

**Chia Hsin Cement Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Years Ended December 31, 2023 and 2022 and
Independent Auditors' Report**

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies that are required to be included in the consolidated financial statements of affiliates of Chia Hsin Cement Corporation as of and for the year ended December 31, 2023, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements of parent and subsidiary companies prepared in conformity with International Financial Reporting Standard No. 10, “Consolidated Financial Statements” In addition, relevant information required to be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, Chia Hsin Cement Corporation and subsidiaries did not prepare a separate set of consolidated financial statements of affiliated enterprises.

Very truly yours,

CHIA HSIN CEMENT CORPORATION

JASON K. L. CHANG
Chairman

February 27, 2024

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Chia Hsin Cement Corporation

Opinion

We have audited the accompanying consolidated financial statements of Chia Hsin Cement Corporation and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Group's consolidated financial statements for the year ended December 31, 2023 is stated as follows:

Impairment of Property, Plant and Equipment

As of December 31, 2023, the net carrying amount of property, plant and equipment of the hotel operated by the Group located in Ryukyu, Japan was NT\$3,405,765 thousand, representing 9% of total consolidated assets, which was material to the consolidated financial statements. Management assesses the asset impairment of the property, plant and equipment. Since the recoverable amount in the impairment assessment involves subjective judgments based on various assumptions and estimates made by management, we identified the impairment of property, plant and equipment as a key audit matter.

Our key audit procedures performed with respect to the above area included the following:

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

1. We obtained an understanding of the management's basis of assumptions and sources of relevant data and description used to estimate the value in use of the assets. We also assessed the reasonableness of management's adoption of such assumptions and data.
2. We assessed the appropriateness of the discount rates used in the impairment assessment report.
3. We recalculated the value in use of the assets and verified that the calculation in the valuation report was accurate.

Other Matter

We have also audited the parent company only financial statements of Chia Hsin Cement Corporation as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Chingham Chen Sheng-Tai Liang

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 27, 2024

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

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

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	2023		2022 (Restated)	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 2,054,339	6	\$ 4,463,396	12
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	1,435,732	4	1,317,483	4
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	2,478,000	7	2,347,407	7
Financial assets at amortized cost - current (Notes 4 and 9)	3,945,242	11	1,689,701	5
Notes receivable from unrelated parties (Notes 4, 10 and 26)	199,758	1	141,706	-
Trade receivables from unrelated parties (Notes 4, 10 and 26)	158,202	-	108,919	-
Trade receivables from related parties (Notes 10, 26 and 34)	8,899	-	4,876	-
Finance lease receivables - current (Notes 4 and 12)	1,111	-	2,916	-
Other receivables from unrelated parties (Notes 4 and 11)	47,811	-	37,579	-
Other receivables from related parties (Notes 4 and 34)	215	-	68	-
Current tax assets (Note 4)	1,122	-	1,021	-
Inventories (Notes 4 and 13)	97,473	-	163,658	1
Prepayments (Note 20)	120,923	-	114,900	-
Other current assets (Note 20)	229	-	1,717	-
Total current assets	<u>10,549,056</u>	<u>29</u>	<u>10,395,347</u>	<u>29</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	9,881,018	27	9,533,730	26
Financial assets at amortized cost - non-current (Notes 4, 9 and 35)	19,175	-	27,428	-
Investments accounted for using the equity method (Notes 4 and 15)	3,787,444	10	3,540,258	10
Property, plant and equipment (Notes 4, 5, 16 and 35)	4,250,010	12	4,848,433	13
Right-of-use assets (Notes 4 and 17)	1,340,366	4	1,545,094	4
Investment properties (Notes 4, 18 and 35)	6,223,380	17	6,194,334	17
Intangible assets (Notes 4 and 19)	3,845	-	6,651	-
Deferred tax assets (Notes 3 and 4)	334,360	1	310,555	1
Finance lease receivables - non-current (Notes 4 and 12)	-	-	1,111	-
Net defined benefit assets - non-current (Notes 4 and 24)	16,149	-	18,579	-
Other non-current assets (Notes 10 and 20)	59,531	-	32,714	-
Total non-current assets	<u>25,915,278</u>	<u>71</u>	<u>26,058,887</u>	<u>71</u>
TOTAL	<u>\$ 36,464,334</u>	<u>100</u>	<u>\$ 36,454,234</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 21 and 35)	\$ 1,356,040	4	\$ 1,673,664	5
Short-term bills payable (Note 21)	744,106	2	127,614	-
Contract liabilities (Notes 4 and 26)	41,608	-	27,860	-
Notes payable to unrelated parties (Note 22)	3,337	-	1,907	-
Trade payables to unrelated parties (Note 22)	96,221	-	86,994	-
Trade payables to related parties (Note 34)	110,955	-	83,229	-
Other payables to unrelated parties (Note 23)	197,128	1	206,644	1
Current tax liabilities (Notes 4 and 28)	17,857	-	108,242	-
Lease liabilities - current (Notes 4 and 17)	112,628	-	139,172	1
Current portion of long-term borrowings (Notes 21 and 35)	571,452	2	933,090	3
Other current liabilities (Notes 23 and 34)	50,411	-	43,068	-
Total current liabilities	<u>3,301,743</u>	<u>9</u>	<u>3,431,484</u>	<u>10</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 21 and 35)	7,386,018	20	7,439,628	20
Deferred tax liabilities (Notes 3 and 4)	1,604,585	5	1,636,169	5
Lease liabilities - non-current (Notes 4 and 17)	1,353,352	4	1,514,484	4
Deferred revenue - non-current (Notes 23 and 30)	311,098	1	342,402	1
Guarantee deposits - non-current (Notes 23 and 34)	88,980	-	90,640	-
Total non-current liabilities	<u>10,744,033</u>	<u>30</u>	<u>11,023,323</u>	<u>30</u>
Total liabilities	<u>14,045,776</u>	<u>39</u>	<u>14,454,807</u>	<u>40</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 25)				
Share capital				
Ordinary shares	7,902,474	22	7,747,805	21
Capital surplus	1,318,181	3	1,238,426	3
Retained earnings				
Legal reserve	2,571,235	7	2,571,235	7
Special reserve	2,257,048	6	2,257,996	6
Unappropriated earnings	5,430,295	15	5,737,233	16
Total retained earnings	<u>10,258,578</u>	<u>28</u>	<u>10,566,464</u>	<u>29</u>
Other equity	3,280,168	9	2,811,250	8
Treasury shares	(1,077,950)	(3)	(1,077,950)	(3)
Total equity attributable to owners of the Company	21,681,451	59	21,285,995	58
NON-CONTROLLING INTERESTS (Note 25)	<u>737,107</u>	<u>2</u>	<u>713,432</u>	<u>2</u>
Total equity	<u>22,418,558</u>	<u>61</u>	<u>21,999,427</u>	<u>60</u>
TOTAL	<u>\$ 36,464,334</u>	<u>100</u>	<u>\$ 36,454,234</u>	<u>100</u>

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

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 26 and 34)	\$ 2,911,583	100	\$ 2,253,659	100
OPERATING COSTS (Notes 13, 27 and 34)	<u>(2,545,152)</u>	<u>(87)</u>	<u>(2,121,073)</u>	<u>(94)</u>
GROSS PROFIT	<u>366,431</u>	<u>13</u>	<u>132,586</u>	<u>6</u>
OPERATING EXPENSES (Notes 10, 27 and 34)				
Selling and marketing expenses	(43,836)	(2)	(42,016)	(2)
General and administrative expenses	(469,151)	(16)	(485,687)	(22)
Expected credit loss	<u>(968)</u>	<u>-</u>	<u>(253)</u>	<u>-</u>
Total operating expenses	<u>(513,955)</u>	<u>(18)</u>	<u>(527,956)</u>	<u>(24)</u>
LOSS FROM OPERATIONS	<u>(147,524)</u>	<u>(5)</u>	<u>(395,370)</u>	<u>(18)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 15 and 27)				
Interest income	161,666	5	76,114	3
Other income	279,095	10	445,728	20
Other gains and losses	(145,274)	(5)	(218,231)	(10)
Finance costs	(203,719)	(7)	(169,438)	(7)
Share of profit or loss of associates and joint ventures	<u>138,523</u>	<u>5</u>	<u>139,895</u>	<u>6</u>
Total non-operating income and expenses	<u>230,291</u>	<u>8</u>	<u>274,068</u>	<u>12</u>
PROFIT (LOSS) BEFORE INCOME TAX FROM CONTINUING OPERATIONS	82,767	3	(121,302)	(6)
INCOME TAX BENEFIT (EXPENSE) (Notes 4 and 28)	<u>13,271</u>	<u>-</u>	<u>(52,584)</u>	<u>(2)</u>
NET PROFIT (LOSS) FOR THE YEAR	<u>96,038</u>	<u>3</u>	<u>(173,886)</u>	<u>(8)</u>
OTHER COMPREHENSIVE INCOME (Notes 4, 25 and 28)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(2,805)	-	13,484	1
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	483,881	17	(3,355,102)	(149)

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CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	\$ 22,883	1	\$ (93,915)	(4)
Income tax related to items that will not be reclassified subsequently to profit or loss	<u>561</u>	<u>-</u>	<u>(2,696)</u>	<u>-</u>
	<u>504,520</u>	<u>18</u>	<u>(3,438,229)</u>	<u>(152)</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(38,897)	(1)	199,110	9
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	3,395	-	6,412	-
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>12,632</u>	<u>-</u>	<u>(44,016)</u>	<u>(2)</u>
	<u>(22,870)</u>	<u>(1)</u>	<u>161,506</u>	<u>7</u>
Other comprehensive income (loss) for the year, net of income tax	<u>481,650</u>	<u>17</u>	<u>(3,276,723)</u>	<u>(145)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	<u>\$ 577,688</u>	<u>20</u>	<u>\$ (3,450,609)</u>	<u>(153)</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 81,082	3	\$ (180,762)	(8)
Non-controlling interests	<u>14,956</u>	<u>-</u>	<u>6,876</u>	<u>-</u>
	<u>\$ 96,038</u>	<u>3</u>	<u>\$ (173,886)</u>	<u>(8)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 547,705	19	\$ (3,335,828)	(148)
Non-controlling interests	<u>29,983</u>	<u>1</u>	<u>(114,781)</u>	<u>(5)</u>
	<u>\$ 577,688</u>	<u>20</u>	<u>\$ (3,450,609)</u>	<u>(153)</u>
EARNINGS (LOSS) PER SHARE (Note 29)				
From continuing operations				
Basic	<u>\$ 0.12</u>		<u>\$ (0.27)</u>	
Diluted	<u>\$ 0.12</u>		<u>\$ (0.27)</u>	

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

(Concluded)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)**

	Share Capital	Capital Surplus	Retained Earnings			Other Equity		Treasury Shares	Total	Non-controlling Interests	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating 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 distributed by the Company	-	-	-	-	(502,675)	-	-	-	(502,675)	-	(502,675)
Changes in equity of associates and joint ventures accounted for using the equity method (Note 25)	-	26,158	-	-	-	-	-	-	26,158	-	26,158
Unclaimed dividends extinguished by prescription (Note 25)	-	795	-	-	-	-	-	-	795	29	824
Net (loss) profit for the year ended December 31, 2022	-	-	-	-	(180,762)	-	-	-	(180,762)	6,876	(173,886)
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	12,802	151,514	(3,319,382)	-	(3,155,066)	(121,657)	(3,276,723)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	(167,960)	151,514	(3,319,382)	-	(3,335,828)	(114,781)	(3,450,609)
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, DECEMBER 31, 2022	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)	-	42,859	-	-	-	-	-	-	42,859	-	42,859
Unclaimed dividends extinguished by prescription (Note 25)	-	3,583	-	-	-	-	-	-	3,583	116	3,699
Net profit for the year ended December 31, 2023	-	-	-	-	81,082	-	-	-	81,082	14,956	96,038
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	(2,295)	(21,670)	490,588	-	466,623	15,027	481,650
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	78,787	(21,670)	490,588	-	547,705	29,983	577,688
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, DECEMBER 31, 2023	\$ 7,902,474	\$ 1,318,181	\$ 2,571,235	\$ 2,257,048	\$ 5,430,295	\$ (670,392)	\$ 3,950,560	\$ (1,077,950)	\$ 21,681,451	\$ 737,107	\$ 22,418,558

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

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	\$ 82,767	\$ (121,302)
Adjustments for:		
Depreciation expenses	456,039	494,834
Amortization expenses	2,718	2,605
Expected credit loss	968	253
Net loss on fair value changes of financial assets at fair value through profit or loss	6,520	264,762
Finance costs	203,719	169,438
Interest income	(161,666)	(76,114)
Dividend income	(218,496)	(352,303)
Share of profit of associates and joint ventures	(138,523)	(139,895)
(Gain) loss on disposal of property, plant and equipment	(4)	19,623
Gain on lease modification	(5)	(5,469)
Impairment loss recognized on non-financial assets	36,554	38,780
Realized gain on deferred revenue	(9,111)	(12,387)
Net loss (gain) on foreign currency exchange	73,162	(71,069)
Changes in operating assets and liabilities:		
Financial assets mandatorily classified as at fair value through profit or loss	(127,098)	(153,417)
Notes receivable from unrelated parties	(58,655)	(4,296)
Trade receivables from unrelated parties	(52,399)	(30,865)
Trade receivables from related parties	(4,023)	5,988
Other receivables from unrelated parties	2,352	6,349
Inventories	65,813	(112,168)
Prepayments	(7,902)	(7,140)
Other current assets	1,475	(1,548)
Contract liabilities	14,110	4,186
Notes payable to unrelated parties	1,430	(1,444)
Trade payables to unrelated parties	9,730	(31,064)
Trade payables to related parties	27,726	(40,781)
Other payables to unrelated parties	23,585	(54,795)
Other payables to related parties	-	(72)
Advanced receipts	(3,388)	(2,394)
Other current liabilities	(1,771)	3,854
Net defined benefit liability	(375)	(261)
Cash generated (used in) from operations	225,252	(208,112)
Interest paid	(180,548)	(144,019)
Income tax paid	(119,707)	(39,706)
Net cash used in operating activities	<u>(75,003)</u>	<u>(391,837)</u>

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CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ -	\$ (91,485)
Purchase of financial assets at amortized cost (Note 9)	(2,300,494)	(2,659)
Proceeds from sale of financial assets at amortized cost	8,373	1,012,087
Purchase of associates accounted for using the equity method	(54,270)	(48,698)
Payments for property, plant and equipment	(42,189)	(39,616)
Proceeds from and payments for disposal of property, plant and equipment	102	(14,696)
Increase in refundable deposits paid	(17,646)	-
Decrease in refundable deposits paid	-	2,284
(Increase) decrease in other receivables from related parties	(147)	249
Payments for intangible assets	(200)	(1,968)
Payments for investment properties	(78,168)	(82,477)
Decrease in finance lease receivables	2,916	2,852
Decrease in other non-current assets	339	2,724
Increase in prepayments for equipment	(9,400)	(1,196)
Interest received	148,435	60,808
Dividends received	<u>252,495</u>	<u>390,054</u>
Net cash (used in) generated from investing activities	<u>(2,089,854)</u>	<u>1,188,263</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayments of) proceeds from short-term borrowings	(310,486)	757,900
Proceeds from (repayments of) short-term bills payable	617,000	(7,000)
Proceeds from long-term loans	667,460	1,683,707
Repayments of long-term loans	(870,774)	(2,067,665)
Proceeds of guarantee deposits received	11,207	1,830
Repayments of the principal portion of lease liabilities	(104,869)	(109,949)
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>3,699</u>	<u>824</u>
Net cash used in financing activities	<u>(191,755)</u>	<u>(226,451)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(52,445)</u>	<u>208,074</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(2,409,057)	778,049
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>4,463,396</u>	<u>3,685,347</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 2,054,339</u>	<u>\$ 4,463,396</u>

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

(Concluded)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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 December 31, 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 February 27, 2024.

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 “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Except for the following, the initial application of the IFRS Accounting Standards 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

	December 31, 2023
Increase in deferred tax assets	\$ <u>39,595</u>
Increase in assets	\$ <u>39,595</u>
Increase in deferred tax liabilities	\$ <u>36,596</u>
Increase in liabilities	\$ <u>36,596</u>
Increase in retained earnings	\$ 3,060
Decrease in other equity	<u>(61)</u>
Increase in equity	\$ <u>2,999</u>

Impact on total comprehensive income for the current year

	For the Year Ended December 31, 2023
Increase in income tax benefit	\$ <u>3,060</u>
Increase in net profit for the year	<u>3,060</u>
Items that may be reclassified subsequently to profit or loss:	
Decrease in exchange differences on translation of the financial statements of foreign operations	<u>(61)</u>
Increase in total comprehensive income for the year, net of income tax	\$ <u>2,999</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

	As Originally Stated	Adjustments Arising from Initial Application	Restated
<u>December 31, 2022</u>			
Deferred tax assets	\$ <u>268,635</u>	\$ <u>41,920</u>	\$ <u>310,555</u>
Total effect on assets	\$ <u>268,635</u>	\$ <u>41,920</u>	\$ <u>310,555</u>
Deferred tax liabilities	\$ <u>1,594,249</u>	\$ <u>41,920</u>	\$ <u>1,636,169</u>
Total effect on liabilities	\$ <u>1,594,249</u>	\$ <u>41,920</u>	\$ <u>1,636,169</u>

(Continued)

	As Originally Stated	Adjustments Arising from Initial Application	Restated
<u>January 1, 2022</u>			
Deferred tax assets	\$ 333,077	\$ 43,070	\$ 376,147
Total effect on assets	<u>\$ 333,077</u>	<u>\$ 43,070</u>	<u>\$ 376,147</u>
Deferred tax liabilities	\$ 1,583,897	\$ 43,070	\$ 1,626,967
Total effect on liabilities	<u>\$ 1,583,897</u>	<u>\$ 43,070</u>	<u>\$ 1,626,967</u> (Concluded)

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
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 IFRS Accounting Standards will be 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 the 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 IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
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 IFRS Accounting Standards 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 the 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

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities (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. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period, and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;

- 2) Liabilities due to be settled within 12 months after the reporting period; even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- 3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

d. Basis of consolidation

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

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

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

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

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

e. Foreign currencies

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

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

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

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

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

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

In partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the non-controlling interests of the subsidiary and is included in the calculation of equity transactions but is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

f. Inventories

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

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

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

g. Investments in associates

An associate is an entity over which the Group has significant influence and is neither a subsidiary.

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

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

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

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

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

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

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

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

h. Property, plant and equipment

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

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

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

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

i. Investment properties

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

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

Depreciation is recognized using the straight-line method.

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

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

j. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

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

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

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

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

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

1. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, and any dividends, interest earned are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 33.

ii. Financial assets at amortized cost

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

- i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

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

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

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

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

- i. Internal or external information shows that the debtor is unlikely to pay its creditors.
- ii. Financial asset is more than 365 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

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

c) Derecognition of financial assets

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

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

2) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

m. Revenue recognition

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

1) Revenue from the sale of goods

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

2) Revenue from the rendering of services

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

n. Leases

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

1) The Group as lessor

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

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

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

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

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

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

2) The Group as lessee

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

Right-of-use assets are initially measured at cost, which comprise the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated

depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

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

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

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

The Group negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2022, that results in the revised consideration for the lease substantially less than the consideration for the lease immediately preceding the change. There is no substantive change to other terms and conditions. The Group elects to apply the practical expedient to all of these rent concessions and, therefore, does not assess whether the rent concessions are lease modifications. Instead, the Group recognizes the reduction in lease payment in profit or loss as other operating income and expenses, and makes a corresponding adjustment to the lease liability.

o. Borrowing costs

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

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

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

p. Government grants

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

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

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

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

q. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

r. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

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

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

probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

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

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

3) Current and deferred taxes for the year

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

4) The linked-tax system

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

5. 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 considers the possible impact of the economic environment implications on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Key Sources of Estimation Uncertainty

Impairment of property, plant and equipment, investment property, and right-of-use asset

Impairment of equipment property, plant and equipment, investment property, and right-of-use asset is including evaluated based on the recoverable amount of assets, which is the higher of its fair value less costs of disposal and its value in use. Any changes in the market prices, future cash flows or discount rates will affect the recoverable amount of the assets and may lead to the recognition of additional impairment losses or the reversal of impairment losses.

6. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	2023	2022
Cash on hand	\$ 4,686	\$ 3,869
Checking accounts and demand deposits	1,227,793	1,228,193
Cash equivalents		
Commercial paper	144,379	170,730
Time deposits with original maturities of 3 months or less	<u>677,481</u>	<u>3,060,604</u>
	<u>\$ 2,054,339</u>	<u>\$ 4,463,396</u>

The market rate intervals of commercial papers and cash in the bank at the end of the year were as follows:

	<u>December 31</u>	
	2023	2022
Commercial papers	1.05%-1.20%	0.82%-0.95%
Cash in the bank	0.001%-5.30%	0.001%-4.60%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31</u>	
	2023	2022
<u>Financial assets mandatorily classified as at fair value through profit or loss (FVTPL) - current</u>		
Domestic listed shares	\$ 817,713	\$ 789,557
Overseas listed shares	139,505	39,077
Overseas mutual funds - beneficiary certificates	448,592	488,849
Domestic convertible bonds	<u>29,922</u>	<u>-</u>
	<u>\$ 1,435,732</u>	<u>\$ 1,317,483</u>

As of December 31, 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 \$817,710 thousand and \$11,607,801 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

	<u>December 31</u>	
	2023	2022
<u>Investments in equity instruments - current</u>		
Domestic investments		
Listed shares and emerging market shares	<u>\$ 2,478,000</u>	<u>\$ 2,347,407</u>

(Continued)

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Investments in equity instruments - non-current</u>		
Domestic investments		
Listed shares and emerging market shares	\$ 9,389,961	\$ 9,066,633
Unlisted shares	<u>491,057</u>	<u>467,097</u>
	<u>\$ 9,881,018</u>	<u>\$ 9,533,730</u>
		(Concluded)

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

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Current</u>		
Time deposits with original maturities of more than 3 months	<u>\$ 3,945,242</u>	<u>\$ 1,689,701</u>
<u>Non-current</u>		
Restricted deposits	<u>\$ 19,175</u>	<u>\$ 27,428</u>
<u>Interest rate range</u>		
Time deposits with original maturities of more than 3 months	0.03%-5.52%	0.05%-5.00%
Restricted deposits	0.60%-1.58%	0.42%-1.44%

- 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 initial recognition to the reporting date as well as to measure the expected credit losses. The credit rating information may be obtained from independent rating agencies where available and, if not available, the credit management committee uses other publicly available financial information to rate the debtors. In the consideration of an analysis of the debtor's current financial position and the forecasted direction of economic conditions in the industry, the Group forecasts both 12-month expected credit losses or lifetime expected credit losses of financial assets at amortized cost. As of December 31, 2023 and 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

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Notes receivable</u>		
At amortized cost		
Gross carrying amount	\$ 201,762	\$ 143,133
Less: Allowance for impairment loss	<u>(2,004)</u>	<u>(1,427)</u>
	<u>\$ 199,758</u>	<u>\$ 141,706</u>
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 159,089	\$ 109,430
Less: Allowance for impairment loss	<u>(887)</u>	<u>(511)</u>
	<u>\$ 158,202</u>	<u>\$ 108,919</u>
<u>Overdue receivables (Note)</u>		
At amortized cost		
Gross carrying amount	\$ 7,243	\$ 13,155
Less: Allowance for impairment loss	<u>(7,243)</u>	<u>(13,155)</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 year to ensure that adequate allowance is provided for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for notes receivable at an amount equal to lifetime expected credit losses (ECLs). The ECLs 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:

December 31, 2023

	Not Overdue	Overdue within 90 Days	Overdue 91-360 Days	Overdue 1 Year or More	Total
Expected credit loss rate	0.78%	0%	-	100%	
Gross carrying amount	\$ 369,714	\$ 36	\$ -	\$ 7,243	\$ 376,993
Loss allowance (Lifetime ECLs)	<u>(2,891)</u>	<u>-</u>	<u>-</u>	<u>(7,243)</u>	<u>(10,134)</u>
Amortized cost	<u>\$ 366,823</u>	<u>\$ 36</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 366,859</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>

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

	<u>For the Year Ended December 31</u>	
	2023	2022
Balance at January 1	\$ 15,093	\$ 14,638
Add: Net remeasurement of loss allowance	968	253
Less: Amounts written off	(5,807)	-
Foreign exchange gains and losses	<u>(120)</u>	<u>202</u>
Balance at December 31	<u>\$ 10,134</u>	<u>\$ 15,093</u>

11. OTHER RECEIVABLES

	<u>December 31</u>	
	2023	2022
Interest receivable	\$ 35,424	\$ 22,422
VAT refund receivable	2,799	2,799
Others	10,380	14,269
Less: Allowance of impairment loss	<u>(792)</u>	<u>(1,911)</u>
	<u>\$ 47,811</u>	<u>\$ 37,579</u>

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

	<u>For the Year Ended December 31</u>	
	2023	2022
Balance at January 1	\$ 1,911	\$ 1,881
Less: Amounts written off	(1,109)	-
Foreign exchange gains and losses	<u>(10)</u>	<u>30</u>
Balance at December 31	<u>\$ 792</u>	<u>\$ 1,911</u>

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

December 31, 2023

	Not Overdue	Overdue within 90 Days	Overdue 91-360 Days	Overdue 1 Year or More	Total
Expected credit loss rate	0%	-	-	100%	
Gross carrying amount	\$ 47,811	\$ -	\$ -	\$ 792	\$ 48,603
Loss allowance (Lifetime ECLs)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(792)</u>	<u>(792)</u>
Amortized cost	<u>\$ 47,811</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,811</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%	-	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>

Other receivables were mainly interest receivable 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

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Undiscounted lease payments</u>		
Year 1	\$ 1,114	\$ 2,972
Year 2	<u>-</u>	<u>1,114</u>
	1,114	4,086
Less: Unearned finance income	<u>(3)</u>	<u>(59)</u>
Lease payments receivable	<u>1,111</u>	<u>4,027</u>
Net investment in leases presented as finance lease receivables	<u>\$ 1,111</u>	<u>\$ 4,027</u>

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Lease payments receivable</u>		
Not more than 1 year	\$ 1,111	\$ 2,916
More than 1 year but not more than 5 years	<u>-</u>	<u>1,111</u>
	<u>\$ 1,111</u>	<u>\$ 4,027</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 December 31, 2023 and 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 December 31, 2023 and 2022, no finance lease receivable 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

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Finished goods	\$ 91,956	\$ 159,315
Raw materials	336	266
Supplies	<u>2,015</u>	<u>911</u>
	94,307	160,492
Land held for construction	<u>3,166</u>	<u>3,166</u>
	<u>\$ 97,473</u>	<u>\$ 163,658</u>

The nature of the cost of goods sold is as follows:

	December 31	
	2023	2022
Cost of inventories sold	\$ 1,236,533	\$ 959,960
Inventory write-downs	<u>-</u>	<u>3,780</u>
	<u>\$ 1,236,533</u>	<u>\$ 963,740</u>

14. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		Remark
			2023	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	-
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	-
Chia Hsin Cement Corporation	Chia Pei International Corporation	Mining; wholesale of building materials; nonmetallic mining; retail sale of building materials; international trade; rental and leasing business; retail sale of other machinery and equipment	100.00	100.00	-
Chia Hsin Cement Corporation	Chia Hsin Pacific Limited	Holding company	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	-
Chia Hsin Cement Corporation	YJ International Corporation	Real estate rental and leasing; real estate management; realtor agent	100.00	100.00	-
Chia Hsin Cement Corporation	Jaho Life Plus+ Management Corp., Ltd.	Management consulting service	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	Exchange rate risk
YJ International Corporation	CHC Ryukyu COLLECTIVE KK	Hotel management	100.00	100.00	Exchange rate risk
Tong Yang Chia Hsin International Corporation	Tong Yang Chia Hsin Marine Corp.	Shipping service	100.00	100.00	Exchange rate risk
Tong Yang Chia Hsin International Corporation	Chia Hsin Pacific Limited	Holding company	24.18	24.18	Exchange rate risk
Tong Yang Chia Hsin Marine Corp.	Jiangsu Jiaguo Construction & Material Storage Co., Ltd. (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	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	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	-
Chia Hsin Property Management & Development Corporation	Chuang Neng Technology Co., Ltd. (Notes 5 and 6)	Energy technology service	100.00	100.00	-
Chia Hsin Pacific Limited	Effervesce Investment Pte. Ltd.	Investment and holding company	100.00	100.00	Exchange rate risk

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		Remark
			December 31 2023	December 31 2022	
Effervesce Investment Pte. Ltd.	Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Consulting for developing information system for business and finance purpose.	100.00	100.00	Exchange rate risk and political risk arising from cross-Straits relations
Effervesce Investment Pte. Ltd.	Shanghai Chia Hsin Ganghui Co., Ltd.	Warehousing and packing bulk cement and formulating and delivering high-strength cement	100.00	100.00	Exchange rate risk and political risk arising from cross-Straits relations
Effervesce Investment Pte. Ltd.	Shanghai Jia Huan Concrete Co., Ltd. (Note 7)	Processing, manufacturing and selling of cement and other related products	68.00	68.00	Exchange rate risk and political risk arising from cross-Straits relations
Chia Hsin Pacific Limited Sparksview Pte. Ltd.	Sparksview Pte. Ltd.	Investment and holding company	100.00	100.00	Exchange rate risk
	Shanghai Jia Huan Concrete Co., Ltd. (Note 7)	Processing, manufacturing and selling of cement and other related products	32.00	32.00	Exchange rate risk and political risk arising from cross-Straits relations
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. (Note 8)	Consulting for management of healthcare and hospitality business	100.00	100.00	Exchange rate risk and political risk arising from cross-Straits relations
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Chia Peng Gemcare Maternity (Yangzhou) Co., Ltd. (Note 9)	Maternity and infant health care; sales of mother & baby supplies; life & beauty services	100.00	100.00	Exchange rate risk and political risk arising from cross-Straits relations
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Chia Peng Gemcare Maternity (Suzhou) Co., Ltd. (Notes 10 and 11)	Maternity and infant health care; sales of mother & baby supplies; life & beauty services	-	-	Exchange rate risk and political risk arising from cross-Straits 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: On August 23, 2023, Chia Hsin Property Management & Development Corporation increased its investment in Chuang Neng Technology Co., Ltd. by \$17,500 thousand.
- Note 7: 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 8: 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 9: 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 10: 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 11: 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.

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

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

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests	
	December 31	
	2023	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 Year Ended December 31		December 31	
	2023	2022	2023	2022
Tong Yang Chia Hsin International Corporation	\$ 15,697	\$ 6,830	\$ 839,177	\$ 814,409

The summarized financial information below represents amounts before intragroup eliminations.

Tong Yang Chia Hsin International Corporation

	December 31	
	2023	2022
Current assets	\$ 1,822,281	\$ 1,763,722
Non-current assets	5,003,726	4,951,117
Current liabilities	(142,808)	(196,823)
Non-current liabilities	(139,121)	(167,114)
Equity	\$ 6,544,078	\$ 6,350,902

(Continued)

	December 31	
	2023	2022
Equity attributable to:		
Owners of the Group	\$ 5,704,901	\$ 5,536,493
Non-controlling interests of Tong Yang Chia Hsin International Corporation	<u>839,177</u>	<u>814,409</u>
	<u>\$ 6,544,078</u>	<u>\$ 6,350,902</u> (Concluded)
	For the Year Ended December 31	
	2023	2022
Operating revenue	<u>\$ 113,098</u>	<u>\$ 106,592</u>
Net profit for the year	\$ 122,438	\$ 53,275
Other comprehensive income (loss)	<u>378,652</u>	<u>(1,401,822)</u>
Total comprehensive income (loss) for the year	<u>\$ 501,090</u>	<u>\$ (1,348,547)</u>
Profit attributable to:		
Owners of the Group	\$ 106,741	\$ 46,445
Non-controlling interests of Tong Yang Chia Hsin International Corporation	<u>15,697</u>	<u>6,830</u>
	<u>\$ 122,438</u>	<u>\$ 53,275</u>
Total comprehensive income (loss) attributable to:		
Owners of the Group	\$ 436,850	\$ (1,175,663)
Non-controlling interests of Tong Yang Chia Hsin International Corporation	<u>64,240</u>	<u>(172,884)</u>
	<u>\$ 501,090</u>	<u>\$ (1,348,547)</u>
Net cash inflow (outflow) from:		
Operating activities	\$ 19,934	\$ 62,265
Investing activities	96,597	189,411
Financing activities	<u>(119,209)</u>	<u>(314,307)</u>
Net cash outflow	<u>\$ (2,678)</u>	<u>\$ (62,631)</u>

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

a. Investments in associates

	December 31	
	2023	2022
Material associates		
LDC ROME HOTELS S.R.L.	\$ 417,997	\$ 337,024
L'Hotel De Chine Corporation	1,325,570	1,219,545
Chia Hsin Construction & Development Corp.	1,806,338	1,747,897
Associates that are not individually material	<u>237,539</u>	<u>235,792</u>
	<u>\$ 3,787,444</u>	<u>\$ 3,540,258</u>

1) Material associates

	Proportion of Ownership and Voting Rights	
	December 31	
	2023	2022
LDC ROME HOTELS S.R.L.	40.00%	40.00%
Chia Hsin Construction & Development Corp.	46.18%	46.18%
L'Hotel De Chine Corporation	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 IFRS Accounting Standards adjusted by the Group for equity accounting purposes.

LDC ROME HOTELS S.R.L.

	December 31	
	2023	2022
Current assets	\$ 505,775	\$ 391,523
Non-current assets	1,551,878	1,541,023
Current liabilities	(267,957)	(178,392)
Non-current liabilities	<u>(744,704)</u>	<u>(911,593)</u>
Equity	<u>\$ 1,044,992</u>	<u>\$ 842,561</u>
Proportion of the Group’s ownership	40.00%	40.00%
Equity attributable to the Group	<u>\$ 417,997</u>	<u>\$ 337,024</u>
Carrying amount	<u>\$ 417,997</u>	<u>\$ 337,024</u>

	For the Year Ended December 31	
	2023	2022
Operating revenue	\$ <u>774,782</u>	\$ <u>525,601</u>
Net profit (loss) for the year	\$ 33,783	\$ (41,651)
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income (loss) for the year	\$ <u>33,783</u>	\$ <u>(41,651)</u>

On June 26, 2023, December 8, 2023 and September 28, 2022, the Group increased its investment in LDC ROME HOTELS S.R.L. by EUR800 thousand, EUR800 thousand and EUR1,600 thousand (equivalent to \$27,056 thousand, \$27,214 thousand and \$48,698 thousand), respectively.

Chia Hsin Construction & Development Corp.

	December 31	
	2023	2022
Current assets	\$ 1,771,361	\$ 1,618,320
Non-current assets	2,410,323	2,342,794
Current liabilities	(284,103)	(191,670)
Non-current liabilities	<u>(13,046)</u>	<u>(11,458)</u>
Equity	\$ <u>3,884,535</u>	\$ <u>3,757,986</u>
Proportion of the Group's ownership	46.18%	46.18%
Equity attributable to the Group	\$ 1,793,882	\$ 1,735,441
Premium representing the difference between fair value and carrying amount of remaining equity investments	<u>12,456</u>	<u>12,456</u>
Carrying amount	\$ <u>1,806,338</u>	\$ <u>1,747,897</u>

	For the Year Ended December 31	
	2023	2022
Operating revenue	\$ <u>104,068</u>	\$ <u>242,321</u>
Net profit for the year	\$ 67,952	\$ 4,490
Other comprehensive income (loss)	<u>57,971</u>	<u>(197,707)</u>
Total comprehensive income (loss) for the year	\$ <u>125,923</u>	\$ <u>(193,217)</u>
Dividends received from Chia Hsin Construction & Development Corp.	<u>\$ -</u>	<u>\$ 37,751</u>

L'Hotel De Chine Corporation

	December 31	
	2023	2022
Current assets	\$ 576,846	\$ 642,150
Non-current assets	7,530,975	6,455,691
Current liabilities	(1,550,084)	(539,850)
Non-current liabilities	<u>(819,318)</u>	<u>(1,278,575)</u>
Equity	<u>\$ 5,738,419</u>	<u>\$ 5,279,416</u>
Proportion of the Group's ownership	23.10%	23.10%
Equity attributable to the Group	<u>\$ 1,325,570</u>	<u>\$ 1,219,545</u>
Carrying amount	<u>\$ 1,325,570</u>	<u>\$ 1,219,545</u>
	For the Year Ended December 31	
	2023	2022
Operating revenue	<u>\$ 1,024,386</u>	<u>\$ 1,051,051</u>
Net profit for the year	\$ 349,561	\$ 624,310
Other comprehensive income	<u>14,934</u>	<u>22,165</u>
Total comprehensive income for the year	<u>\$ 364,495</u>	<u>\$ 646,475</u>
Dividends received from L'Hotel De Chine Corporation	<u>\$ 33,999</u>	<u>\$ -</u>

2) Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2023	2022
The Group's share of:		
Loss from continuing operations	\$ (129)	\$ (5,136)
Other comprehensive loss	<u>(4,125)</u>	<u>(2,483)</u>
Total comprehensive loss for the year	<u>\$ (4,254)</u>	<u>\$ (7,619)</u>

- b. The investment in associates accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2023 and 2022 were based on the associates' financial statements which have been audited for the same years.

16. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2023	2022
Assets used by the Group	\$ 4,189,948	\$ 4,784,817
Assets leased under operating leases	<u>60,062</u>	<u>63,616</u>
	<u>\$ 4,250,010</u>	<u>\$ 4,848,433</u>

a. Assets used by the Group

	Land	Building	Machinery and Equipment	Transportation Equipment	Leasehold Improvement	Other Equipment	Property under Construction	Total
Cost								
Balance at January 1, 2022	\$ 913,842	\$ 3,192,852	\$ 791,304	\$ 17,094	\$ 2,873,727	\$ 628,619	\$ 86,208	\$ 8,503,646
Additions	-	20	20,028	1,431	32,563	14,179	6,774	74,995
Disposals	-	-	(41,335)	(1,103)	(1,647)	(5,598)	-	(49,683)
Reclassified from property under construction	-	-	-	-	93,459	505	(93,964)	-
Reclassified from prepayments	-	-	16,089	-	-	-	-	16,089
Effect of foreign currency exchange differences	(30,621)	(107,639)	(4,664)	199	(1,648)	(11,848)	1,865	(154,356)
Balance at December 31, 2022	<u>\$ 883,221</u>	<u>\$ 3,085,233</u>	<u>\$ 781,422</u>	<u>\$ 17,621</u>	<u>\$ 2,996,454</u>	<u>\$ 625,857</u>	<u>\$ 883</u>	<u>\$ 8,390,691</u>
Revaluation								
Balance at January 1, 2022	\$ -	\$ -	\$ 15,806	\$ -	\$ -	\$ 230	\$ -	\$ 16,036
Disposals	-	-	(15,806)	-	-	-	-	(15,806)
Effect of foreign currency exchange differences	-	-	-	-	-	-	-	-
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 230</u>	<u>\$ -</u>	<u>\$ 230</u>
Accumulated depreciation								
Balance at January 1, 2022	\$ -	\$ 259,129	\$ 591,590	\$ 12,178	\$ 1,877,105	\$ 338,023	\$ -	\$ 3,078,025
Depreciation expenses	-	118,236	29,403	1,350	116,626	92,443	-	358,058
Disposals	-	-	(57,141)	(1,053)	(302)	(2,529)	-	(61,025)
Effect of foreign currency exchange differences	-	(6,542)	(132)	159	(389)	(3,454)	-	(10,358)
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 370,823</u>	<u>\$ 563,720</u>	<u>\$ 12,634</u>	<u>\$ 1,993,040</u>	<u>\$ 424,483</u>	<u>\$ -</u>	<u>\$ 3,364,700</u>
Accumulated impairment								
Balance at January 1, 2022	\$ -	\$ -	\$ 55,939	\$ -	\$ 169,275	\$ -	\$ -	\$ 225,214
Impairment losses	-	-	-	-	16,000	-	-	16,000
Effect of foreign currency exchange differences	-	-	140	-	50	-	-	190
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,079</u>	<u>\$ -</u>	<u>\$ 185,325</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 241,404</u>
Carrying amount at December 31, 2022	<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>
Cost								
Balance at January 1, 2023	\$ 883,221	\$ 3,085,233	\$ 781,422	\$ 17,621	\$ 2,996,454	\$ 625,857	\$ 883	\$ 8,390,691
Additions	-	227	2,360	-	1,698	8,923	-	13,208
Disposals	-	-	(2,031)	(440)	-	(41,537)	-	(44,008)
Reclassified from property under construction	-	-	-	-	883	-	(883)	-
Reclassified from prepayments	-	-	-	-	-	111	-	111
Effect of foreign currency exchange differences	(57,461)	(202,008)	(11,657)	(40)	(2,768)	(22,368)	-	(296,302)
Balance at December 31, 2023	<u>\$ 825,760</u>	<u>\$ 2,883,452</u>	<u>\$ 770,094</u>	<u>\$ 17,141</u>	<u>\$ 2,996,267</u>	<u>\$ 570,986</u>	<u>\$ -</u>	<u>\$ 8,063,700</u>
Revaluation								
Balance at January 1, 2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 230	\$ -	\$ 230
Disposals	-	-	-	-	-	-	-	-
Effect of foreign currency exchange differences	-	-	-	-	-	-	-	-
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 230</u>	<u>\$ -</u>	<u>\$ 230</u>
Accumulated depreciation								
Balance at January 1, 2023	\$ -	\$ 370,823	\$ 563,720	\$ 12,634	\$ 1,993,040	\$ 424,483	\$ -	\$ 3,364,700
Depreciation expenses	-	116,321	30,910	793	114,531	68,864	-	331,419
Disposals	-	-	(2,031)	(440)	-	(41,439)	-	(43,910)
Effect of foreign currency exchange differences	-	(27,281)	(4,691)	2	(585)	(14,808)	-	(47,363)
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 459,863</u>	<u>\$ 587,908</u>	<u>\$ 12,989</u>	<u>\$ 2,106,986</u>	<u>\$ 437,100</u>	<u>\$ -</u>	<u>\$ 3,604,846</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
Impairment losses	-	-	-	-	28,196	-	-	28,196
Effect of foreign currency exchange differences	-	-	(153)	-	(311)	-	-	(464)
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,926</u>	<u>\$ -</u>	<u>\$ 213,210</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 269,136</u>
Carrying amount at December 31, 2023	<u>\$ 825,760</u>	<u>\$ 2,423,589</u>	<u>\$ 126,260</u>	<u>\$ 4,152</u>	<u>\$ 676,071</u>	<u>\$ 134,116</u>	<u>\$ -</u>	<u>\$ 4,189,948</u>

(Concluded)

Due to intense competition in the healthcare industry, a declining fertility rate and the difficulty of business expansion, future cash flows were expected to decrease, resulting in the recoverable amount being less than the carrying amount. Therefore, the Group recognized \$28,196 thousand and \$16,000 thousand of impairment losses on leasehold improvements in 2023 and 2022, respectively. The Group determined the recoverable amounts of the relevant assets on the basis of their value in use. The discount rates used in measuring the value in use were 4.9867%-7.3742% and 7.9838% per annum, respectively.

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	(4,232)	-	(398)	(4,630)
Effect of foreign currency exchange differences	<u>3,753</u>	<u>1,288</u>	<u>46</u>	<u>5,087</u>
Balance at December 31, 2022	<u>\$ 237,830</u>	<u>\$ 83,643</u>	<u>\$ 2,412</u>	<u>\$ 323,885</u>

(Continued)

	Machinery and Equipment	Leasehold Improvement	Other Equipment	Total
<u>Accumulated depreciation</u>				
Balance at January 1, 2022	\$ 206,306	\$ 41,225	\$ 2,463	\$ 249,994
Depreciation expenses	1,138	1,472	13	2,623
Disposals	(3,809)	-	(358)	(4,167)
Effect of foreign currency exchange differences	<u>3,245</u>	<u>636</u>	<u>41</u>	<u>3,922</u>
Balance at December 31, 2022	<u>\$ 206,880</u>	<u>\$ 43,333</u>	<u>\$ 2,159</u>	<u>\$ 252,372</u>
<u>Accumulated impairment</u>				
Balance at January 1, 2022	\$ -	\$ 7,775	\$ -	\$ 7,775
Effect of foreign currency exchange differences	<u>-</u>	<u>122</u>	<u>-</u>	<u>122</u>
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 7,897</u>	<u>\$ -</u>	<u>\$ 7,897</u>
Carrying amount at December 31, 2022	<u>\$ 30,950</u>	<u>\$ 32,413</u>	<u>\$ 253</u>	<u>\$ 63,616</u>
<u>Cost</u>				
Balance at January 1, 2023	\$ 237,830	\$ 83,643	\$ 2,412	\$ 323,885
Additions	-	-	99	99
Effect of foreign currency exchange differences	<u>(4,004)</u>	<u>(1,409)</u>	<u>(43)</u>	<u>(5,456)</u>
Balance at December 31, 2023	<u>\$ 233,826</u>	<u>\$ 82,234</u>	<u>\$ 2,468</u>	<u>\$ 318,528</u>
<u>Accumulated depreciation</u>				
Balance at January 1, 2023	\$ 206,880	\$ 43,333	\$ 2,159	\$ 252,372
Depreciation expenses	1,136	1,468	28	2,632
Effect of foreign currency exchange differences	<u>(3,506)</u>	<u>(759)</u>	<u>(37)</u>	<u>(4,302)</u>
Balance at December 31, 2023	<u>\$ 204,510</u>	<u>\$ 44,042</u>	<u>\$ 2,150</u>	<u>\$ 250,702</u>
<u>Accumulated impairment</u>				
Balance at January 1, 2023	\$ -	\$ 7,897	\$ -	\$ 7,897
Effect of foreign currency exchange differences	<u>-</u>	<u>(133)</u>	<u>-</u>	<u>(133)</u>
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 7,764</u>	<u>\$ -</u>	<u>\$ 7,764</u>
Carrying amount at December 31, 2023	<u>\$ 29,316</u>	<u>\$ 30,428</u>	<u>\$ 318</u>	<u>\$ 60,062</u>

(Concluded)

Operating leases relate to the lease of machinery and equipment, leasehold improvement and other equipment in the Port of Longwu, Shanghai, with lease terms from 2019 to 2023 and continuing to lease for an additional 5 years until 2028. 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 expiration of the lease periods.

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

	December 31	
	2023	2022
Year 1	\$ 31,178	\$ 30,012
Year 2	31,270	-
Year 3	31,367	-
Year 4	31,469	-
Year 5	<u>31,576</u>	<u>-</u>
	<u>\$ 156,860</u>	<u>\$ 30,012</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

	December 31	
	2023	2022
<u>Carrying amount</u>		
Land	\$ 503,999	\$ 535,221
Land improvement	695,547	812,545
Building	140,631	196,159
Transportation equipment	<u>189</u>	<u>1,169</u>
	<u>\$ 1,340,366</u>	<u>\$ 1,545,094</u>

	For the Year Ended December 31	
	2023	2022
Additions to right-of-use assets	\$ <u>2,977</u>	\$ <u>12,179</u>
Depreciation charge for right-of-use assets		
Land	\$ 25,966	\$ 26,038
Land improvement	37,692	37,761
Building	49,355	60,628
Machinery and equipment	-	57
Transportation equipment	<u>962</u>	<u>1,290</u>
	<u>\$ 113,975</u>	<u>\$ 125,774</u>

- 1) Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease of right-of-use assets during the years ended December 31, 2023 and 2022.
- 2) 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 in 2023 and 2022, respectively.
- 3) Due to intense competition in the healthcare industry, a declining fertility rate and the difficulty of business expansion, future cash flows were expected to decrease, resulting in the recoverable amount being less than the carrying amount. Therefore, the Group recognized \$8,358 thousand and \$19,000 thousand of impairment losses on buildings under right-of-use assets in 2023 and 2022, respectively. The Group determined the recoverable amounts of the relevant assets on the basis of their value in use. The discount rates used in measuring the value in use was 4.9867% and 7.9838% per annum, respectively.

b. Lease liabilities

	December 31	
	2023	2022
<u>Carrying amount</u>		
Current	\$ <u>112,628</u>	\$ <u>139,172</u>
Non-current	\$ <u>1,353,352</u>	\$ <u>1,514,484</u>

Ranges of discount rates for lease liabilities were as follows:

	December 31	
	2023	2022
Land	1.38%-5.46%	1.38%-5.46%
Land improvement	1.38%-1.58%	1.38%-1.58%
Building	1.30%-4.99%	1.30%-4.99%
Transportation equipment	2.00%-6.12%	2.00%-6.12%

c. Material lease activities and terms as lessee

1) Warehousing and storage service at the wharves

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

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

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

Joint Operating Agreement

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

2) Healthcare business

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

d. Other lease information

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

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases	<u>\$ 4,646</u>	<u>\$ 5,029</u>
Expenses relating to low-value asset leases	<u>\$ 1,419</u>	<u>\$ 1,007</u>
Total cash outflow for leases	<u>\$ (141,435)</u>	<u>\$ (150,136)</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	-	-	88,160	88,160
Effect of foreign currency exchange differences	<u>(12,043)</u>	<u>990</u>	<u>(4,205)</u>	<u>(15,258)</u>
Balance at December 31, 2022	<u>\$ 2,151,316</u>	<u>\$ 297,530</u>	<u>\$ 266,488</u>	<u>\$ 2,715,334</u>
<u>Revaluation</u>				
Balance at January 1, 2022	\$ 3,691,636	\$ 151,010	\$ -	\$ 3,842,646
Balance at December 31, 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	-	8,379	-	8,379
Effect of foreign currency exchange differences	<u>-</u>	<u>425</u>	<u>-</u>	<u>425</u>
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 351,877</u>	<u>\$ -</u>	<u>\$ 351,877</u>

(Continued)

	Land	Building	Investment Property under Construction	Total
<u>Accumulated impairment</u>				
Balance at January 1, 2022	\$ -	\$ 11,588	\$ -	\$ 11,588
Effect of foreign currency exchange differences	<u>-</u>	<u>181</u>	<u>-</u>	<u>181</u>
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 11,769</u>	<u>\$ -</u>	<u>\$ 11,769</u>
Carrying amount at December 31, 2022	<u>\$ 5,842,952</u>	<u>\$ 84,894</u>	<u>\$ 266,488</u>	<u>\$ 6,194,334</u>
<u>Cost</u>				
Balance at January 1, 2023	\$ 2,151,316	\$ 297,530	\$ 266,488	\$ 2,715,334
Additions	-	-	78,407	78,407
Disposals	-	(2,495)	-	(2,495)
Effect of foreign currency exchange differences	<u>(22,601)</u>	<u>(1,082)</u>	<u>(18,392)</u>	<u>(42,075)</u>
Balance at December 31, 2023	<u>\$ 2,128,715</u>	<u>\$ 293,953</u>	<u>\$ 326,503</u>	<u>\$ 2,749,171</u>
<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 December 31, 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	-	8,013	-	8,013
Disposals	-	(3,780)	-	(3,780)
Effect of foreign currency exchange differences	<u>-</u>	<u>(529)</u>	<u>-</u>	<u>(529)</u>
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 355,581</u>	<u>\$ -</u>	<u>\$ 355,581</u>
<u>Accumulated impairment</u>				
Balance at January 1, 2023	\$ -	\$ 11,769	\$ -	\$ 11,769
Effect of foreign currency exchange differences	<u>-</u>	<u>(198)</u>	<u>-</u>	<u>(198)</u>
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 11,571</u>	<u>\$ -</u>	<u>\$ 11,571</u>
Carrying amount at December 31, 2023	<u>\$ 5,820,351</u>	<u>\$ 76,526</u>	<u>\$ 326,503</u>	<u>\$ 6,223,380</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:

	<u>December 31</u>	
	2023	2022
The fair values of investment properties	\$ 12,870,981	\$ 12,483,663
Discount rate	7.3742%	7.9838%

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

	<u>For the Year Ended December 31</u>	
	2023	2022
<u>Cost</u>		
Balance at January 1	\$ 14,069	\$ 12,509
Additions	200	1,968
Effect of foreign currency exchange differences	<u>(807)</u>	<u>(408)</u>
Balance at December 31	<u>\$ 13,462</u>	<u>\$ 14,069</u>
<u>Accumulated amortization</u>		
Balance at January 1	\$ 7,418	\$ 4,929
Amortization expenses	2,718	2,605
Effect of foreign currency exchange differences	<u>(519)</u>	<u>(116)</u>
Balance at December 31	<u>\$ 9,617</u>	<u>\$ 7,418</u>
Carrying amount at December 31	<u>\$ 3,845</u>	<u>\$ 6,651</u>

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

Computer software	5 years
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	<u>For the Year Ended December 31</u>	
	2023	2022
An analysis of amortization by function		
General and administrative expenses	<u>\$ 2,718</u>	<u>\$ 2,605</u>

20. OTHER ASSETS

	December 31	
	2023	2022
<u>Current</u>		
Prepayments		
Prepaid guarantee for freight	\$ 75,077	\$ 74,013
Overpaid sales tax	26,473	21,909
Office supplies	9,877	7,015
Prepayment for purchase	468	262
Prepaid rents	756	953
Others	<u>8,272</u>	<u>10,748</u>
	<u>\$ 120,923</u>	<u>\$ 114,900</u>
Other current assets		
Refundable deposits	\$ 14	\$ 15
Others	<u>215</u>	<u>1,702</u>
	<u>\$ 229</u>	<u>\$ 1,717</u>
<u>Non-current</u>		
Other non-current assets		
Refundable deposits	\$ 46,863	\$ 29,394
Prepayments for equipment	12,150	2,456
Others	518	864
Overdue receivables (Note 10)	<u>-</u>	<u>-</u>
	<u>\$ 59,531</u>	<u>\$ 32,714</u>

21. BORROWINGS

a. Short-term borrowings

	December 31	
	2023	2022
Secured borrowings	\$ -	\$ 585,000
Unsecured borrowings	<u>1,356,040</u>	<u>1,088,664</u>
	<u>\$ 1,356,040</u>	<u>\$ 1,673,664</u>

1) The ranges of interest rates on bank loans were 1.25%-1.92% and 1.30%-2.21% per annum as of December 31, 2023 and 2022, respectively.

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

b. Short-term bills payable

	<u>December 31</u>	
	2023	2022
Commercial paper	\$ 745,000	\$ 128,000
Less: Unamortized discounts on bills payable	<u>(894)</u>	<u>(386)</u>
	<u>\$ 744,106</u>	<u>\$ 127,614</u>

Outstanding short-term bills payable were as follows:

December 31, 2023

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate Range	Collateral
<u>Commercial paper</u>					
Mega Bills	\$ 200,000	\$ (197)	\$ 199,803	1.898%	None
China Bills	200,000	(169)	199,831	1.928%	None
Ta Ching Bills	200,000	(243)	199,757	1.928%	None
International Bills	<u>145,000</u>	<u>(285)</u>	<u>144,715</u>	1.928%	None
	<u>\$ 745,000</u>	<u>\$ (894)</u>	<u>\$ 744,106</u>		

December 31, 2022

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

c. Long-term borrowings

	<u>December 31</u>	
	2023	2022
<u>Secured borrowings</u>		
Bank loans (1)	\$ 4,773,282	\$ 4,925,157
Loans from governments (2)	1,789,268	2,009,641
<u>Unsecured borrowings</u>		
Bank loans (3)	<u>1,394,920</u>	<u>1,437,920</u>
	7,957,470	8,372,718
Less: Current portion	<u>(571,452)</u>	<u>(933,090)</u>
Long-term borrowings	<u>\$ 7,386,018</u>	<u>\$ 7,439,628</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. As of December 31, 2023 and 2022, the annual interest rates are 1.27%-1.99% and 1.27%-1.86%, 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. As of December 31, 2023 and 2022, the annual interest rates are 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 Taishin Bank, Bank SinoPac, 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. As of December 31, 2023 and 2022, the annual interest rates of 1.26%-1.80% and 1.27%-1.68%, 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

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Notes payable</u>		
Operating	<u>\$ 3,337</u>	<u>\$ 1,907</u>
<u>Trade payables</u>		
Operating	<u>\$ 96,221</u>	<u>\$ 86,994</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

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Current</u>		
Other payables		
Payables for salaries and bonuses	\$ 73,550	\$ 68,189
Payables for machinery and equipment and construction in progress (Note 31)	6,519	35,413
Payables for VAT	43,400	35,666
Payables for interests	3,692	2,548
Payables for dividends (Note 31)	1,204	1,081
Payables for professional fees	16,028	11,249
		(Continued)

	December 31	
	2023	2022
Payables for insurance	\$ 5,765	\$ 6,058
Others	<u>46,970</u>	<u>46,440</u>
	<u>\$ 197,128</u>	<u>\$ 206,644</u>
Other liabilities		
Refundable deposits (Note 34)	\$ 42,573	\$ 29,759
Advanced receipts	3,155	6,536
Receipts under custody	<u>4,683</u>	<u>6,773</u>
	<u>\$ 50,411</u>	<u>\$ 43,068</u>
<u>Non-current</u>		
Deferred revenue		
Government grants (Note 30)	<u>\$ 311,098</u>	<u>\$ 342,402</u>
Other liabilities		
Refundable deposits (Note 34)	<u>\$ 88,980</u>	<u>\$ 90,640</u>
		(Concluded)

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 years ended on December 31, 2023 and 2022, the amounts included in the consolidated statements of comprehensive income in respect of the Group's defined contribution plan were \$13,728 thousand and \$12,836 thousand, respectively.

b. Defined benefit plans

The defined benefit plans adopted by the Group in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Group contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement

requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the “Bureau”); the Group has no right to influence the investment policy and strategy.

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

	December 31	
	2023	2022
Present value of defined benefit obligation	\$ (85,371)	\$ (91,843)
Fair value of plan assets	<u>101,520</u>	<u>110,422</u>
Surplus	<u>16,149</u>	<u>18,579</u>
Net defined benefit assets	<u>\$ 16,149</u>	<u>\$ 18,579</u>

Movements in net defined benefit assets were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Assets
Balance at January 1, 2022	\$ (97,375)	\$ 102,209	\$ 4,834
Service cost			
Current service cost	(1,727)	-	(1,727)
Net interest (expense) income	<u>(608)</u>	<u>646</u>	<u>38</u>
Recognized in profit or loss	<u>(2,335)</u>	<u>646</u>	<u>(1,689)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	8,349	8,349
Actuarial loss			
Changes in financial assumptions	6,855	-	6,855
Experience adjustments	<u>(1,720)</u>	<u>-</u>	<u>(1,720)</u>
Recognized in other comprehensive income	<u>5,135</u>	<u>8,349</u>	<u>13,484</u>
Benefits paid	2,732	(2,732)	-
Contributions from the employer	<u>-</u>	<u>1,950</u>	<u>1,950</u>
Balance at December 31, 2022	(91,843)	110,422	18,579
Service cost			
Current service cost	(1,365)	-	(1,365)
Net interest (expense) income	<u>(1,341)</u>	<u>1,568</u>	<u>227</u>
Recognized in profit or loss	<u>(2,706)</u>	<u>1,568</u>	<u>(1,138)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	737	737
Actuarial loss			
Changes in financial assumptions	(1,368)	-	(1,368)
Experience adjustments	<u>(2,174)</u>	<u>-</u>	<u>(2,174)</u>
Recognized in other comprehensive income	<u>(3,542)</u>	<u>737</u>	<u>(2,805)</u>
Benefits paid	12,720	(12,720)	-
Contributions from the employer	<u>-</u>	<u>1,513</u>	<u>1,513</u>
Balance at December 31, 2023	<u>\$ (85,371)</u>	<u>\$ 101,520</u>	<u>\$ 16,149</u>

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

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

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

	December 31	
	2023	2022
Discount rate	1.25%	1.125%-1.5%
Expected rate of salary increase	2.00%	2.00%

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

	December 31	
	2023	2022
Discount rate		
0.25% increase	<u>\$ (1,524)</u>	<u>\$ (1,888)</u>
0.25% decrease	<u>\$ 1,568</u>	<u>\$ 1,946</u>
Expected rate of salary increase		
0.25% increase	<u>\$ 1,529</u>	<u>\$ 1,902</u>
0.25% decrease	<u>\$ (1,493)</u>	<u>\$ (1,854)</u>

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

	December 31	
	2023	2022
Expected contributions to the plans for the next year	<u>\$ 1,458</u>	<u>\$ 1,989</u>
Average duration of the defined benefit obligation	8.20-9.71 years	6.2-9.2 years

25. EQUITY

a. Share capital

Ordinary shares

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Shares authorized (in thousands of shares)	<u>1,500,000</u>	<u>1,500,000</u>
Amount of shares authorized	<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>
Amount of shares issued and fully paid	<u>\$ 7,902,474</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

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>May only be used to offset a deficit (1)</u>		
Treasury share transaction	\$ 367,772	\$ 367,772
Unclaimed dividends extinguished by prescription	12,589	9,792
Unclaimed dividends extinguished by prescription of subsidiaries	3,892	3,106
Changes in equity of associates accounted for using the equity method	72,627	29,768
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (2)</u>		
Treasury share transaction		
Dividends paid to subsidiaries	816,290	782,977
Disposal of treasury shares	24,829	24,829
Share-based payment	15,428	15,428
Share-based payment of subsidiaries	4,747	4,747
Difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal	<u>7</u>	<u>7</u>
	<u>\$ 1,318,181</u>	<u>\$ 1,238,426</u>

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

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

For 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, respectively, were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2022	2021
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	-

The appropriation of earnings for 2023 is expected to be proposed by the board of directors in April 2024 and will be resolved by the shareholders in their meeting to be held on May 24, 2024.

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

d. Special reserve

If a special reserve appropriated on the first-time adoption of IFRS Accounting Standards 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 December 31, 2023 and 2022 were as follows:

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

e. Other equity items

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ (648,722)	\$ (800,236)
Recognized for the year		
Exchange differences on translation of the financial statements of foreign operations	(37,485)	187,458
Share from associates accounted for using the equity method	3,395	6,412
Related income tax	<u>12,420</u>	<u>(42,356)</u>
Other comprehensive (loss) income recognized for the year	<u>(21,670)</u>	<u>151,514</u>
Balance at December 31	<u>\$ (670,392)</u>	<u>\$ (648,722)</u>

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ 3,459,972	\$ 6,779,354
Recognized for the year		
Unrealized gain (loss) on financial assets at FVTOCI	467,418	(3,223,381)
Unrealized gain (loss) on financial assets at FVTOCI held by associates accounted for using the equity method	<u>23,170</u>	<u>(96,001)</u>
Other comprehensive income (loss) recognized for the year	<u>490,588</u>	<u>(3,319,382)</u>
Balance at December 31	<u>\$ 3,950,560</u>	<u>\$ 3,459,972</u>

f. Non-controlling interests

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ 713,432	\$ 884,865
Share in profit for the year	14,956	6,876
Other comprehensive (loss) income during the year		
Exchange differences on translation of the financial statements of foreign entities	(1,412)	11,652
Related income tax	212	(1,660)
Unrealized gain (loss) on financial assets at FVTOCI	16,463	(131,721)
Unrealized (loss) gain on financial assets at FVTOCI held by associates accounted for using the equity method	(270)	(162)
Remeasurement on defined benefit plans	42	292
Income tax relating to defined benefit plans	(8)	(58)
Adjustments of capital surplus due to unclaimed dividends extinguished by prescription	116	29
Cash dividends	<u>(6,424)</u>	<u>(56,681)</u>
Balance at December 31	<u>\$ 737,107</u>	<u>\$ 713,432</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 year	-	-	-
Decrease during the year	<u>-</u>	<u>-</u>	<u>-</u>
Number of shares at December 31, 2022	<u>1,435</u>	<u>127,371</u>	<u>128,806</u>
Number of shares at January 1, 2023	1,435	127,371	128,806
Increase during the year (Note)	-	2,547	2,547
Decrease during the year	<u>-</u>	<u>-</u>	<u>-</u>
Number of shares at December 31, 2023	<u>1,435</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)	Based on the Shareholding Ratio	
		Carrying Amount	Market Price
<u>December 31, 2023</u>			
<u>By direct investment</u>			
Tong Yang Chia Hsin International Corporation	129,918	<u>\$ 1,055,710</u>	<u>\$ 2,157,646</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>

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

	For the Year Ended December 31	
	2023	2022
Revenue from contracts with customers		
Revenue from the sale of goods	\$ 1,274,487	\$ 992,780
Revenue from the rent	291,007	277,180
Revenue from rendering of services	703,717	609,845
Revenue from catering and hospitality	<u>642,372</u>	<u>373,854</u>
	<u>\$ 2,911,583</u>	<u>\$ 2,253,659</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 amount 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

	December 31, 2023	December 31, 2022	January 1, 2022
Notes receivable and trade receivables from unrelated parties (Note 10)	<u>\$ 357,960</u>	<u>\$ 250,625</u>	<u>\$ 215,745</u>
Trade receivables from related parties (Note 34)	<u>\$ 8,899</u>	<u>\$ 4,876</u>	<u>\$ 10,864</u>
Contract liabilities - current	<u>\$ 41,608</u>	<u>\$ 27,860</u>	<u>\$ 23,704</u>

Revenue recognized in the current reporting period that was included in the contract liability balance at the beginning of the period and from the performance obligations satisfied for the years ended December 31, 2023 and 2022 was \$27,860 thousand and \$23,704 thousand, respectively.

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

	<u>For the Year Ended December 31</u>	
	2023	2022
Bank deposits	<u>\$ 161,666</u>	<u>\$ 76,114</u>

b. Other income

	For the Year Ended December 31	
	2023	2022
Rental income	\$ 33,462	\$ 31,947
Dividends (Note 34)	218,496	352,303
Government grants (Note 30)	9,111	20,301
Remuneration of directors (Note 34)	10,029	27,021
Others	<u>7,997</u>	<u>14,156</u>
	<u>\$ 279,095</u>	<u>\$ 445,728</u>

c. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Gain (loss) on disposal of property, plant and equipment	\$ 4	\$ (19,623)
Net foreign exchange (losses) gains (Note 27-h)	(95,471)	96,986
Loss on fair value changes of financial assets at FVTPL	(6,520)	(264,762)
Impairment loss on property, plant and equipment (Note 16)	(28,196)	(16,000)
Impairment loss on right-of-use assets (Note 17)	(8,358)	(19,000)
Gain on disposal of right-of-use assets	5	5,469
Others	<u>(6,738)</u>	<u>(1,301)</u>
	<u>\$ (145,274)</u>	<u>\$ (218,231)</u>

d. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest on bank loans	\$ 173,457	\$ 140,970
Interest on lease liabilities	30,501	34,151
Less: Capitalized interest amount	<u>(239)</u>	<u>(5,683)</u>
	<u>\$ 203,719</u>	<u>\$ 169,438</u>

Information about capitalized interest is as follows:

	For the Year Ended December 31	
	2023	2022
Capitalized interest amount	\$ 239	\$ 5,683
Capitalization rate	1.68%-2.04%	0.96%-1.68%

e. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
Property, plant and equipment	\$ 334,051	\$ 360,681
Investment properties	8,013	8,379
Right-of-use assets	113,975	125,774
Other intangible assets	<u>2,718</u>	<u>2,605</u>
	<u>\$ 458,757</u>	<u>\$ 497,439</u>
 An analysis of depreciation by function		
Operating costs	\$ 395,013	\$ 416,967
Operating expenses	<u>61,026</u>	<u>77,867</u>
	<u>\$ 459,039</u>	<u>\$ 494,834</u>
 An analysis of amortization by function		
Operating expenses	<u>\$ 2,718</u>	<u>\$ 2,605</u>

f. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Short-term benefits	\$ 482,457	\$ 456,101
Post-employment benefits (Note 24)		
Defined contribution plan	13,728	12,836
Defined benefit plans	1,138	1,689
Other employee benefits	<u>17,836</u>	<u>16,423</u>
	<u>\$ 515,159</u>	<u>\$ 487,049</u>
 An analysis of employee benefits expense by function		
Operating costs	\$ 233,406	\$ 199,684
Operating expenses	<u>281,753</u>	<u>287,365</u>
	<u>\$ 515,159</u>	<u>\$ 487,049</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 year ended December 31, 2022. Therefore, no compensation of employees and remuneration of directors was accrued for the relevant period. The compensation of employees and the remuneration of directors for the years ended December 31, 2023, which was approved by the Company's board of directors on February 27, 2024, are as follows:

Accrual rate

	For the Year Ended December 31, 2023
Compensation of employees	2.87%
Remuneration of directors	2.87%

Amount

	For the Year Ended December 31, 2023	
	Cash	Shares
Compensation of employees	\$ 700	\$ -
Remuneration of directors	700	-

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

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the financial statements for the years ended December 31, 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 or losses on foreign currency exchange

	For the Year Ended December 31	
	2023	2022
Foreign exchange gains	\$ 72,940	\$ 213,419
Foreign exchange losses	<u>(168,411)</u>	<u>(116,433)</u>
Net foreign exchange (losses) gains	<u>\$ (95,471)</u>	<u>\$ 96,986</u>

28. INCOME TAXES

According to regulations stipulated by Ruling Letter No. 910458039 dated February 12, 2003, "Principles and regulations of profit-seeking businesses filing joint tax returns in accordance with Article 49 of the Financial Holding Company Law and Article 40 of Enterprise Merger Law", as a result of division in accordance with Article 40 of Enterprise Merger Law, the Company is elected as a tax payer and file a joint tax return which holds more than 90% shares of a domestic subsidiary for 12 months during a taxable year.

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

a. Income tax recognized in profit or loss

Major components of income tax (benefit) expense are as follows:

	<u>For the Year Ended December 31</u>	
	2023	2022
Current tax		
In respect of the current year	\$ 28,863	\$ 18,296
Income tax on unappropriated earnings	-	7,736
Adjustments for prior years	<u>123</u>	<u>(1,530)</u>
	<u>28,986</u>	<u>24,502</u>
Deferred tax		
In respect of the current year	<u>(42,257)</u>	<u>28,082</u>
Income tax expense recognized in profit or loss	<u>\$ (13,271)</u>	<u>\$ 52,584</u>

A reconciliation of accounting profit and income tax (benefit) expenses is as follows:

	<u>For the Year Ended December 31</u>	
	2023	2022
Profit (loss) before tax from continuing operations	<u>\$ 82,767</u>	<u>\$ (121,302)</u>
Income tax expense (benefit) calculated at the statutory rate	\$ 16,553	\$ (24,260)
Nondeductible expenses in determining taxable income	4,708	7,708
Tax-exempt income	(73,590)	(22,033)
Income tax on unappropriated earnings	-	7,736
Unrecognized loss carryforwards	50,245	106,572
Loss carryforwards utilized in the current year	(2,540)	(23,531)
Unrecognized deductible temporary differences	(48,464)	9,791
Effect of different tax rates of group entities in the Group operating in other jurisdictions	39,694	(7,869)
Adjustments for prior years' income tax	<u>123</u>	<u>(1,530)</u>
Income tax (benefit) expense recognized in profit or loss	<u>\$ (13,271)</u>	<u>\$ 52,584</u>

b. Income tax recognized in other comprehensive income

	<u>For the Year Ended December 31</u>	
	2023	2022
<u>Deferred tax</u>		
In respect of the current year		
Translation of foreign operations	\$ 12,632	\$ (44,016)
Remeasurement of defined benefit plans	<u>561</u>	<u>(2,696)</u>
Total income tax recognized in other comprehensive income	<u>\$ 13,193</u>	<u>\$ (46,712)</u>

c. Current tax assets and liabilities

	December 31	
	2023	2022
Current tax assets		
Tax refund receivable	\$ <u>1,122</u>	\$ <u>1,021</u>
Current tax liabilities		
Income tax payable	\$ <u>17,857</u>	\$ <u>108,242</u>

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre- hensive Income	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences					
Lease liability	\$ 41,920	\$ (1,566)	\$ -	\$ (759)	\$ 39,595
Impairment of inventory	2,229	(844)	-	-	1,385
Fair value changes of financial assets at FVTPL	2,121	4,354	-	-	6,475
Unrealized gain or loss on foreign exchange	115	9,581	-	-	9,696
Allowance for impairment loss	973	-	-	-	973
Exchange differences on translating the financial statements of foreign operations	196,573	-	12,632	-	209,205
Retirement benefit over statutory limit	57,146	(75)	-	-	57,071
Payables for annual leave	537	(36)	-	-	501
Defined benefit obligations	7,354	-	626	-	7,980
Others	<u>1,587</u>	<u>(108)</u>	<u>-</u>	<u>-</u>	<u>1,479</u>
	<u>\$ 310,555</u>	<u>\$ 11,306</u>	<u>\$ 13,258</u>	<u>\$ (759)</u>	<u>\$ 334,360</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Right-of-use assets	\$ 41,920	\$ (4,626)	\$ -	\$ (698)	\$ 36,596
Gain on investments accounted for using the equity method	425,399	(12,856)	-	-	412,543
Exchange differences on translating the financial statements of foreign operations	229	-	-	-	229
Provision for land value increment tax	1,150,820	-	-	-	1,150,820
Defined benefit obligations	4,194	-	65	-	4,259
Unrealized gain or loss on foreign exchange	13,547	(13,469)	-	-	78
Others	<u>60</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60</u>
	<u>\$ 1,636,169</u>	<u>\$ (30,951)</u>	<u>\$ 65</u>	<u>\$ (698)</u>	<u>\$ 1,604,585</u>

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre- hensive Income	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences					
Lease liability	\$ 43,070	\$ (4,626)	\$ -	\$ 699	\$ 41,920
Impairment of inventory	1,473	756	-	-	2,229
Fair value changes of financial assets at FVTPL	26	2,095	-	-	2,121
Unrealized gain or loss on foreign exchange	21,401	(21,286)	-	-	115
Allowance for impairment loss	973	-	-	-	973
Exchange differences on translating the financial statements of foreign operations	240,589	-	(44,016)	-	196,573
Retirement benefit over statutory limit	57,198	(52)	-	-	57,146
Payables for annual leave	561	(24)	-	-	537
Defined benefit obligations	9,595	-	(2,241)	-	7,354
Others	1,261	326	-	-	1,587
	<u>\$ 376,147</u>	<u>\$ (20,034)</u>	<u>\$ (46,257)</u>	<u>\$ 699</u>	<u>\$ 310,555</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Right-of-use assets	\$ 43,070	\$ (1,849)	\$ -	\$ 699	\$ 41,920
Gain on investments accounted for using the equity method	423,318	2,081	-	-	425,399
Fair value changes of financial assets at FVTPL	5,731	(5,731)	-	-	-
Exchange differences on translating the financial statements of foreign operations	229	-	-	-	229
Provision for land value increment tax	1,150,820	-	-	-	1,150,820
Defined benefit obligations	3,739	-	455	-	4,194
Unrealized gain or loss on foreign exchange	-	13,547	-	-	13,547
Others	60	-	-	-	60
	<u>\$ 1,626,967</u>	<u>\$ 8,048</u>	<u>\$ 455</u>	<u>\$ 699</u>	<u>\$ 1,636,169</u>

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

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Loss carryforwards		
Expiry in 2023	\$ -	\$ 8,066
Expiry in 2024	18,824	19,281
Expiry in 2025	23,575	24,304
Expiry in 2026	56,251	57,893
Expiry in 2027	99,835	101,488
Expiry in 2028	74,863	31,650
Expiry in 2029	237,455	250,612
Expiry in 2030	443,311	469,860
Expiry in 2031	343,788	364,535
Expiry in 2032	359,813	394,939
Expiry in 2033	172,092	-
	<u>\$ 1,829,807</u>	<u>\$ 1,722,628</u>

(Continued)

	December 31	
	2023	2022
Deductible temporary differences		
Impairment loss on non-financial assets	\$ 1,909	\$ 1,942
Loss on fair value changes of financial assets	16,409	-
Gain or loss on investments in subsidiaries and associates accounted for using the equity method	3,881,912	3,663,166
Impairment loss on property, plant and equipment	65,801	46,618
Impairment loss on investment properties	11,570	11,769
Impairment loss on right-of-use	53,535	47,453
Credit loss allowance	8,035	8,172
Others	<u>10,329</u>	<u>8,829</u>
	<u>\$ 4,049,500</u>	<u>\$ 3,787,949</u>

(Concluded)

f. Income tax assessments

- 1) The income tax returns of the Company and its subsidiaries, Chia Hsin Property Management & Development Corporation, Tong Yang Chia Hsin International Corporation, Chia Pei International Corporation and 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 group 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 Year Ended December 31	
	2023	2022
Basic earnings (loss) per share	<u>\$ 0.12</u>	<u>\$ (0.27)</u>
Diluted earnings (loss) per share	<u>\$ 0.12</u>	<u>\$ (0.27)</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 year ended December 31, 2022 were as follows:

Unit: NT\$ Per Share

	Before Retrospective Adjustment	After Retrospective Adjustment
Basic earnings (loss) per share	<u>\$ (0.28)</u>	<u>\$ (0.27)</u>
Diluted earnings (loss) per share	<u>\$ (0.28)</u>	<u>\$ (0.27)</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 Profit (Loss) for the Year

	<u>For the Year Ended December 31</u>	
	2023	2022
Profit (loss) for the year attributable to owners of the Company	\$ 81,082	\$ (180,762)
Effect of potentially dilutive ordinary shares		
Compensation of employees	<u> -</u>	<u> -</u>
Earnings (loss) used in the computation of diluted earnings (loss) per share from continuing operations	<u>\$ 81,082</u>	<u>\$ (180,762)</u>

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

	<u>For the Year Ended December 31</u>	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings (loss) per share	658,894	658,894
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u> 37</u>	<u> -</u> (Note)
Weighted average number of ordinary shares used in the computation of diluted earnings (loss) per share	<u>658,931</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 December 31, 2023 and 2022, the amount of deferred revenue was JPY1,432,310 thousand and JPY1,473,330 thousand, respectively (equivalent to \$311,098 thousand and \$342,402 thousand), respectively. The deferred revenue will be reclassified to other revenue gradually along with the depreciation recognized over the estimated useful lives of buildings acquired. For the years ended December 31, 2023 and 2022, a total of JPY41,020 thousand and JPY54,449 thousand (equivalent to \$9,111 thousand and \$12,387 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 year ended December 31, 2022, the Group has recognized JPY28,557 thousand (equivalent to \$6,497 thousand) in total under other income.
- c. In accordance with the Japanese government's emergency declaration, the Group received salaries grants for decreasing working hours. For the year ended December 31, 2022, the Group has recognized JPY6,228 thousand (equivalent to \$1,417 thousand) under other income.

31. CASH FLOW INFORMATION

a. Non-cash transactions

For the years ended December 31, 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 December 31, 2023 and 2022, the payables for equipment - property, plant and equipment were \$6,519 thousand and \$35,413 thousand, respectively.
- 2) As of December 31, 2023 and 2022, the dividends declared but not yet paid to non-controlling interests - unrelated party were \$1,204 thousand and \$1,081 thousand, respectively.
- 3) The Group transferred \$41,520 thousand of prepayment for investments into financial assets at FVTPL for the year ended December 31, 2022.

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2023

	Opening Balance	Cash Flows	Non-cash Changes				Others	Closing Balance
			New Leases	Amortization of Interest Expense	Lease Modifications	Change in Exchange Rate		
Short-term borrowings	\$ 1,673,664	\$ (310,486)	\$ -	\$ -	\$ -	\$ (7,138)	\$ -	\$ 1,356,040
Short-term bills payable	127,614	617,000	-	(508)	-	-	-	744,106
Long-term borrowings	8,372,718	(203,314)	-	22,754	-	(234,688)	-	7,957,470
Guarantee deposits received	120,399	11,207	-	-	-	(53)	-	131,533
Lease liabilities	1,653,656	(104,862)	2,977	30,501	(82,748)	(3,036)	(30,501)	1,465,980
	<u>\$ 11,948,051</u>	<u>\$ 9,538</u>	<u>\$ 2,977</u>	<u>\$ 52,747</u>	<u>\$ (82,748)</u>	<u>\$ (244,915)</u>	<u>\$ (30,501)</u>	<u>\$ 11,655,149</u>

For the year ended December 31, 2022

	Opening Balance	Cash Flows	Non-cash Changes				Others	Closing Balance
			New Leases	Amortization of Interest Expense	Lease Modifications	Change in Exchange Rate		
Short-term borrowings	\$ 914,000	\$ 757,900	\$ -	\$ -	\$ -	\$ 1,764	\$ -	\$ 1,673,664
Short-term bills payable	134,842	(7,000)	-	(228)	-	-	-	127,614
Long-term borrowings	8,856,786	(383,958)	-	30,171	-	(130,281)	-	8,372,718
Guarantee deposits received	118,546	1,830	-	-	-	23	-	120,399
Lease liabilities	1,731,714	(109,942)	12,179	34,151	15,446	4,266	(34,151)	1,653,656
	<u>\$ 11,755,888</u>	<u>\$ 258,823</u>	<u>\$ 12,179</u>	<u>\$ 64,094</u>	<u>\$ 15,446</u>	<u>\$ (124,228)</u>	<u>\$ (34,151)</u>	<u>\$ 11,948,051</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

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares in domestic market	\$ 817,713	\$ -	\$ -	\$ 817,713
Listed shares in foreign market	139,505	-	-	139,505
Mutual funds	21,059	-	427,533	448,592
Convertible bonds	<u>-</u>	<u>-</u>	<u>29,922</u>	<u>29,922</u>
	<u>\$ 978,277</u>	<u>\$ -</u>	<u>\$ 457,455</u>	<u>\$ 1,435,732</u>
Financial assets at FVTOCI				
Listed shares in domestic market	\$ 11,867,961	\$ -	\$ -	\$ 11,867,961
Unlisted shares in domestic market	<u>-</u>	<u>-</u>	<u>491,057</u>	<u>491,057</u>
	<u>\$ 11,867,961</u>	<u>\$ -</u>	<u>\$ 491,057</u>	<u>\$ 12,359,018</u>

December 31, 2022

	Level 1	Level 2	Level 3	Total
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>

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Listed shares in domestic market	\$ 11,414,040	\$ -	\$ -	\$ 11,414,040
Unlisted shares in domestic market	-	-	467,097	467,097
	<u>\$ 11,414,040</u>	<u>\$ -</u>	<u>\$ 467,097</u>	<u>\$ 11,881,137</u> (Concluded)

There were no transfers between Levels 1 and 2 in 2023 and 2022.

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

For the year ended December 31, 2023

Financial Assets	<u>Financial Assets at FVTPL Mutual Funds</u>	<u>Financial Assets at FVTPL Convertible Bonds</u>	<u>Financial Assets at FVTOCI Equity Instruments</u>	Total
Balance at January 1, 2023	\$ 468,839	\$ -	\$ 467,097	\$ 935,936
Purchase	-	30,000	-	30,000
Disposal	(35,661)	-	-	(35,661)
Recognized in profit or loss	(5,645)	(78)	-	(5,723)
Recognized in other comprehensive income	-	-	23,960	23,960
Balance at December 31, 2023	<u>\$ 427,533</u>	<u>\$ 29,922</u>	<u>\$ 491,057</u>	<u>\$ 948,512</u>
Unrealized gain for the current year included in profit or loss relating to assets held at the end of the year	<u>\$ (5,645)</u>	<u>\$ (78)</u>	<u>\$ -</u>	<u>\$ (5,723)</u>

For the year ended December 31, 2022

Financial Assets	<u>Financial Assets at FVTPL Mutual Funds</u>	<u>Financial Assets at FVTOCI Equity Instruments</u>	Total
Balance at January 1, 2022	\$ 251,261	\$ 394,326	\$ 645,587
Purchase	269,462	91,485	360,947
Disposal	(74,526)	-	(74,526)
Recognized in profit or loss	22,642	-	22,642
Recognized in other comprehensive (loss) income	-	(18,714)	(18,714)
Balance at December 31, 2022	<u>\$ 468,839</u>	<u>\$ 467,097</u>	<u>\$ 935,936</u>
Unrealized gain for the current year included in profit or loss relating to assets held at the end of the year	<u>\$ 12,784</u>	<u>\$ -</u>	<u>\$ 12,784</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 December 31, 2023 and 2022, the ranges of liquidity discount used were 20.00%-30.00% and 14.18%-30.00%, respectively.

c. Categories of financial instruments

	<u>December 31</u>	
	2023	2022
<u>Financial assets</u>		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	\$ 1,435,732	\$ 1,317,483
Financial assets measured at amortized cost (1)	6,477,719	6,503,082
Financial assets at FVTOCI		
Equity instruments	12,359,018	11,881,137
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (2)	10,472,891	10,562,175

1) The balances include financial assets, which comprise cash and cash equivalent, notes receivable from unrelated parties, trade receivables from unrelated parties and related parties, other receivables from unrelated parties (excluding tax refund receivables) and 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 and related parties, other payables to unrelated parties (excluding payable for salaries and bonus, tax payable, payable for insurance and payable for dividends) and other payables to related parties (excluding payable for dividends), 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 38.

Sensitivity analysis

The Group was mainly exposed to the USD and JPY.

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

	USD Impact (i)		JPY Impact (ii)	
	For the Year Ended December 31		For the Year Ended December 31	
	2023	2022	2023	2022
Profit or loss	\$ 66,272	\$ 52,715	\$ 64,404	\$ 65,995

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

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

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

b) Interest rate risk

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

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

	December 31	
	2023	2022
Fair value interest rate risk		
Financial assets	\$ 4,669,399	\$ 4,839,323
Financial liabilities	4,901,546	4,524,575
Cash flow interest rate risk		
Financial assets	1,252,662	1,243,849
Financial liabilities	6,622,050	7,303,077

Sensitivity analysis

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

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2023 and 2022 would have decreased/increased by \$13,423 thousand and \$15,148 thousand, respectively.

For the year ended December 31, 2023, the Group's sensitivity to interest rates decreased during the current period mainly due to the decrease in floating rate liabilities.

c) Other price risk

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

Sensitivity analysis

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

If equity price (except for equity securities of Taiwan Cement Corporation) had been 1% higher/lower, the pre-tax profit or loss for the year ended December 31, 2023 would have increased/decreased by \$6,180 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the year ended December 31, 2023 would have increased/decreased by \$7,512 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If equity price of Taiwan Cement Corporation had been 1% higher/lower, the pre-tax profit or loss for the year ended December 31, 2023 would have increased/decreased by \$8,177 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the year ended December 31, 2023 would have increased/decreased by \$116,078 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If equity price (except for equity securities of Taiwan Cement Corporation) had been 1% higher/lower, the pre-tax profit or loss for the year ended December 31, 2022 would have increased/decreased by \$5,279 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the year ended December 31, 2022 would have increased/decreased by \$6,730 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If equity price of Taiwan Cement Corporation had been 1% higher/lower, the pre-tax profit or loss for the year ended December 31, 2022 would have increased/decreased by \$7,896 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the year ended December 31, 2022 would have increased/decreased by \$112,081 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 year, the Group's maximum exposure to credit risk which would cause a financial loss to the Group due to failure of counterparties to discharge their obligations and due to the financial guarantees provided by the Group, could be equal to the carrying amount of the respective recognized financial assets as stated in the balance sheets and the amount that could arise as liabilities on financial guarantees provided by the Group.

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

The credit risk was mainly concentrated on the top 10 customers of the Group. As of December 31, 2023 and 2022, receivables from the top 10 customers were both 56% 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 December 31, 2023 and 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 includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

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

December 31, 2023

	On Demand or Less than 1 Month	1 Month to 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing liabilities	\$ 182,619	\$ 120,716	\$ 24,164	\$ 29,876	\$ 59,104
Fixed interest rate liabilities	710,392	940,544	115,583	459,683	1,467,498
Lease liabilities	25,806	4,491	110,164	402,558	1,190,627
Variable interest rate liabilities	<u>189,910</u>	<u>19,264</u>	<u>816,260</u>	<u>4,915,144</u>	<u>1,056,013</u>
	<u>\$ 1,108,727</u>	<u>\$ 1,085,015</u>	<u>\$ 1,066,171</u>	<u>\$ 5,807,261</u>	<u>\$ 3,773,242</u>

Additional information on the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 140,461</u>	<u>\$ 402,558</u>	<u>\$ 415,545</u>	<u>\$ 358,765</u>	<u>\$ 327,890</u>	<u>\$ 88,427</u>

December 31, 2022

	On Demand or Less than 1 Month	1 Month to 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
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:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
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>

b) Financing facilities

	December 31	
	2023	2022
Unsecured bank overdraft facilities, reviewed annually and payable on demand:		
Amount used	\$ 3,495,960	\$ 2,654,584
Amount unused	<u>3,515,720</u>	<u>4,172,936</u>
	<u>\$ 7,011,680</u>	<u>\$ 6,827,520</u>
Secured bank overdraft facilities:		
Amount used	\$ 6,775,915	\$ 7,771,904
Amount unused	<u>1,260,000</u>	<u>465,000</u>
	<u>\$ 8,035,915</u>	<u>\$ 8,236,904</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 Corp.	The Company acts as a member of the 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 Crop.	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
Pan Asian (Engineers & Constructors) Corporation	The Company acts as a supervisor

b. Revenue

<u>Line Item</u>	<u>Related Party Category/Name</u>	<u>For the Year Ended December 31</u>	
		<u>2023</u>	<u>2022</u>
Rental revenue	Associates	\$ 17,096	\$ 15,633
	Substantive related parties	9,771	9,766
	The Company acts as a member of the B.O.D. of its ultimate parent company	<u>2,522</u>	<u>2,468</u>
		<u>\$ 29,389</u>	<u>\$ 27,867</u>
Service revenue	The Company acts as a member of the B.O.D. Taiwan Cement Corporation	<u>\$ 38,410</u>	<u>\$ 33,372</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 Year Ended December 31	
		2023	2022
Purchases of goods	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	\$ 583,700	\$ 544,950
	Substantive related parties	<u>711</u>	<u>665</u>
		<u>\$ 584,411</u>	<u>\$ 545,615</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	December 31	
		2023	2022
Trade receivables	Associates		
	FDC International Hotels Corporation	\$ 1,426	\$ 1,648
	Others	14	18
	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	7,455	3,206
	Substantive related parties	<u>4</u>	<u>4</u>
	<u>\$ 8,899</u>	<u>\$ 4,876</u>	
Other receivables - other	Associates		
	Others	<u>\$ 215</u>	<u>\$ 68</u>

The outstanding trade and other receivables from related parties are unsecured. For the years ended December 31, 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	December 31	
		2023	2022
Trade payables	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	\$ 110,880	\$ 83,160
	Substantive related parties	<u>75</u>	<u>69</u>
		<u>\$ 110,955</u>	<u>\$ 83,229</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 or quarterly.

Future lease payment receivables are as follows:

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Related Party Category/Name		
Associates	\$ 1,035	\$ 952
Substantive related parties	25,668	5,150
The Company acts as a member of the B.O.D. of its ultimate parent company	<u>1,468</u>	<u>3,902</u>
	<u>\$ 28,171</u>	<u>\$ 10,004</u>

g. Others

1)

Line Item	Related Party Category/Name	<u>December 31</u>	
		<u>2023</u>	<u>2022</u>
Refundable deposits	Substantive related parties	\$ 764	\$ 764
	Associates	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>\$ 2,158</u>	<u>\$ 2,158</u>

Line Item	Related Party Category/Name	<u>For the Year Ended December 31</u>	
		<u>2023</u>	<u>2023</u>
Dividend revenue	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	\$ 178,171	\$ 323,918
	Others	<u>2,000</u>	<u>2,400</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 Year Ended December 31	
		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	215	144
	The Company acts as a supervisor	<u>188</u>	<u>-</u>
		<u>\$ 10,029</u>	<u>\$ 27,021</u>

- 3)

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2023	2022
General and administrative expenses	Substantive related parties	<u>\$ 9,667</u>	<u>\$ 8,498</u>

- h. Endorsements and guarantees

Endorsements and guarantees provided by the Group

	December 31			
	2023		2022	
	Amount Utilized	Amount Endorsed	Amount Utilized	Amount Endorsed
Associates				
LDC ROME HOTELS S.R.L.	<u>\$ 258,248</u>	<u>\$ 340,000</u>	<u>\$ 314,112</u>	<u>\$ 340,000</u>

- i. Remuneration of key management personnel

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	\$ 44,128	\$ 54,982
Post-employment benefits	<u>536</u>	<u>-</u>
	<u>\$ 44,664</u>	<u>\$ 54,982</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:

	December 31	
	2023	2022
Financial assets at amortized cost - non-current	\$ 19,175	\$ 27,428
Carrying amount of property, plant and equipment	<u>2,655,717</u>	<u>2,861,259</u>
Land	821,092	878,553
Buildings	1,834,625	1,982,706
Carrying amount of investment properties	<u>3,153,385</u>	<u>3,180,543</u>
Land - after revaluation	3,122,452	3,145,054
Buildings - after revaluation	<u>30,933</u>	<u>35,489</u>
	<u>\$ 5,828,277</u>	<u>\$ 6,069,230</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 December 31, 2023 and 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:

	December 31	
	2023	2022
Property under construction	<u>\$ 204,572</u>	<u>\$ 145,412</u>

As of December 31, 2023 and 2022, the abovementioned unrecognized commitments also include contractual commitments signed by CHC Ryukyu Development GK for Tomigusuku development project in the amounts of \$151,375 thousand and \$121,247 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 than functional currencies of the entities in the Group and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
<u>Financial assets</u>			
Monetary items			
USD	\$ 30,295	30.705 (USD:NTD)	\$ 930,218
USD	12,872	1.3196 (USD:SGD)	395,226
JPY	2,336,359	0.0071 (JPY:USD)	507,474
JPY	3,593,942	0.2172 (JPY:NTD)	780,604
Non-monetary items			
Investments accounted for using the equity method			
EUR	12,301	33.98 (EUR:NTD)	417,997
Financial assets at FVTPL			
USD	9,932	30.705 (USD:NTD)	304,949
HKD	6,567	3.9320 (HKD:NTD)	25,820
EUR	4,227	33.98 (EUR:NTD)	143,643

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
<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

For the years ended December 31, 2023 and 2022, realized and unrealized net foreign exchange (losses) gains were \$(95,471) thousand and \$96,986 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)
- e. The disclosure of related information on affiliated companies as follows:

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

No.	Items	Description
1	Subsidiaries' company names, relationships to the controlling company, nature of business, and the controlling company's shareholding or capital proportion.	Refer to Note 14
2	Variation of subsidiaries which are included in the current consolidated financial statements.	Refer to Note 14
3	Subsidiaries' company names, shareholding or capital proportion and the reasons that they are not listed on the consolidated financial statements.	None
4	The adjustments and the ways to manage when the controlling company and a subsidiary have different fiscal year start/end dates.	None
5	The adjustments when the controlling company and a subsidiary have different accounting policies.	None
6	Operating risk such as exchange risk for an overseas subsidiary.	Refer to Note 14
7	Retained earnings allocation of each subsidiary restricted by regulations or contracts.	Refer to Note 25
8	Consolidated amortization methods and expirations.	None
9	Others.	None

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

No.	Items	Description
1	Elimination transactions between the controlling company and subsidiaries and between subsidiaries.	Refer to Table 5
2	Information about accommodations of funds or endorsements.	Refer to Table 1
3	Information about derivative instrument transactions.	Notes 7 and 33
4	Significant contingencies.	None
5	Significant events after the reporting period.	None
6	Names, quantities, costs, market prices (if not available, disclose net worth per share), capital proportions and the highest shareholding situation of the securities.	Refer to Tables 2, 6 and 7
7	Others.	None

f. The subsidiaries holding the parent company's shares should list clearly the Company's name, number of shares held, the total amounts and the related reasons: Refer to Note 25.

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.

a. Segment revenue and results

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

	Segment Revenue		Segment Profit or Loss	
	For the Year Ended December 31		For the Year Ended December 31	
	2023	2022	2023	2022
Cement segment	\$ 1,273,406	\$ 991,101	\$ (6,538)	\$ (23,784)
Real estate segment	287,432	270,161	163,110	144,089
Warehousing and storage segment	635,069	543,526	40,485	4,937
Hospitality and catering services segment	715,676	448,871	(149,736)	(329,272)
Other segment	-	-	(25,562)	(30,045)
Revenue from continuing operation	<u>\$ 2,911,583</u>	<u>\$ 2,253,659</u>		
Interest income			161,666	76,114
Other income			279,095	445,728
Other gains and losses			(145,274)	(218,231)
Finance costs			(203,719)	(169,438)
Share of profit or loss of associates and joint ventures accounted for using the equity method			138,523	139,895
General and administrative expenses and remuneration of director			(169,283)	(161,295)
Profit (loss) before income tax			<u>\$ 82,767</u>	<u>\$ (121,302)</u>

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

b. Total segment assets and liabilities

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

c. Revenue from major products and services

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

	For the Year Ended December 31	
	2023	2022
Revenue from the sale of goods	\$ 1,274,487	\$ 992,780
Revenue from the rent	291,007	277,180
Revenue from rendering of services	703,717	609,845
Revenue from catering and hospitality	<u>642,372</u>	<u>373,854</u>
	<u>\$ 2,911,583</u>	<u>\$ 2,253,659</u>

d. Geographical information

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

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

	Revenue from		Non-current Assets	
	External Customers		December 31	
	For the Year Ended December 31		December 31	
	2023	2022	2023	2022
Taiwan	\$ 2,286,621	\$ 1,890,368	\$ 7,466,068	\$ 7,759,605
China	26,236	19,994	327,599	387,093
Japan	<u>598,726</u>	<u>343,297</u>	<u>4,036,602</u>	<u>4,452,245</u>
	<u>\$ 2,911,583</u>	<u>\$ 2,253,659</u>	<u>\$ 11,830,269</u>	<u>\$ 12,598,943</u>

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

e. Information about major customers

Included in revenue of \$2,911,583 thousand and \$2,253,659 thousand in 2023 and 2022, respectively, is revenue of \$327,847 thousand and \$263,598 thousand which represents sales to the Group's largest customer.

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

	For the Year Ended December 31	
	2023	2022
Customer A (Note)	<u>\$ 327,847</u>	<u>\$ 263,598</u>

Note: Revenue from sales of cement.

CHIA H SIN CEMENT CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 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	\$ 258,248	\$ -	1.57%	\$ 21,681,451	No	No	No
	Chia Hsin Cement Corporation (Notes 2 and 6)	CHC Ryukyu Development GK	b.	7,902,474 (Paid-in capital)	766,920	716,760	325,800	-	3.31%	21,681,451	Yes	No	No
		CHC Ryukyu COLLECTIVE KK	b.	7,902,474 (Paid-in capital)	1,525,955	1,340,273	1,151,160	-	6.18%	21,681,451	Yes	No	No
1	Chia Hsin Property Management & Development Corporation (Notes 3 and 6)	Chia Hsin Cement Corporation	c.	21,681,451	7,940,000	6,440,000	4,280,000	6,440,000	29.70%	21,681,451	No	Yes	No
2	Jaho Life Plus+ Management Corp., Ltd. (Note 4)	Gemcare Maternity Center	a.	18,714	2,500	2,500	2,500	2,500	0.01%	400,000	No	No	No
		Gemcare Dunhua Maternity Center	a.	26,761	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:

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

Note 6: The listed amounts were eliminated upon consolidation.

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

DECEMBER 31, 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	December 31, 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	\$ 296,705	0.11	\$ 296,705	
	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	25,820	0.01	25,820	
	<u>Foreign fund</u> JPMorgan Funds - Russia		Financial assets at FVTPL - current	81,953	-	-	-	
	JPMorgan Funds - ASEAN Fund		Financial assets at FVTPL - current	2,697	11,715	-	11,715	
	JPMorgan Funds - Pacific Technology Fund		Financial assets at FVTPL - current	3,769	9,344	-	9,344	
	The Partners Fund - Class N-N (SERIES 27)		Financial assets at FVTPL - current	2,453	107,302	-	107,302	
	Blackstone Real Estate Income Trust iCapital Offshore Access Fund SPC-Class A ACC - (Series 14)		Financial assets at FVTPL - current	1,420	68,047	-	68,047	
	Blackstone Real Estate Income Trust iCapital Offshore Access Fund SPC-Class A ACC - (Series 30)		Financial assets at FVTPL - current	1,147	54,955	-	54,955	
	Gopher US Venture Fund III		Financial assets at FVTPL - current	-	53,586	-	53,586	
	Barings Europe Core Property Fund	Financial assets at FVTPL - current	4,192	143,643	-	143,643		
	<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	-	29,922	-	29,922	
	<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	973,676	0.36	973,036	
	CHC Resources Corporation		Financial assets at FVTOCI - current	4,285,694	246,856	1.72	246,856	
	Chien Kuo Construction Co., Ltd.		Financial assets at FVTOCI - current	771,256	13,304	0.31	13,304	
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	203,176,955	7,080,717	2.62	7,080,717	
	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	10,696	10.00	10,696	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Tong Yang Chia Hsin International Corporation	Pan Asian (Engineers & Constructors) Corporation	The Company acts as a supervisor	Financial assets at FVTOCI - non-current	2,718,217	\$ 43,192	2.38	\$ 43,192	Has been eliminated through consolidation
	Chia Hsin Ready-Mixed Concrete Corporation		Financial assets at FVTOCI - non-current	13,163,585	262,877	13.71	262,877	
	Overseas Investment & Development Corp.	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	2,000,000	22,920	2.22	22,920	
	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	51,660	10.62	51,660	
	Gping Wellness Co., Ltd.		Financial assets at FVTOCI - non-current	494,512	91,371	18.00	91,371	
	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	-	
	<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	521,005	0.19	521,005	
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - current	35,700,561	1,244,164	0.46	1,244,164	
	Chia Hsin Cement Corporation	Parent company	Financial assets at FVTOCI - non-current	129,917,726	2,474,933	16.44	2,474,933	
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	66,262,371	2,309,244	0.85	2,309,244	
	IBT Second Venture Capital Co., Ltd.		Financial assets at FVTOCI - non-current	725,493	5,653	4.17	5,653	
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Kaohsiung Tug and Port Service Corp.		Financial assets at FVTOCI - non-current	350,000	2,688	0.88	2,688	
	<u>Shares</u> Anhui Conch Cement Co., Ltd.		Financial assets at FVTPL - current	1,162,400	113,685	0.02	113,685	

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 YEAR ENDED DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes Receivable (Payable)/Trade Receivables (Payables)		Note
			Purchases/Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Chia Hsin Cement Corporation	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Purchases	\$ 583,700	50	60 days from the purchase day	N/A (equal to the price for other clients)	N/A (same as the term for other clients)	\$ (110,880)	(60)	

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

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

DECEMBER 31, 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	\$ 1,197,853 (Notes 1 and 3)	-	\$ -	-	\$ 14,517	\$ -

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

Note 2: The amount received in subsequent period as of February 27, 2024.

Note 3: The transaction has been eliminated through consolidation.

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023
(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	\$ 93,763	The fee is billed monthly and paid quarterly with receipts issued in the same month when the fee is billed.	3.22	
		Chia Pei International Corporation	a.	Finance lease receivables	1,197,853		3.28	
		Chia Pei International Corporation	a.	Interest income from sublease	19,468		0.67	
		CHC Ryukyu Development GK	a.	Endorsement or guarantee	716,760		1.97	
		CHC Ryukyu COLLECTIVE KK	a.	Endorsement or guarantee	1,340,273		3.68	
		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	33,961		Every May (Linked tax payment)	0.09
	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	14,414	Billed and paid quarterly	0.50	
2	Tong Yang Chia Hsin International Corporation	Chia Hsin Cement Corporation	b.	Service revenue	64,566	The fee is billed monthly and collected in the next month.	2.22	
		Chia Hsin Cement Corporation	b.	Dividend revenue	33,313	Cash dividends	1.14	
3	Chia Hsin Property Management & Development Corporation	Chia Hsin Cement Corporation	b.	Endorsement or guarantee	6,440,000	Transaction fee arising from endorsement or guarantee	17.66	
		Chia Hsin Cement Corporation	b.	Other income	17,164		0.59	
		Chia Hsin Cement Corporation	b.	Other receivables	18,023		0.05	
		Jaho Life Plus+ Management Corp., Ltd.	c.	Rental revenue	12,356		0.42	
4	Effervesce Investment Pte. Ltd.	Shanghai Jia Huan Concrete Co., Ltd.	c.	Investment accounted for using the equity method	166,421	Capital reduction	0.46	
5	Sparksvie Pte. Ltd.	Shanghai Jia Huan Concrete Co., Ltd.	c.	Investment accounted for using the equity method	77,991	Capital reduction	0.21	
6	Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	c.	Investment accounted for using the equity method	17,341	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	26,011	Cash injection	0.07	

(Continued)

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)
8	Jiangsu Jiaguo Construction Material & Storage Co., Ltd.	Jiangsu Chia Hsin Real Estate Co., Ltd.	c.	Investment accounted for using the equity method	\$ 47,733	Cash return on capital due to liquidation	0.13

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 year-end balance with consolidated assets. Percentage for income items is calculated by dividing the accumulated sum with total operating income for the year.

Note 4: The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of December 31, 2023: US\$1=NT\$30.705, JPY1=NT\$0.2172, RMB1=NT\$4.335206; net income items denominated in foreign currencies are translated using the average exchange rate of 2023: US\$1=NT\$31.155, JPY1=NT\$0.2221, RMB1=NT\$4.423991.

Note 5: The transaction has been eliminated through consolidation.

(Concluded)

CHIA H SIN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, or Otherwise Stated)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income/(Loss) of the Investee	Share of Profit/(Loss) of Investee	Remark
				December 31, 2023	December 31, 2022	Number of Shares (In Thousands)	%	Carrying Amount			
Chia Hsin Cement Corporation	Chia Hsin Construction & Development Corp.	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Office buildings construction and lease and sale of public housings	\$ 656,292	\$ 656,292	31,458,920	46.18	\$ 1,806,338	\$ 67,952	\$ 31,380	(Notes 4 and 5)
	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	5,704,901	122,438	106,741	Subsidiary (Note 3)
	Chia Hsin Property Management & Development Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Wholesale and retail business of machinery; warehousing; residence, factory buildings and office buildings leasing and selling; PPE leasing and selling	1,000,000	1,000,000	1,000,000	100.00	3,988,327	139,391	139,391	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	212,378	12,869	12,869	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	84,144	527	527	Subsidiary (Note 3)
	Chia Hsin Pacific Limited	Cayman Islands	Holding company	969,104	969,104	19,186,070	74.16	2,382,037	(44,591)	(33,066)	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	369,300	(156,696)	(156,696)	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	84,951	(40,379)	(40,379)	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	4,993	(7)	(7)	Subsidiary (Note 3)
	LDC ROME HOTELS S.R.L. L'Hotel De Chine Corporation	Rome, Italy 11F, No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Hotel management Hotel and tourism	813,055 1,157,340	758,785 1,157,340	- 67,998,915	40.00 23.10	417,997 1,325,570	33,783 349,561	13,514 93,758	(Note 4) (Notes 4 and 5)
International Chia Hsin Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	International trade; general investment	69,341	69,341	5,800,000	19.33	112,282	(323)	(63)		
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	259,685	8,529	8,529	Subsidiary (Note 3)
	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	22,287	(203)	(203)	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	106,962	(11,303)	(11,303)	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	190,811	(138,922)	(138,922)	Subsidiary (Note 3)
Chia Hsin Pacific Limited	Effervesce Investment Pte. Ltd.	Singapore	Investment and holding company	NT\$ 954,270 (US\$ 31,078,656)	NT\$ 954,270 (US\$ 31,078,656)	53,274,892	100.00	NT\$ 1,287,344 (US\$ 41,926,193)	NT\$ (60,247) (US\$ -1,933,797)	NT\$ (60,247) (US\$ -1,933,797)	Subsidiary (Note 3)
	Sparkview Pte. Ltd.	Singapore	Investment and holding company	NT\$ 88,195 (US\$ 2,872,328)	NT\$ 88,195 (US\$ 2,872,328)	3,763,350	100.00	NT\$ 175,586 (US\$ 5,718,487)	NT\$ (813) (US\$ -26,096)	NT\$ (813) (US\$ -26,096)	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	125,257	(323)	(66)	
	Tong Yang Chia Hsin Marine Corp.	Panama	Shipping service	78,490	78,490	2,700	100.00	477,266	8,761	8,761	Subsidiary (Note 3)
	Chia Hsin Pacific Limited	Cayman Islands	Holding company	626,119	626,119	6,257,179	24.18	776,857	(44,591)	(10,784)	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 December 31, 2023: US\$1=NT\$30.705, JPY1=NT\$0.2172, EUR1=NT\$33.98; net income items denominated in foreign currencies are translated using the average exchange rate of 2023: US\$1=NT\$31.155, JPY1=NT\$0.2221, EUR1=NT\$33.7.

Note 3: The investment has been eliminated upon consolidation.

Note 4: Material associates.

Note 5: The carrying amount and the profit or loss of investment includes the amortization of discount and premium.

Note 6: The highest number of shares held of each investee during the period is the same as those held at the end of period, and all the shares held are not pledged as collateral.

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 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 December 31, 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 December 31, 2023 (Note 1 (a.))	Accumulated Repatriation of Investment Income as of December 31, 2023	Note
					Outward (Note 1 (a.))	Inward (Note 1 (a.))							
Shanghai Jia Huan Concrete Co., Ltd.	Processing, manufacturing and selling of cement and other related products	\$ 15,353 (US\$ 500)	b. and c.	\$ 390,629 (US\$ 12,722)	\$ - (US\$ -)	\$ - (US\$ -)	\$ 390,629 (US\$ 12,722)	\$ 5,664 (US\$ 182)	95.23	\$ 5,664 (US\$ 182)	\$ 279,861 (US\$ 9,114)	\$ - (US\$ -)	(Note 1 (b.) (2) and Note 5)
Shanghai Chia Hsin Ganghui Co., Ltd.	Warehousing and packing bulk cement and formulating and delivering high-strength cement	322,403 (US\$ 10,500)	b.	493,307 (US\$ 16,066)	- (US\$ -)	- (US\$ -)	493,307 (US\$ 16,066)	11,699 (US\$ 376)	95.23	11,699 (US\$ 376)	403,438 (US\$ 13,139)	- (US\$ -)	(Note 1 (b.) (2) and Note 5)
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Consulting for developing information system for business and finance purpose	531,504 (US\$ 17,310)	b.	813,590 (US\$ 26,497)	- (US\$ -)	- (US\$ -)	813,590 (US\$ 26,497)	(77,203) (US\$ -2,478)	95.23	(76,489) (US\$ -2,455)	374,678 (US\$ 12,203)	- (US\$ -)	(Note 1 (b.) (2) and Note 5)
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Consulting for management of healthcare and hospitality business	325,140 (RMB 75,000)	e. Investor: Chia Hsin Business Consulting (Shanghai) Co., Ltd.	- (US\$ -)	- (US\$ -)	- (US\$ -)	- (US\$ -)	(56,396) (RMB -12,748)	95.23	(56,396) (RMB -12,748)	113,837 (RMB 26,259)	- (US\$ -)	(Note 1 (b.) (2) and Note 5)
Chia Peng Gemcare Maternity (Yangzhou) Co., Ltd.	Maternity and infant health care; sales of mother & baby supplies; life & beauty services	242,772 (RMB 56,000)	e. Investor: Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	- (US\$ -)	- (US\$ -)	- (US\$ -)	- (US\$ -)	(53,023) (RMB -11,985)	95.23	(53,023) (RMB -11,985)	108,846 (RMB 25,107)	- (US\$ -)	(Note 1 (b.) (2) 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	122,820 (US\$ 4,000)	d.	425,172 (US\$ 13,847)	- (US\$ -)	- (US\$ -)	425,172 (US\$ 13,847)	(6,209) (US\$ -199)	87.18	(6,209) (US\$ -199)	168,896 (US\$ 5,501)	- (US\$ -)	(Note 1 (b.) (2) 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\$ -)	(2,604) (RMB -589)	87.18	(2,604) (RMB -589)	- (RMB -)	- (US\$ -)	(Note 1 (b.) (2) 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 December 31, 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)
\$ 7,051,956 (US\$ 229,668)	\$ 7,127,367 (US\$ 232,124)	\$ 13,451,135

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

Note 1: a. The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of December 31, 2023: US\$1=\$30.705, RMB1=\$4.335206; net income items denominated in foreign currencies are translated using the average exchange rate of 2023: US\$1=\$31.155, RMB1=\$4.423991.

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

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

Note 2: The method of investment includes the following:

- a. Direct investment in mainland China.
- b. Indirect investment in mainland China through companies registered in a third region. The Company and Tong Yang Chia Hsin International Corporation invest in Chia Hsin Pacific Limited, which then invests in Effervesce Investment Pte. Ltd., the company that invests in mainland China.
- c. Indirect investment in mainland China through companies registered in a third region. The Company and Tong Yang Chia Hsin International Corporation invest in Chia Hsin Pacific Limited, which then invests in 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 the Company was resolved by the board of directors on April 26, 2023. The cancellation of registration was completed on August 29, 2023.

Note 8: Expected for Jiangsu Chia Hsin Real Estate Co., Ltd. The highest number of Shares held of each investee during the period was the same as the those held at the end of the period and all the Shares held are not pledged as collateral.

(Concluded)

CHIA HSIN CEMENT CORPORATION**INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 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.