restricted by law, except those that are subject to special approval)	1,600,159	1,600,159	257,073,050	87.18	4,519,964	98,253	98,253	Subsidiary (Notes 3 and 5)
	Chia Hsin Property Management & Development Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Wholesale and retail business of machinery; warehousing; residence, factory buildings and office buildings leasing and selling; PPE leasing and selling	1,000,000	1,000,000	100,000,000	100.00	3,940,999	92,063	92,063	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	199,333	(176)	(176)	Subsidiary (Note 3)
	BlueSky, Co., Ltd.	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	International trade; real estate trading; real estate leasing	81,561	81,561	8,300,000	100.00	84,083	465	465	Subsidiary (Note 3)
	Chia Hsin Pacific Limited	Cayman Islands	Holding company	969,104	969,104	19,186,070	74.16	2,496,004	(29,900)	(22,172)	Subsidiary (Note 3)
	YJ International Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Real estate rental and leasing; real estate management; realtor agent	2,280,000	2,280,000	228,000,000	100.00	400,695	(124,368)	(124,368)	Subsidiary (Note 3)
	Jaho Life Plus+ Management Corp., Ltd.	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Management consulting service	400,000	400,000	40,000,000	100.00	101,474	(23,855)	(23,855)	Subsidiary (Note 3)
	Chia Hsin Green Electricity Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Electricity generation; self-use renewable energy generation equipment; electrical installation; electrical equipment inspection and maintenance; energy technology service	5,000	-	500,000	100.00	4,990	(10)	(10)	Subsidiary (Note 3)
	LDC ROME HOTELS S.R.L.	Rome, Italy	Hotel management	785,841	758,785	-	40.00	392,651	40,130	16,052	(Note 4)
	L'Hotel De Chine Corporation	11F, No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Hotel and tourism	1,157,340	1,157,340	67,998,915	23.10	1,268,955	312,226	81,880	(Notes 4 and 6)
	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	110,610	5,002	967	
	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	256,498	5,342	5,342
Chuang Neng Technology Co., Ltd.		No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Energy technology service	22,500	5,000	2,250,000	100.00	22,451	(38)	(38)	Subsidiary (Note 3)
YJ International Corporation	CHC Ryukyu Development GK	2-5-7 Matsuo, Naha-shi, Okinawa, Japan	Real estate rental and leasing; management consulting service	269,931	269,931	-	100.00	109,988	(7,754)	(7,754)	Subsidiary (Note 3)
	CHC Ryukyu COLLECTIVE KK	2-5-7 Matsuo, Naha-shi, Okinawa, Japan	Hotel management	1,948,968	1,948,968	-	100.00	216,380	(112,709)	(112,709)	Subsidiary (Note 3)
Chia Hsin Pacific Limited	Effervesce Investment Pte. Ltd.	Singapore	Investment and holding company	NT\$ 1,002,908 (US\$ 31,078,656)	NT\$ 1,002,908 (US\$ 31,078,656)	53,274,892	100.00	NT\$ 1,385,456 (US\$ 42,933,245)	NT\$ (7,343) (US\$ -237,430)	NT\$ (7,343) (US\$ -237,430)	Subsidiary (Note 3)
	Sparkview Pte. Ltd.	Singapore	Investment and holding company	NT\$ 92,690 (US\$ 2,872,328)	NT\$ 92,690 (US\$ 2,872,328)	3,763,350	100.00	NT\$ 184,100 (US\$ 5,704,991)	NT\$ 1,442 (US\$ 46,610)	NT\$ 1,442 (US\$ 46,610)	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	122,005	5,002	1,009	
	Tong Yang Chia Hsin Marine Corp.	Panama	Shipping service	78,490	78,490	2,700	100.00	498,149	7,744	7,744	Subsidiary (Note 3)
	Chia Hsin Pacific Limited	Cayman Islands	Holding company	626,119	626,119	6,257,179	24.18	814,025	(29,900)	(7,231)	Subsidiary (Note 3)

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

Note 2: The original investment amounts listed above were translated using the original investment rate. The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of September 30, 2023: US\$1=NT\$32.27, JPY1=NT\$0.2162, EUR1=NT\$33.91; net income items denominated in foreign currencies are translated using the average exchange rate for the nine months ended September 30, 2023: US\$1=NT\$30.928, JPY1=NT\$0.224, EUR1=NT\$33.516.

Note 3: The investment has been eliminated upon consolidation.

Note 4: Material associates.

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

Note 6: The carrying amount and the profit or loss of investment includes the amortization of discount and premium.

## CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

(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, 2023 (Note 1 (a.))	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2023 (Note 1 (a.))	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1 (a.) and Note 6)	Carrying Amount as of September 30, 2023 (Note 1 (a.))	Accumulated Repatriation of Investment Income as of September 30, 2023	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	\$ 16,135 (US\$ 500)	b. and c.	\$ 410,539 (US\$ 12,722)	\$ - (US\$ -)	\$ - (US\$ -)	\$ 410,539 (US\$ 12,722)	\$ 5,137 (US\$ 166)	95.23	\$ 5,137 (US\$ 166)	\$ 295,207 (US\$ 9,148)	\$ - (US\$ -)	(Note 1 (b.) (3) and Note 5)
Shanghai Chia Hsin Ganghui Co., Ltd.	Warehousing and packing bulk cement and formulating and delivering high-strength cement	338,835 (US\$ 10,500)	b.	518,450 (US\$ 16,066)	- (US\$ -)	- (US\$ -)	518,450 (US\$ 16,066)	7,990 (US\$ 258)	95.23	7,990 (US\$ 258)	414,518 (US\$ 12,845)	- (US\$ -)	(Note 1 (b.) (3) and Note 5)
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Consulting for developing information system for business and finance purpose	558,594 (US\$ 17,310)	b.	855,058 (US\$ 26,497)	- (US\$ -)	- (US\$ -)	855,058 (US\$ 26,497)	(28,279) (US\$ -914)	95.23	(27,747) (US\$ -897)	438,081 (US\$ 13,575)	- (US\$ -)	(Note 1 (b.) (3) and Note 5)
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Consulting for management of healthcare and hospitality business	337,091 (RMB 75,000)	e. Investor: Chia Hsin Business Consulting (Shanghai) Co., Ltd.	- (US\$ -)	- (US\$ -)	- (US\$ -)	- (US\$ -)	(26,715) (RMB -6,053)	95.23	(26,715) (RMB -6,053)	148,110 (RMB 32,953)	- (US\$ -)	(Note 1 (b.) (3) and Note 5)
Chia Peng Gemcare Maternity (Yangzhou) Co., Ltd.	Maternity and infant health care; sales of mother & baby supplies; life & beauty services	247,200 (RMB 55,000)	e. Investor: Shanghai Chia Peng Healthcare Management Consulting Co., Ltd	- (US\$ -)	- (US\$ -)	- (US\$ -)	- (US\$ -)	(23,879) (RMB -5,411)	95.23	(23,879) (RMB -5,411)	137,902 (RMB 30,682)	- (US\$ -)	(Note 1 (b.) (3) and Note 5)
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	129,800 (US\$ 4,000)	d.	446,843 (US\$ 13,847)	- (US\$ -)	- (US\$ -)	446,843 (US\$ 13,847)	(-2,973) (US\$ -96)	87.18	(-2,973) (US\$ -96)	178,385 (US\$ 5,528)	- (US\$ -)	(Note 1 (b.) (3) and Note 5)
Jiangsu Chia Hsin Real Estate Co., Ltd. (Note 7)	Developing and selling real estate and providing property management service	- (RMB -)	e. Investor: Jiangsu Jiaguo Construction Material Storage Co., Ltd.	- (US\$ -)	- (US\$ -)	- (US\$ -)	- (US\$ -)	(2,598) (RMB -589)	87.18	(2,598) (RMB -589)	- (RMB -)	- (US\$ -)	(Note 1 (b.) (3) and Note 5)

(Continued)

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

Accumulated Outward Remittance for Investments in Mainland China as of September 30, 2023	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)
\$ 7,411,386 (US\$ 229,668)	\$ 7,490,641 (US\$ 232,124)	\$ 13,195,873

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

Note 1: a. The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of September 30, 2023: US\$1=NT\$32.27, RMB1=NT\$4.494550; net income items denominated in foreign currencies are translated using the average exchange rate for the nine months ended September 30, 2023: US\$1=NT\$30.928, RMB1=NT\$4.413235.

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

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

Note 2: The method of investment includes the following:

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

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

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

Note 5: The transaction has been eliminated upon consolidation.

Note 6: Including the gains and losses recognized by using the equity method and the gains and losses on internal unrealized transactions.

Note 7: The liquidation of Jiangsu Chia Hsin Real Estate Co., Ltd. was resolved by the board of directors on April 26, 2023. The cancellation of registration was completed on August 29, 2023.

(Concluded)

**TABLE 8****CHIA HSIN CEMENT CORPORATION****INFORMATION OF MAJOR SHAREHOLDERS  
SEPTEMBER 30, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Tong Yang Chia Hsin International Corporation	129,917,726	16.44
Sung Ju Investment Corp.	70,155,843	8.87
Yung-Ping Chang	42,583,141	5.38

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