Stock Code：1103

嘉新企業團
CHIA HSIN CEMENT GROUP

CHIA HSIN CEMENT CORPORATION
2021 ANNUAL REPORT

Website: www.chcgroup.com.tw
Published on: April 30, 2022
(MOPS)Market Observation Post System: mops.twse.com.tw

1. CHC Spokesperson
   Name: Li-Hsin Wang
   Title: CEO
   Tel: +886-2-2511-5211
   Email: elwang@chcgroup.com.tw
   CHC Deputy Spokesperson
   Name: Hsiao-Yun Yu
   Title: Manager of Board Secretariat
   Tel: +886-2-2511-5211
   Email: sharingyu@chcgroup.com.tw

2. CHC Headquarters & Business Office
   Headquarters: Chia Hsin Building, No.96, Sec. 2, Zhongshan N. Rd., Taipei, Taiwan, R.O.C.
   Tel: +886-2-2511-5211
   Business Office: Taichung Business Office: 8F., No.689, Sec. 2, Taiwan Blvd., Taichung, Taiwan, R.O.C.
   Tel: +886-4-2329-6250

3. Share Transfer Agent and Registra
   Capital Securities Corporation
   B2, No.97, Sec. 2, Dunhua S. Rd., Taipei, Taiwan, R.O.C.
   Tel: +886-2-2702-3999
   Website: www.capital.com.tw

4. CPA
   Chiang-Hsun Chen and Keng-Hsi Chang
   CPA Firm: Deloitte & Touche
   20F., No. 100, Songren Rd., Xinyi Dist., Taipei, Taiwan, R.O.C.
   Tel: +886-2-2725-9988
   Website: www.deloitte.com.tw

5. Overseas Listings and Access to the Listing Information: None

6. CHC Website: www.chcgroup.com.tw

Table of Contents

1. Letter to Shareholders

Dear Shareholders,

The Covid-19 pandemic continued to ravage the world in 2021. Domestically, the Covid-19 restrictions were tightened as the pandemic worsened to contain a potential outbreak. As the vaccination coverage increased in the latter half of the year, the Covid alert level lowered, and the relative restrictions loosened. This allowed the domestic economy to recover. Additionally, with low interest rates, returning capitals from overseas, and domestic real estate boom, the Company's cement sales increased, sandstone and related storage and logistics operation improved. However, the Company's hotel business in Okinawa, Hotel Collective, and our domestic healthcare business still suffers from the impact of the Coronavirus. The operations are not performing as expected.

In order to remediate the economic recession after the Covid-19 outbreak, European countries and the United States adopted extreme quantitative easing and money printing policies which stimulated strong consumer spending last year. Simultaneously, the epidemic has disrupted the supply chain production and logistics, resulting in the imbalance of supply and demand, and the rise in inflation. This forces the governments to enter a cycle of raising interest rates. In addition, in the beginning of the year, Russia abruptly launched a war against Ukraine causing the sharp rise in energy and grain prices. This adds to the complexity and uncertainty of the global economic future.

However, given that the current global economic momentum is still strong, the inflation and interest rate raising will not interrupt the growing economy in the short term, vaccination coverage is increasing, and the Covid symptom becomes milder, the international community has started to adopt a coexistence with the virus. The Japanese government has also fully lifted the Coronavirus restrictions at the end of March. The restaurants in Japan no longer have to close early, and the government's Go-To travel policy is in consideration to resume, the country is gradually opening up its borders to allow the entry of overseas visitors. The Company's hotel operation is seeing an optimistic future and improvements are expected.

The ongoing Okinawa Toyosaki Hotel development project has been slightly delayed due to the impact of the Covid-19 epidemic. The Company and InterContinental Hotels Group (IHG) are currently reviewing and revising the design plan and the possible market demand after the epidemic. In order to be more competitive and to see better investment returns, we will select an opportunity to contract out the construction of the development project.

1. Results of Last Year's Business

The Company's consolidated operating revenue in 2021 was NTD 2,220,254,000, which was an increase of NTD 161,837,000 or 7.9%, compared to NTD 2,058,417,000 in 2020. The consolidated net profit for the year was NTD 747,535,000; the net profit attributable to owners of the Company was NTD 657,848,000; The Company's earnings per share (after tax) was NTD 1.02.

(1) Main Production and Sales Distribution

1. Sales of cement: In 2021, the Company sold 470,000 metric tons of cement in Taiwan.
2. Real estate leasing: The Company's main revenue came from Chia Hsin Building, which has a comprehensive leasing rate of 95%.
3. Storage and logistic: The loading and unloading business of Taipei Port totaled 1.722 million metric tons of coal and 3.953 million metric tons of sandstones and other bulk cargoes.
4. Hospitality service: The operating revenue in 2021 was approximately NTD 240 million which includes revenue from Chia Hsin Ryukyu Hotel Collective and JAHO Life Plus+.

(2) Budget Execution

Unit: NTD thousands

Item	2021 Actual	2021 Budget (Note)	Achievement Rate
Operating Revenue	2,220,254	2,725,136	81%
Operating Costs	2,189,455	2,408,909	91%
Gross Profit	30,799	316,227	10%
Operating Expenses	556,435	682,488	82%
(Loss) Profit from Operations	(525,636)	(366,261)	-143%
Non-Operating Income and Expenses	1,345,156	979,565	137%
Profit before Income Tax from Continuing Operations	819,520	613,304	134%
Income Tax Expense	(71,985)	(40,855)	-176%
Net Profit from Continuing Operations	747,535	572,449	131%
Net Profit from Discontinued Operations	0	0	--
Net Profit for the Year	747,535	572,449	131%
Net Profit Attributable to Owners of the Company	657,848	515,078	128%

Note:

1. The budget is for internal use only. Financial forecast is not disclosed.
2. Main Difference Explanation:

- Operating revenue/operating cost/gross profit/operating expenses - the performance did not meet the expectation mainly due to the impact of the Coronavirus on the hospitality industry.
- Non-operating income and expenses – difference mainly due to the recognition of subsidiary liquidation gains of approximately NTD 290 million.

(3) Profitability Analysis (Note)

Item	2021	2020
Return on Assets	2.16%	4.96%
Return on Equity	2.94%	7.55%
Profit before Income Tax over Paid-In Capital	10.58%	27.18%
Net Profit Margin	33.67%	89.29%
Earnings per Share (after Tax)(NTD)	1.02	2.74

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

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

It has been more than two years since the outbreak of the Covid-19 epidemic. Until today, the Covid-19 virus has been plaguing and troubling our society. During this period, the vaccination effectiveness has been reduced due to the constant mutation of the virus. Further research and development is required to strengthen the vaccination efficacy. The travel and tourism industry has been affected for an extended period of time, which most operators did not expect. In addition, the Russian-Ukrainian war has prompted international sanctions on Russia's natural gas and oil exports resulting in inflation and energy options adjustments. These are all major risks affecting operations including the frequent occurrence of extreme weather under the current climate change. Risk management and adaptations are becoming issues that companies must face critically.

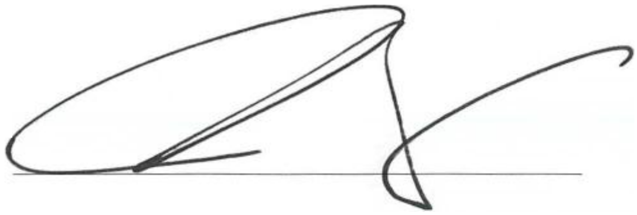
In the current volatile environment, in order to actively adopt sustainable operations, the Company's board of directors established a sustainable development committee at the end of last year. In other words, the Company takes ESG as a comprehensive consideration to formulate future development strategies and risk management.

The Company is under a transformation towards the travel and lodging industry, adopting a decentralized layout and diversified management method. Our existing investments include: self-operating hotel brand, Hotel Collective, which is located in Okinawa; Toyosaki InterContinental Chura Sun Resort that is currently in the designing and planning process and will be operated by the internationally renowned IHG Hotels Group; and other strategic investments in A.Roma Hotel in Rome and LDC Hotels & Resorts in Taiwan. In addition to diversifying risks through geographical dispersion and different management methods, the Company will also develop its own competitive advantages and characteristics through practices, comparisons, and implementations.

3. Summary of the Business Plan for 2022

As mentioned above, under the situation where the epidemic is less disruptive and the economy is heading for recovery, the Company believes that the revenue of the hotel business will increase substantially even with a bumpy start and with the impact of inflation. Building materials, storage and logistics, and leasing business are also expected to remain stable at the same level as last year.

Dear shareholders, the Company’s 2021 operating results and future business plan are presented above. We thank you for all support and welcome suggestions.



Jason K. L. Chang
Chairman

2. Company Profile

2.1 Date of Incorporation

The Company was incorporated in December 1954 with initial capital of NTD24 million, which was further increased to NTD 7,747,805,480 as the end of March 31, 2022.

2.2 Company History

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

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

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

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

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

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

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

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

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

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

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

(8) Since 2015, the Company focused on assets revitalization, investment, and development. The current focus is on hospitality businesses. Development progress is described as below:

Lodging:

1. A.Roma Lifestyle Hotel: Owns 40% of the A.Roma Lifestyle Hotel in Rome, Italy and was opened in October 2015.

2. Hotel Collective: Located in the heart of Okinawa's Kokusai-dori, the Hotel Collective was completed in October 2019 and opened in January 2020.

3. InterContinental Okinawa Chura Sun Resort Project: The new InterContinental resort is located on the beach area of Toyosaki, Okinawa, Japan. Kengo Kuma & Associates (KKAA) was formally commissioned in May 2018 to plan and design the resort. In August 2019, the Japanese subsidiary of InterContinental Group ("IHG") was formally commissioned to directly manage the resort, which introduces the five-star InterContinental Hotel and Resort services and brand.

   The Project is currently delayed by the COVID-19 pandemic. However, we are capitalizing on the time to review and improve the existing design in order to produce a more competitive design proposal with better investment returns. We will select an opportunity to contract out the construction of the development project.

4. LDC Hotels & Resorts: At the end of 2020, the Company made a strategic investment in LDC Hotels & Resorts and owns 23.1%.

Healthcare:

1. Gemcare Maternity Center: The Gemcare Maternity Centers were conceived by Jaho Life+ Management Corp., Ltd., a subsidiary of the Company, in collaboration with professional nursing and healthcare teams. The Zhongshan Center was formally opened in early 2017, while Dunhua Center in the second quarter of 2020.

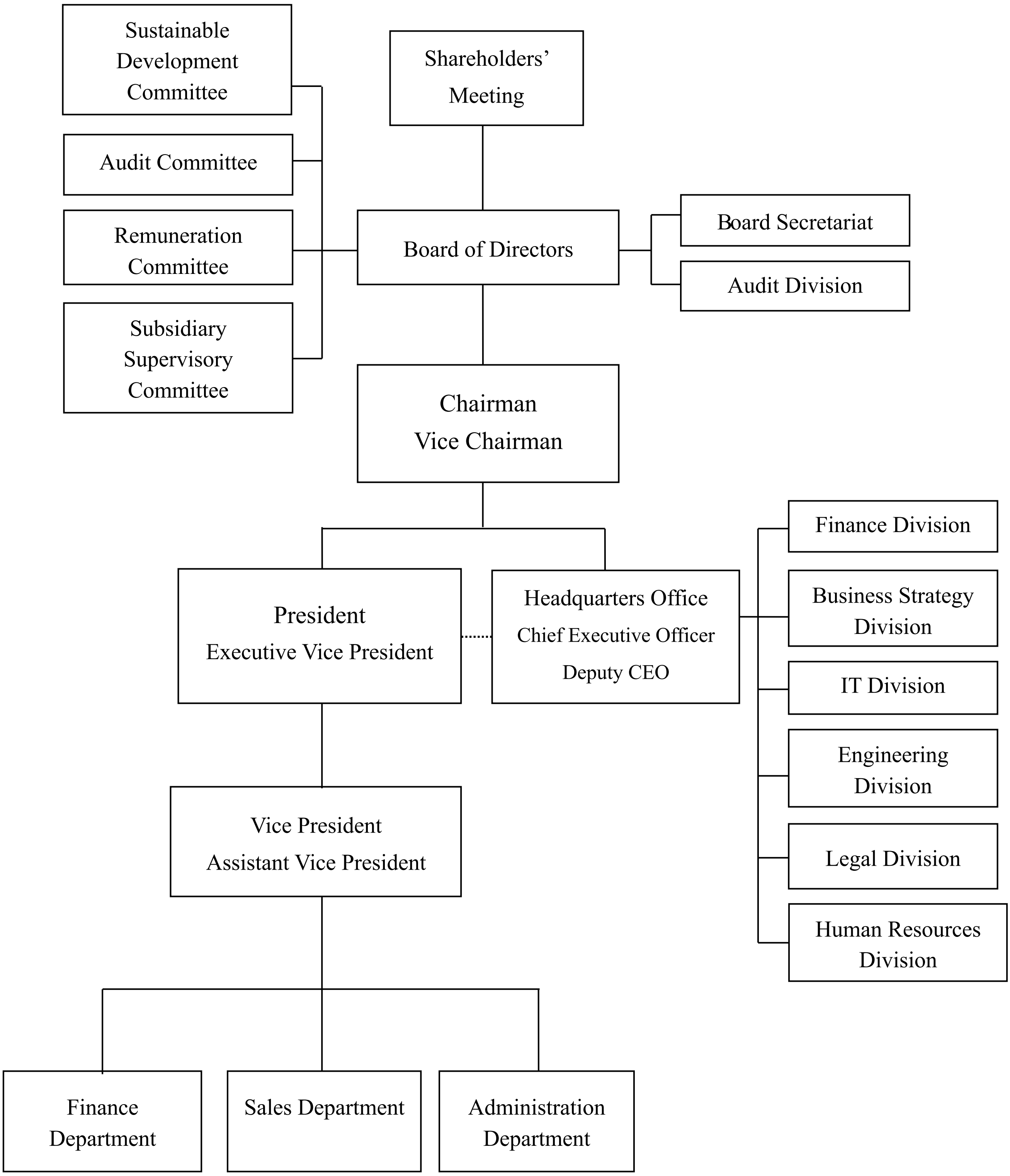
2. Maternity centers in mainland China: In terms of the healthcare market in China, maternity centers were established in Jiangsu Province and formally operated in the fourth quarter of 2021.

3. Smart Ageing Tech Co., Ltd. ("Jubo"): In the Third quarter of 2021, the Company made an investment in Jubo, a software service company uses AI to assist long-term care. Future objective of Jubo is to "Expand into the overseas geriatric care market and strive towards smart homes. "The investment in Jubo is Chia Hsin Group's ("the CHC") first step into the geriatric care business and we hope to collaborate with Jubo further in the future.

3. Corporate Governance Report

3.1 Organization

3.1.1 Organization Chart



3.1.2 Major Corporate Functions

Department	Functions
Board Secretariat	1. Convene shareholders' meetings and Board of Directors meetings and arrange for the agenda and other relevant matters 2. Submit proposals for the amendments of Articles of Incorporation of the Company and Corporate Governance related rules and regulations 3. Manage affairs of the Group's shareholders' meetings and Board meetings and process and report Industrial & Commercial registration changes 4. Supervise affairs of the Group's shareholders' meetings and Board meetings; monitor related risks and timely issue warnings
Audit Division	1. Carry out audits in accordance with the Internal Audit Implementation Regulations; keep records of audits and prepare audit reports 2. Study Internal Audit Implementation Regulations; convene audit committee meetings and arrange the agenda 3. Handle affairs related to operations of the subsidiary supervisory committee; monitor internal control related risks and timely issue warnings
Headquarters Office	1. Determining goals for group management through strategic research and development 2. Operation performance assessment, integration, and overseeing project executions of each operational department 3. Operational risks attention and warnings
Finance Division	1. Integrate and plan for the Group's overall financial resources 2. Long-term financial planning; establish financial accounting systems and conduct studies for further improvements 3. Support investment project evaluations; manage financial and investment risks; implement risk control mechanisms
Business Strategy Division	1. Investment evaluation, planning, analysis, design and execution of economic and market trend research 2. Evaluation and assessment of risky financial assets, equity investment or short-term investment for the Group 3. Investor Relations, Media and Public Relations
Engineering Division	1. Supervise and support all engineering and technical matters, quality control, maintenance, and production management 2. Carry out major project construction and technology improvement; promote innovative research and development; formulate the Group's production management, research and development, and new product development policies 3. Establish engineering related systems and supervise the implementation of related affairs
Human Resources Division	1. Formulate personnel regulations; safe keep personnel data and records; execute personnel related matters based on management decisions; convene Remuneration committee meetings and arrange the agenda 2. Plan and establish human resource policies; propose the annual plan and budget for employee selection, training, recruitment, retention and relations 3. Handle employees' labor, health and group insurance; manage employee attendance; handle employee salary; file personnel related reports to related authorities

Department	Functions
Legal Division	1. Provide legal opinions on legal issues within the Company's business scope; assist fellow divisions in handling relevant legal affairs 2. Promote and provide training on legal issues for employees; supervise legal affairs of the Group 3. Execute management assignments; monitor corporate legal risks and timely issue warnings
IT Division	1. Formulate short-term, mid-term and long-term information technology plans and strategies in accordance with the Company's development strategy and management requirements 2. In charge of the up-to-date and overall integration of information system framework for the Company and its subsidiaries 3. Handle all daily computer operations including file backup management, storage and information security; oversee and manage all information related risks of the Company's computer systems; support integration, planning, design or update of the Group's information systems
Sales Department	1. Conduct domestic and overseas market research; formulate sales strategies; propose and execute market expansion plans 2. Handle orders for domestic sales and exports, sales change; collect receivables; responsible for the issuance, control and safekeeping of bills of lading; inventory management; shipment review and approval; after-sales service 3. Execute management assignments and manage other operation and sales related risks
Finance Department	1. Implement the financial accounting system; prepare financial statements and analysis reports based on related procedures 2. Conduct account auditing, reporting, tax related affairs, and fixed asset insurance, etc. 3. Review and compile budgets; compare and analyze budget and actual performance; study, handle and offer suggestions for corporate tax affairs 4. Planning and process of the Company's reporting matters stipulated by the government authority, Financial Supervisory Commission and its subordinate institutions, and follow up on these matters 5. Review bills and receipts of fellow departments to ensure their compliance with the Company's rules and regulations
Administration Department	1. In charge of filing related tasks of the Group, maintenance and management of the bulletin boards 2. Manage, maintain or repair the Group's office related machines, equipment and automobiles 3. Plan and execute administrative management regulations and budget, manage petty cash, expenses and receipts 4. Manage and identify risks of administrative and property related affairs or other assigned tasks 5. Organize fire alarm and response teams and conduct fire drills and disaster response education and training 6. Support the Group with overall administrative affairs

3.2 Directors and Management Team

3.2.1 Directors

1. Profile of Directors

As of 04/16/2022: book closure date for AGM

Title (Note1)	Nationality/ Place of Incorporation	Name	Gender Age	Date Elected or Inaugurated	Term (Years)	Date First Elected (Note 2)	Shareholding When Elected		Current Shareholding		Current Shareholding of Spouse & Minor Children		Shareholding by Nominee Arrangement		Experience & Education (Note 3)	Other Positions (JPR: Juridical Person Representative)	Executive, Directors, or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks (Note 4)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	ROC	Jason K. L. Chang	M 51	6/21/2019	3	5/31/2001	4,478,396	0.58	4,808,396 (Note 5)	0.62%	4,477,000	0.58	975,0000	0.13%	Master, Massachusetts Institute of Technology	**Chairman of:** YJ Int'l Corp. (JPR) Bluesky Co., Ltd. (JPR) Chia Sheng Construction Corp. (JPR) Tong Yang Chia Hsin Int'l Corp. Chia Hsin Foundation **Vice Chairman of:** EPOCH Foundation **Director of:** Chia Pei Int'l Corp. (JPR) Chia Hsin Property Management & Development Corp. (JPR) Chia Hsin Business Consulting (Shanghai) Co., Ltd. (JPR) Shanghai Jia Huan Concrete Co., Ltd. (JPR) Shanghai Chia Hsin Ganghui Co., Ltd. (JPR) Chia Hsin Pacific Limited Effervesce Investment Pte Ltd Sparksview Pte Ltd Tong Yang Chia Hsin Marine Corp. (JPR) and President (Note 5) Taiwan Cement Corp. (JPR)	-	-	-	-
Director	ROC	Chi-Te Chen	M 64	6/21/2019	3	4/30/1992	680,813	0.09	692,955	0.09%	0	0.00	0	0.00	MBA, University of California, Santa Clara	**Chairman of:** Chien Kuo Development Co., Ltd. Chien Hwei Investment Co. Ltd. Golden Canyon Venture Capital Investment Co., Ltd Golden Canyon II Venture Capital Investment Co., Ltd Rock Publishing International Chien Huei Cultural & Educational Foundation Chien Kuo Foundation for Arts And Culture. **Vice Chairman of:** Chien Kuo Construction Co., Ltd. **Director of:** Chia Hsin property Management &	-	-	-	-

Title (Note1)	Nationality/ Place of Incorporation	Name	Gender Age	Date Elected or Inaugurated	Term (Years)	Date First Elected (Note 2)	Shareholding When Elected		Current Shareholding		Current Shareholding of Spouse & Minor Children		Shareholding by Nominee Arrangement		Experience & Education (Note 3)	Other Positions (JPR: Juridical Person Representative)	Executive, Directors, or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks (Note 4)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
																Development Corp, (JPR) China Real Estate Management Co., Ltd Taiwan Cement Corp. (JPR) Silver Shadow Holdings Co., Ltd. Golden Canyon Co., Ltd. Chien Kuo Asia Co., Ltd.				
Director	ROC	Tong Yang Chia Hsin International Corp.		6/21/2019	3	5/31/2001	127,370,320	16.44	127,370,320	16.44	0	0.00	0	0.00	-	-	-	-	-	-
JPR of Tong Yang Chia Hsin Int'l Corp.	USA	Pan Howard Wei-Hao	M 49	6/21/2019	3	6/19/2013	0	0.00	0	0.00	0	0.00	0	0.00	Master of EE and MBA, Massachusetts Institute of Technology	**Director of:** Chia Hsin property Management & Development Corp, (JPR) Jaho Life Plus+ Management Corp. (JPR) Bluesky Co., Ltd. (JPR) Chia Sheng Construction Corp. (JPR) Chia Hsin Pacific Limited Effervesce Investment Pte Ltd Sparksview Pte Ltd Cheng Yeh Chemical Works Ltd. (also President) Hao An Enterprise Co., Ltd. Micro Tech Enterprise Co., Ltd. CFA Society of Taiwan Chia Hsin Foundation	-	-	-	-
JPR of Tong Yang Chia Hsin Int'l Corp.	ROC	I-Cheng Liu	M 52	04/28/2020	3	04/28/2020	0	0.00	0	0.00	0	0.00	0	0.00	MBA, Wharton School of the University of Pennsylvania	**Director of :** Taiwan Film & Audiovisual Institute Sunsino Innovation Technology Inc. **Independent Director of :** PlayNitride Inc.	-	-	-	-
Independent Director	ROC	Robert K. Su	M 66	6/21/2019	3	6/27/2016	0	0.00	0	0.00	0	0.00	0	0.00	Ph. D., Accounting Louisiana State University	Independent Director, DBS Bank (Taiwan) Ltd Independent Director, Ta-Yuan Cogen Co., Ltd. Consultant, Chien Kuo Construction Co., Ltd. Supervisor, Shun Long International Electrical Engineering Co., Ltd.	-	-	-	-
Independent Director	ROC	Chia-Shen Chen	M 68	6/21/2019	3	6/19/2013	0	0.00	0	0.00	0	0.00	0	0.00	Ph.D., Psychology, National Taiwan University	Professor, Graduate Institute of Business Administration, College Management, NTU Independent Director of Yue Yuen Industrial (Holdings) Limited (Hong Kong) Member of Taiwan Power Company Promotional Development Committee	-	-	-	-

Title (Note1)	Nationality/ Place of Incorporation	Name	Gender Age	Date Elected or Inaugurated	Term (Years)	Date First Elected (Note 2)	Shareholding When Elected		Current Shareholding		Current Shareholding of Spouse & Minor Children		Shareholding by Nominee Arrangement		Experience & Education (Note 3)	Other Positions (JPR: Juridical Person Representative)	Executive, Directors, or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks (Note 4)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	ROC	Kuan-Ming Chen	M 56	6/21/2019	3	6/19/2013	0	0.00	0	0.00	0	0.00	0	0.00	BBA, University of Southern California	**Chairman of :** Ladybees International Limited **Representative of:** Shanghai Zhen Wang Management Consulting Co., Ltd.	-	-	-	-

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

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

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

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

Note 5: The increase in shareholding was caused by the execution of the transfer of the Company’s treasury shares to employees.

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

As of 04/16/2022: book closure date for AGM

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

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

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

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

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

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

As of 04/16/2022: book closure date for AGM

Name of Institutional Shareholders	Major Shareholders
Chia Hsin Cement Corporation	Tong Yang Chia Hsin International Corporation (16.44%) Sung Ju Investment Corporation (8.88%) Yung-Ping Chang (5.39%) Taiwan Cement Corporation (3.54%) Ta-Ho Maritime Corporation (3.32%) Nutri Vita Inc. (2.23%) Chia Hsin Foundation (1.92%) International Chia Hsin Corporation (1.89%) Guo-Huei Gu (1.74%) Chia Hsin R.M.C. Corporation (1.70%)

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

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

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

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

2. Directors' Information

(1) Board Independence and Qualifications

Condition / Name (Note 1)	Professional qualifications and work experience (Note 1)	Independence criteria (Note 2)	Number of other public companies in which the individual is concurrently serving as an Independent Director
Jason K. L. Chang	1. Mr. Jason K. L. Chang has extensive leadership experience in the cement industry, construction industry, Hotels & Lodging services and serves as Director of Taiwan Cement Corp., Director of Chia Hsin Property Management & Development Corp., Chairman of YJ Int'l Corp, etc. 2. Not been involved in any of the situations defined in Article 30 of the Company Act.	1. Not a spouse or a relative within the second degree of kinship to any director. 2. Not an employee of the Company; not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship to any director of the Company or any of its affiliates.	0
Chi-Te Chen	1. Mr. Chi-Te Chen has extensive leadership experience in the engineering construction industry and serves as Vice Chairman of Chien Kuo Construction Co., Ltd., Director of Chia Hsin Property Management & Development Corp., etc. 2. Not been involved in any of the situations defined in Article 30 of the Company Act.	1. Not a spouse or a relative within the second degree of kinship to any director. 2. Not an employee of the Company; not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship to any director of the Company or any of its affiliates.	0
Pan Howard Wei-Hao	1. Mr. Pan Howard Wei-Hao is an expert in the health industry and construction industry and serves as Director of Jaho Life Plus+ Management Corp., Director of Chia Hsin Property Management & Development Corp., etc. 2. Not been involved in any of the situations defined in Article 30 of the Company Act.	1. Not a spouse or a relative within the second degree of kinship to any director. 2. Not an employee of the Company; not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship to any director of the Company or any of its affiliates.	0

Condition / Name (Note 1)	Professional qualifications and work experience (Note 1)	Independence criteria (Note 2)	Number of other public companies in which the individual is concurrently serving as an Independent Director
I-Cheng Liu	1. Mr. I-Cheng Liu has extensive experience in international investment banking and financial technology industry, currently serves as director of Taiwan Film & Audiovisual Institute, director of Sunsino Innovation Technology Inc., independent director of PlayNitride Inc, and served as the former CEO of Next Bank, the CTO of CTBC Holding, etc. 2. Not been involved in any of the situations defined in Article 30 of the Company Act.	1. Not a spouse or a relative within the second degree of kinship to any director. 2. Not an employee of the Company; not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship to any director of the Company or any of its affiliates.	1
Robert K. Su	1. Mr. Robert K. Su is a prominent accounting scholar with extensive experience in intangible assets and enterprise evaluation practice and serves as the Independent Director of DBS Bank (Taiwan) Ltd and the former Dean of NCCU College of Commerce. 2. Not been involved in any of the situations defined in Article 30 of the Company Act.	1. Serving as the Independent Director of the Company. 2. Meet the criteria of Independent Director and not elected on behalf of a governmental or juridical person or its representative. 3. Independent Director with no material connection two years prior to being elected, either directly or indirectly, to the Company or the dissenting significant shareholder and not an employee of the Company or any of its affiliates, not a director or supervisor of the Company or any of its affiliates, not a director, supervisor, or employee of a corporate shareholder who directly holds 5% or more of the total number of outstanding shares of the Company or who holds shares ranking in the top five holdings etc.	2

Condition / Name (Note 1)	Professional qualifications and work experience (Note 1)	Independence criteria (Note 2)	Number of other public companies in which the individual is concurrently serving as an Independent Director
Chia-Shen Chen	1. Mr. Chia-Shen Chen has expertise in human resources, innovation and entrepreneurship management and serves as a professor of psychology at National Taiwan University, the Member of Taiwan Power Company Promotional Development Committee, etc. 2. Not been involved in any of the situations defined in Article 30 of the Company Act.	1. Serving as the Independent Director of the Company. 2. Meet the criteria of Independent Director and not elected on behalf of a governmental or juridical person or its representative. 3. Independent Director with no material connection two years prior to being elected, either directly or indirectly, to the Company or the dissenting significant shareholder and not an employee of the Company or any of its affiliates, not a director or supervisor of the Company or any of its affiliates, not a director, supervisor, or employee of a corporate shareholder who directly holds 5% or more of the total number of outstanding shares of the Company or who holds shares ranking in the top five holdings etc.	0
Kuan-Ming Chen	1. Mr. Kuan-Ming Chen has a strong background in OA e-commerce industry, both professionally and in practice and serves as the Chairman of Ladybees International Limited, Director of Shanghai Zhen Wang Management Consulting Co., Ltd, etc. 2. Not been involved in any of the situations defined in Article 30 of the Company Act.	1. Serving as the Independent Director of the Company. 2. Meet the criteria of Independent Director and not elected on behalf of a governmental or juridical person or its representative. 3. Independent Director with no material connection two years prior to being elected, either directly or indirectly, to the Company or the dissenting significant shareholder and not an employee of the Company or any of its affiliates, not a director or supervisor of the Company or any of its affiliates, not a director, supervisor, or employee of a corporate shareholder who directly holds 5% or more of the total number of outstanding shares of the Company or who holds shares ranking in the top five holdings etc.	0

(2) Board Diversity and Independence

The Management Goals of Board Diversity Policy

The Company's Board is comprised of a diverse group of professionals from different backgrounds in industries, academic expertise and aims to strengthen women's participation in decision-making:

1. Directors shall include at least one expert and scholar in each of the diversified fields include but not limited to investment and mergers and acquisitions, risk management, human resource and operational management, health living and lodging services, information technology, sustainable development and global market perspective, etc.
2. Directors shall possess at least two different fields mentioned above and at least one professional in financial accounting and one professional in law.
3. Directors shall include at least one female director.

The Implementation of Board Diversity Policy

The Company's Board consists of seven directors, including three independent directors, director election method is in accordance with Article 192-1 of the Company Act in which directors are elected by the shareholders in the Annual General Meeting of the Shareholders from a nominee list. Board meetings are held at least once every quarter. In the case of emergency, a Board meeting may be convened at any time.

At present, the Board of Directors comprises seven male directors, with one director in the 40-50 age group and six directors in the 51 years-old or above. The Board has two members with Doctor Degree and five members with Master degree. The composition is diversified with different professional experiences and backgrounds enhancing the decision-making process.

1. Chairman Mr. Jason K. L. Chang has extensive leadership experience in the cement industry, construction industry, Hotels & Lodging services, and is familiar with the businesses of the Group.
2. Director Mr. Chi-Te Chen has extensive leadership experience in engineering construction industry and is familiar with the businesses management.
3. Director Mr. Pan Howard Wei-Hao, an expert in the health industry and construction industry.
4. Director Mr. I-Cheng Liu is a renowned banker with extensive experience in international investment banking and financial technology industry.
5. Independent Director Mr. Robert K. Su is a prominent accounting scholar with extensive experience in intangible assets and enterprise evaluation as well as administrative practice.
6. Independent Director Mr. Chia-Shen Chen is a professor of psychology with expertise in human resources, innovation and entrepreneurship management
7. Independent Director Mr. Kuan-Ming Chen has a strong background in OA e-commerce industry, both professionally and in practice.

Professions of these seven directors include commerce, cement industry, construction industry, hotels & lodging services, financial business, health industry, OA e-commerce and information technology. The Board as a whole possesses various knowledge, skills and literacy to perform duties. Chairman of the Board has ample experience in business management and operational judgments and the ability to lead the Company to obtain the largest interest for the shareholders.

Board Diversity

Title	Name	Diversified Capabilities							
		Accounting, Finance and Legal Affairs	Risk Management	Business Management	Global Marketing	Investment and M&A	Hospitality Services	Information Technology	Sustainability Management
Chairman	Jason K. L. Chang	V	V	V	V	V	V	V	V
Director	Chi-Te Chen	V	V	V	V	V			V
	Pan Howard Wei-Hao	V	V	V	V	V		V	V
	I-Cheng Liu	V	V	V	V	V		V	V
Independent Director	Robert K. Su	V	V	V	V	V			V
	Chia-Shen Chen	V	V	V	V			V	V
	Kuan-Ming Chen	V	V	V	V	V		V	V

Board Independence

1. Three directors are independent, around 43% of all directors.
2. Separation of duties of the Chairman and the President or equivalent positions and not a spouse or a relative within the first degree of kinship to any director.
3. Board members are elected through nomination and all directors, including Independent Directors, are not been involved in any of the situations defined in Article 26-3 of the Securities and Exchange Act.
4. All directors, including Independent Directors, are not a spouse or a relative within the second degree of kinship to any director.

Note 1: Professional qualifications and experience: To clarify the professional qualifications and experience of individual directors and supervisors, if the director also serves as a member of the audit committee and have accounting or financial expertise, their accounting or financial background and work experience shall be illustrated, and further show the reason that not been involved in any of the situations defined in Article 30 of the Company Act.

Note 2: Independent directors shall be illustrated the independent condition, including but not limited to whether not a spouse, or relatives within the second degree of kinship serve as directors, supervisors or employees of the Company or its affiliated companies; not a natural-person shareholder who holds shares, together with those held by the person’s spouse or held by the person under others’ names; not a director, supervisor, officer of a specified company or institution that has a relationship with the company (refer to the provisions of Article 3, Paragraph 1, Subparagraphs 5 to 8 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); the compensation information two years prior to providing services of the business, legal, financial, accounting to the Company of its affiliates.

3.2.2 Management Team

Profile of President, Vice President and Other Managers

As of 04/16/2022: book closure date for AGM

Title (Note 1)	Nationality	Name	Gender	Elective Date	Current Shareholdings (Note 4)		Current Shareholdings of Spouse & Minor Children		Shareholdings by Nominee Arrangement		Experience & Education (Note 2)	Other position (JPR: Juridical Person Representative)	Managers Who are Spouses or Within Two Degree of Kinship			Remarks (Note3)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
President	ROC	Chih-Chu Chi	M	4/1/2015	177,415	0.03%	0	0.00%	0	0.00%	Dept. of Finance, China University of Technology	**Chairman of:** Chia Hsin Property Management & Development Corp. (JPR) **Director of:** Tong Yang Chia Hsin Int'l Corp. (JPR), also President Chia Pei Int'l Corp. (JPR) Blue-sky Co., Ltd. (JPR) Chia Sheng Development Corp. (JPR) Tong Yang Chai Hsin Marine Corp. (JPR) Shanghai Jia Huan Concrete Co., Ltd. (JPR) Jiangsu Jiaguo Construction Material & Storage Co., Ltd. (JPR) Jiangsu Chia Hsin real Estate Co., Ltd. (JPR)	-	-	-	-
EVP Also CEO of Headquarters Office and Chief Officer of Corporate Governance	ROC	Li-Hsin Wang	F	4/1/2015 7/11/2019	310,613	0.04%	0	0.00%	0	0.00%	MBA Waseda University	**Chairman of:** Jaho Life Plus+ Management Corp. (JPR) Chia Hsin Pacific Limited **Director of:** YJ Int'l Corp. (JPR) Chia Pei Int'l Corp. (JPR) Tong Yang Chia Hsin Int'l Corp. (JPR) Chia Hsin Business Consulting (Shanghai) Co., Ltd. (JPR) Shanghai Chia Hsin Ganghui Co., Ltd. (JPR) Shanghai Chia Peng Health care Management Consulting Co., Ltd. (JPR) Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd. (JPR) Jiapeng Gemcare Maternity (Suzhou) Co., Ltd. (JPR) Effervesce Investment Pte Ltd Sparksview Pte Ltd Tong Yang Chia Hsin Marine Corp. (JPR) LDC ROME HOTELS S.R.L CHC Ryukyu COLLECTIVE KK **Executive Officer of:** CHC Ryukyu Development GK **Supervisor of:** Chia Hsin property Management & Development Corp. (JPR) Bluesky Co., Ltd. (JPR) Chia Sheng Development Corp. (JPR)	-	-	-	-
Manager	ROC	Jane Y. C. Chou	F	7/5/2013	118,325	0.02%	0	0.00%	0	0.00%	Dept. of Industrial Management, National Taiwan University of Science & Technology	**Supervisor of:** YJ Int'l Corp. Chia Pei Int'l Corp. (JPR) Jaho Life Plus+ Management Corp. (JPR) **Corporate Auditor of:** CHC Ryukyu COLLECTIVE KK	-	-	-	-
Assistant Manager	ROC	Mars Feng	M	7/11/2019	44,000	0.01%	2,000	0.00%	0	0.00%	Dept. of Accounting, Tamkang University	-	-	-	-	-

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

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

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

Note 4: The increase in shareholding of the managers was caused by the execution of the transfer of the Company’s treasury shares to employees.

3.3 Remuneration of Directors, President, and Vice President

3.3.1 Remuneration of Directors and Independent Directors

Remuneration of Directors and Independent Directors

Unit: NTD thousands

Title		Name	Remuneration								Total Remuneration (A+B+C+D) and Ratio to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Total Compensation (A+B+C+D+E+F+G) and Ratio to Net Income (%)		Remuneration from Non-Consolidated Affiliates or from the Parent Company
			Base Compensation (A)		Severance/ Pension (B)		Directors Compensation (C)		Allowances (D)				Salary, Bonuses and Allowances (E)		Severance/ Pension (F)		Employee Compensation (G)						
			The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company		Companies in the Consolidated Financial Statements		The Company	Companies in the Consolidated Financial Statements	
																	Cash	Stock	Cash	Stock			
Director	Chairman	Jason K. L. Chang	34,846	35,725	0	0	9,660	11,990	1,024	1,136	45,530 6.92%	48,851 7.43%	0	1,200	0	0	0	0	0	0	45,530 6.92%	50,051 7.61%	0
	Director	Chi-Te Chen																					
	Director	Pan Howard Wei-Hao (Note 1)																					
	Director	I-Cheng Liu (Note 1)																					
Independent Director	Independent Director	Robert K. Su	4,050	4,050	0	0	0	0	152	152	4,202 0.64%	4,202 0.64%	0	0	0	0	0	0	0	0	4,202 0.64%	4,202 0.64%	0
	Independent Director	Kuan-Ming Chen																					
	Independent Director	Chia-Shen Chen																					

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

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

Range of Remuneration

Range of Remuneration for Directors of the Company	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements
Less than NTD 1,000,000				
NTD 1,000,000 ~ NTD 1,999,999	Pan Howard Wei-Hao, Kuan-Ming Chen, Chia-Shen Chen, Robert K. Su, I-Cheng Liu	Pan Howard Wei-Hao, Kuan-Ming Chen, Chia-Shen Chen, Robert K. Su, I-Cheng Liu	Pan Howard Wei-Hao, Kuan-Ming Chen, Chia-Shen Chen, Robert K. Su, I-Cheng Liu	Kuan-Ming Chen, Chia-Shen Chen, Robert K. Su, I-Cheng Liu
NTD 2,000,000 ~ NTD 3,499,999				Pan Howard Wei-Hao,
NTD 3,500,000 ~ NTD 4,999,999				
NTD 5,000,000 ~ NTD 9,999,999				
NTD 10,000,000 ~ NTD 14,999,999				
NTD 15,000,000 ~ NTD 29,999,999	Jason K. L. Chang, Chi-Te Chen	Jason K. L. Chang , Chi-Te Chen	Jason K. L. Chang, Chi-Te Chen	Jason K. L. Chang, Chi-Te Chen
NTD 30,000,000 ~ NTD 49,999,999				
NTD 50,000,000 ~ NTD 99,999,999				
Greater than or equal to NTD 100,000,000				
Total	7	7	7	7

3.3.2 Remuneration of President and Vice President

Remuneration of President and Vice President

Unit: NTD thousands

Title	Name	Salary(A)		Severance/ Pension(B)		Bonus and Allowances(C)		Employee Compensation (D)				Total Compensation (A+B+C+D) and Ratio to Net Income (%)		Remuneration from Non-consolidated Affiliates or from the Parent Company
		The Company	Companies in the consolidate financial statements	The Company	Companies in the consolidate financial statements	The Company	Companies in the consolidate financial statements	The Company		Companies in the consolidate financial statements		The Company	Companies in the consolidate financial statements	
								Cash	Stock	Cash	Stock			
President	Chih-Chu Chi	6,100	6,100	0	0	2,682	5,091	1,604	0	1,881	0	10,386 1.58%	13,072 1.99%	None
EVP Also CEO of Headquarters Office and Chief Officer of Corporate Governance	Li-Hsin Wang													

Range of Remuneration

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

Managerial Officers Who Received Employee Compensation and the Method

04/30/2022
Unit: NTD thousands

<table>
<tr><th></th><th>Title</th><th>Name</th><th>Stock</th><th>Cash</th><th>Total</th><th>Ratio of Total Amount to Net Income (%)</th></tr>
<tr><td rowspan="4">Managerial Officers</td><td>President</td><td>Shih-Chu Chi</td><td rowspan="4">0</td><td rowspan="4">2,057</td><td rowspan="4">2,057</td><td rowspan="4">0.31%</td></tr>
<tr><td>EVP
Also
CEO of Headquarters Office and Chief Officer of Corporate Governance</td><td>Li-Hsin Wang</td></tr>
<tr><td>Finance Officer</td><td>Jane Y. C. Chou</td></tr>
<tr><td>Accounting Officer</td><td>Mars Feng</td></tr>
</table>

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

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

Year	Total Remuneration paid to Directors, President and Vice President (NTD thousands)		Ratio of Total Remuneration Paid to Directors, President and Vice President to Net Income (%) (Note 1)	
	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements
2020	67,389	76,264	3.82%	4.32%
2021	60,118	67,325	9.14%	10.23%

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

The Company's Remuneration Policies and Criteria

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

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

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

3. Remuneration of President and Executive Vice President is based on their individual capabilities, contribution to the Company's operation, performance, market value of the position, and the Company's future operation risks consideration, and shall be reviewed by the Compensation Committee and submitted to the Board of Directors for approval. Based on the Company's regulations governing performance management and distribution of year end bonus, the performance evaluation mentioned above should have at least five factors in assessment, including authorities and Responsibilities, Performance Achieve Rate, Leading Change, Positive Thinking, and Building Partnership, while the calculation of year end bonus is based on multiple factors of Job Title, Evaluation, Operation, or Others. The Company's policies and standards for the remuneration of President and Executive Vice President takes into consideration of both personal performance and the Company's operating condition, so as to achieve the purpose of sustainable development.

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

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

3.4 Implementation of Corporate Governance

3.4.1 Board of Directors

1. Operation of the Board of Directors

(1) A total of 9 times (A) (Note 3) meeting of the Board of Directors were held in the most recent year. The attendance of Directors and Independent Directors were as follows:

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

Other matters required to be recorded:

1. When one of the following situations occurred to the operations of the Board, state the date and term of the Board meeting, content of proposals, opinions of all Independent Directors and the Company's actions in response to the opinions of the Independent Directors:
   (1) Matters included in Article 14-3 of the Securities and Exchange Act: The regulations from Article 14-3 are not applicable since the Company has already established an Audit Committee. For explanations on matters stipulated in Article 14-5 of the Securities and Exchange Act, please see 3.4.2 Operations of the Audit Committee.
   (2) In addition to the aforementioned matters, any other resolutions from the Board of Directors where an Independent Director expressed a dissenting or qualified opinion that has been recorded or stated in writing: None
2. When Directors abstain themselves for being a stakeholder in certain proposals, the name of the Directors, the content of the proposal, reasons for abstentions and the participation in voting should be stated:

Date of Board Meeting	Name of Director	Content of Motion	Reason for Recusal	Participation in Discussions and Voting
435th 01/19/2021	Jason K.L. Chang	To approve the amount of compensation of the Chairman and managers of 2020.	Jason K.L. Chang is Chairman of the Board	The directors attended the meeting in person, but recused themselves from discussions and voting.
	Chi-Te Chen Pan Howard Wei-Hao I-Cheng Liu Kuan-Ming Chen	To approve 2020 Lunar New Year compensation of the directors	To approve the amount of 2020 Lunar New Year compensation of directors (not including the independent directors who are concurrently members of the Remuneration Committee)	The directors attended the meeting in person, but recused themselves from discussions and voting.
	Chia-Shen Chen Robert K. Su	To approve 2020 Lunar New Year compensation of members of the Remuneration Committee	To approve the amount of 2020 Lunar New Year compensation of members of the Remuneration Committee (including the independent directors who are concurrently members of the Remuneration Committee)	The directors attended the meeting in person, but recused themselves from discussions and voting.

437th 05/07/2022	Jason K.L. Chang Chi-Te Chen Pan Howard Wei-Hao I-Cheng Liu	To approve the amount of compensation of directors of 2020	Director Jason K.L. Chang, Director Chi-Te Chen and Tong Yang Chia Hsin Int'l Corp. (the Corporate Director) will receive the compensation	The directors attended the meeting in person, but recused themselves from discussions and voting.
	Jason K.L. Chang	To approve subscription of treasury stocks by managers (including employees)	Jason K.L. Chang was concurrently President of Tong Yang Chia Hsin Marine Corp.	The directors attended the meeting in person, but recused themselves from discussions and voting.
440th 11/09/2022	Jason K. L. Chang Chi-Te Chen Pan Howard Wei-Hao I-Cheng Liu	To discuss 2020 compensation of members of the Company who were appointed as representative directors and supervisors of the Company's affiliated and invested companies.	Due to the reason that the aforementioned directors were all appointed by the Company as directors of its directly invested or affiliated companies and will receive compensation for such appointment, and in consideration that the affiliated companies may apply the same regulation in the future, the directors should recuse themselves from participate in discussions or voting.	The directors attended the meeting in person, but recused themselves from discussions and voting.
442nd 01/13/2022	Jason K.L. Chang	To approve the amount of compensation of the Chairman and managers of 2021.	Amount of compensation for Chairman Jason K.L. Chang	The director attended t recused themselves from discussions and voting.
	Chi-Te Chen Pan Howard Wei-Hao I-Cheng Liu Kuan-Ming Chen	To approve 2021 Lunar New Year compensation of the directors	To approve the amount of 2021 Lunar New Year compensation of directors (not including the independent directors who are concurrently members of the Remuneration Committee)	The directors attended the meeting in person, but recused themselves from discussions and voting.
	Chia-Shen Chen Robert K. Su	To approve 2021 Lunar New Year compensation of members of the Remuneration Committee	To approve the amount of 2021 Lunar New Year compensation of members of the Remuneration Committee (including the independent directors who are concurrently members of the Remuneration Committee)	The directors attended the meeting in person, but recused themselves from discussions and voting.
443rd 03/22/2022	Jason K. L. Chang Chi-Te Chen Pan Howard Wei-Hao I-Cheng Liu	To approve the amount of compensation of directors of 2021	Director Jason K.L. Chang, Director Chi-Te Chen and Tong Yang Chia Hsin Int'l Corp. (the Corporate Director) will receive the compensation	The directors attended the meeting in person, but recused themselves from discussions and voting.

3. The interval and period of self-assessment (or peer assessment) made by the Board of Directors of the Company, the assessment scope, method, and content, and the implementation: please refer to 3.4.1 Operation of the Board of Directors.

4. Targets for strengthening the functions of the Board of Directors in the current and the most recent year (e.g., setting up an Audit Committee and enhancing information transparency) and evaluation of target implementation:

(1) Members of the Board of Directors have professional knowledge, skills and expertise in different fields and

background and are capable to fulfill their duties. The Board of Directors should actively participate in diversified training courses to strengthen skills and knowledge in their expertise and to keep an open channel of communications with the operation team exchanging and sharing of information and experiences. For details of training records, please refer to 3.4.1 Operation of the Board of Directors. (2) The Remuneration Committee was established in 2011 and the Audit Committee was established in 2013 to implement Board accountability and strengthen Board duties. The Company set up a Sustainable Development Committee on December 14, 2021 as the resolution of the 441st meeting of the Board of Directors, of which the authorities and duties include, promoting and strengthening the sustainable management strategy, responding to the important issues concerned by various stakeholders, achieving the goal of sustainable enterprise management. (3) The Ernst & Young Enterprise Management Consulting Services (EY) was engaged to undertake an external effectiveness evaluation of the Company's Board of Directors performance in 2021. Evaluation was conducted through three-stage qualitative measurement indicators, the principles of professionalism and independence, to strengthen the function of the board of directors and corporate governance.

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

Note 2: (1) If any director or supervisor left his/her position before end of the year, the date the director or supervisor left and their actual attendance rate (%), which is the number of meetings the director or supervisor attended in person divided by the total number of meetings during his/her term of office shall be specified in the remarks column.

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

Note 3: The total of meetings of the Board of Directors held in the most recent year up to the publication date of this Annual Report: 7 times in 2021 and 2 times in 2023 (as of April 30, 2022)

2. Implementation Status of Evaluation of Board of Directors

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Contents of Evaluation
Annually	January 1, 2021 to December 31, 2021	Board of directors and functional committees (including Audit Committees and Remuneration Committee) and its individual members	Internal self-assessment of the Board of Directors and functional committees (including Audit Committees and Remuneration Committee) and its individual members	With reference to the sample template published by the authority, herewith the Company has established following regulations governing the performance assessment: (1)Performance assessment of th Board of Directors 1.1 The participation in the operation of the Company 1.2 Improvement of the quality of the decision making 1.3 Composition and structure 1.4 Election and continuing education 1.5 Internal control (2)Performance assessment of Individual Directors 2.1 Alignment of the goals and missions of the

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Contents of Evaluation
				Company 2.2 Awareness of the duties of a director 2.3 Participation in the operation of the Company 2.4 Management of internal relationship and communication 2.5 Director's professionalism and continuing education 2.6 Internal control. (3)Performance assessment of the Functional committees: 3.1 Participation in the operation of the Company 3.2 Awareness of the duties of the functional committee 3.3 Improvement of quality of decisions made 3.4 Makeup of the functional committee and election of its members 3.5 Internal control (4)Performance assessment of the individual members of the Functional committees 4.1 Functions of the functional committee 4.2 Awareness of the duties of the functional committee 4.3 Participation in the operation of the functional committees; 4.4 Relationship operation and communication within the functional committee
At least once in three years	January 1, 2021 to December 31, 2021	Board of directors and functional committees (including Audit Committees and Remuneration Committee) and its individual members	Engage external professional institutions (EY Advisory Services)	EY Advisory Services conducted a performance evaluation that explored three aspects, "Structure", "members", and "Procedure and Information" and the scope covers eight items, which are board structure and procedure, board composition, institutional and organizational structure, roles and responsibilities, culture and conduct, director training and development, risk management oversight, and filing, disclosure, and

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Contents of Evaluation
				performance monitoring. The methods of Evaluation are documents review, director self-assessment questionnaire, and an onsite interview conducted by 4 experts from EY Advisory Services.

4. Continuing Education of the Company's Directors and Independent Directors in 2021:

Name of Director	Course	Organizer	Date	Hours
Jason K.L. Chang	Restoring Global Risk and Resilience in the Post Pandemic Era	Taiwan Institute of Directors	09/03/2021	3
	A Study on Tax Law Trends in 2021 and Planning for Sustainable Development Lay out a Blueprint	Taiwan Institute of Directors	09/29/2021	3
	Develop New Business Models and Promote Sustainable Management of Enterprises	Taiwan Institute of Directors	10/27/2021	3
	Following the Challenges of Climate Change and Building Resilience for Enterprises	Taiwan Institute of Directors	11/24/2021	3
	Preoccupying Key Talents in the Future: Digital Economy is Coming, How Enterprises Prepare for the Next Decade of Talent Transformation	Taiwan Institute of Directors	12/14/2021	3
Chi-Te Chen	Governance and Strategy of Sustainable Development of Enterprises	Taiwan Corporate Governance Association	10/29/2021	3
	Operation and decision-making effectiveness of the board of directors	Taiwan Corporate Governance Association	11/16/2021	3
Pan Howard Wei-Hao	Tax planning for company operation and shareholding structure	Greater China Financial and Economic Development Association	11/19/2021	3
	2030/2050 Net Zero Emissions - Sustainability Challenges and Opportunities for Global Businesses	Taiwan Corporate Governance Association	11/26/2021	3
I-Cheng Liu	The 13th Taipei Corporate Governance Forum (Morning session)	Financial Supervisory Commission	09/01/2021	3
	Develop New Business Models and Promote Sustainable Management of Enterprises	Taiwan Institute of Directors	10/27/2021	3
Kuan-Ming Chen	Following the Challenges of Climate Change and Building Resilience for Enterprises	Taiwan Institute of Directors	11/24/2021	3
	Preoccupying Key Talents in the Future: Digital Economy is Coming, How Enterprises Prepare for the Next Decade of Talent Transformation	Taiwan Institute of Directors	12/14/2021	3

Name of Director	Course	Organizer	Date	Hours
Robert K. Su	Unlock key passwords in financial statements	Taiwan Corporate Governance Association	110/01/15	3
	Competition for management rights and case analysis	Taiwan Corporate Governance Association	110/01/22	3
	The advent of the era of perpetual finance: ESG trends and responses	Taiwan Corporate Governance Association	110/08/27	3
	Restoring Global Risk and Resilience in the Post Pandemic Era	Taiwan Institute of Directors	110/09/03	3
	Advanced practice sharing of the audit committee - the role of independent directors in corporate operation and corporate governance	Taiwan Corporate Governance Association	110/09/24	3
	A Study on Tax Law Trends in 2021 and Planning for Sustainable Development Lay out a Blueprint	Taiwan Institute of Directors	110/09/29	3
	Responsibilities of the Bank's Board of Directors for Money Laundering Prevention and Countering Terrorism and Related Cases	Taiwan Corporate Governance Association	110/10/26	3
	Develop New Business Models and Promote Sustainable Management of Enterprises	Taiwan Institute of Directors	10/27/2021	3
	Following the Challenges of Climate Change and Building Resilience for Enterprises	Taiwan Institute of Directors	11/24/2021	3
	How the Audit Committee Implements Financial Statement Review	Taiwan Corporate Governance Association	110/11/25	3
	Preoccupying Key Talents in the Future: Digital Economy is Coming, How Enterprises Prepare for the Next Decade of Talent Transformation	Taiwan Institute of Directors	12/14/2021	3
Chia-Shen Chen	Corporate Governance 3.0 Sustainable Development Blueprint and Common Practices of Corporate Governance	Chinese National Association of Industry and Commerce, Taiwan	110/03/18	3
	2011 Board of Directors and Shareholders' Meetings Should Notice and Frequently Asked Questions	Chinese National Association of Industry and Commerce, Taiwan	110/03/24	3
	In-depth analysis of the substantive meaning of financial reports from the perspective of the chairman	Independent Director Association Taiwan	110/05/07	3
	The 13th Taipei Corporate Governance Forum (Morning session)	Financial Supervisory Commission	09/01/2021	3
	The 13th Taipei Corporate Governance Forum (Afternoon session)	Financial Supervisory Commission	09/01/2021	3
	Restoring Global Risk and Resilience in the Post Pandemic Era	Taiwan Institute of Directors	09/03/2021	3

Name of Director	Course	Organizer	Date	Hours
	A Study on Tax Law Trends in 2021 and Planning for Sustainable Development Lay out a Blueprint	Taiwan Institute of Directors	09/29/2021	3
	Board Practice Case - Simulation Exercise	Independent Director Association Taiwan	110/09/30	3
	Develop New Business Models and Promote Sustainable Management of Enterprises	Taiwan Institute of Directors	10/27/2021	3
	Following the Challenges of Climate Change and Building Resilience for Enterprises	Taiwan Institute of Directors	11/24/2021	3
	Preoccupying Key Talents in the Future: Digital Economy is Coming, How Enterprises Prepare for the Next Decade of Talent Transformation	Taiwan Institute of Directors	12/14/2021	3

3.4.2 Audit Committee

1. Annual Priorities of the Audit Committee

The professional qualifications and experience of the three members of the Audit Committee are detailed in 3.2.1, the relevant tables and contents of the directors' information.

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

The Audit Committee conducts annual reviews on the followings:

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

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

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

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

2. Operation of the Audit Committee

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

The attendance of independent directors was as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Rate of Attendance in Person (%) (B/A) (Note 2)	Remarks
Independent Director	Robert K. Su	5	0	100%	Re-elected on 06/21/2019
Independent Director	Chia-Shen Chen	5	0	100%	Re-elected on 06/21/2019
Independent Director	Kuan-Ming Chen	2	3	40%	Re-elected on 06/21/2019

Other mentionable items:

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

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

Meeting Date (Session)	Content of Motion	Items Listed in Article 14-5 of the Securities and Exchange Act	Resolution of the Audit Committee and the Company's Response
03/29/2021 12th Meeting of the 3rd Term	1. The 2020 internal control statement. 2. The draft of 2020 business report and financial statements. 3. The continuing appointment of the current CPAs and the service fee. 4. The proposal of 2020 earnings distribution. 5. The amendments to the Internal Control System.	V	All members attended the meeting agreed to pass the motion items and submitted to the Board of Directors in which all attended directors approved without objection.
08/12/2021 13th Meeting of the 3rd Term	1. Review the Company's consolidated financial statements for the second quarter of 2021. 2. Endorsed the promissory note for the invested company, LDC ROME HOTELS S.R.L. 3. The extension of the Cement Storage Service Agreement signed with Taiwan Cement Corporation.	V	
11/9/2021 14th Meeting of the 3rd Term	1. The endorsement of the loan taken out from Taishin International Bank Tokyo Branch for the Company's subsidiary CHC Ryukyu Development GK in Japan. 2. The endorsement of the loan taken out from CTBC Bank Tokyo Branch for the Company's subsidiary CHC Ryukyu Development GK in Japan. 3. The endorsement of the loan taken out from Taishin International Bank Tokyo Branch for the Company's subsidiary CHC Ryukyu COLLECTIVE KK in Japan. 4. The endorsement of the loan taken out from CTBC Bank Tokyo Branch for the Company's subsidiary CHC Ryukyu COLLECTIVE KK in Japan.	V	

12/14/2021 15th Meeting of the 3rd Term	1. The extension of contracts signed with Tong Yang Chia Hsin International Corporation for Management of Keelung Storage and Transport Center and Cement Storage Service at the Port of Taichung. 2. The extension of Storage and Transport Agreement with the Company' subsidiary Chia Pei International Corp. 3. To sign 2022 annual equipment usage fee agreement with its subsidiary, Chia Pei International Corp. 4. The amendments to the authorization part for the "Administrative Measures for Duty Authorization". 5. The 2022 Audit Plan. 6. The 2022 Budget.	V	
03/22/2022 16th Meeting of the 3rd Term	1. The 2021 internal control statement. 2. The draft of 2021 business report and financial statements. 3. The engagement of CPAs. 4. The amendments to the "The procedures for acquisition or disposal of assets Acquiring".	V	

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

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

3. Communications among independent directors, audit division officer and CPAs (such as material matters, methods and communicating results regarding the Company's financial and operations, etc.):
Audit division officer and CPAs of the Company communicated with and provided written reports to independent directors regarding the Company's financial, business, and internal control condition periodically.
(1)Independent directors and CPAs meet at least 2-3 times a year. The CPAs reported to the independent directors on the Company's financial position, the financial and overall operations of the Company's domestic and overseas' subsidiaries and discussed with the independent directors on key audit matters for the year and examination condition of internal control. Fully communicated for any material audit adjustment entries or statutes changes that affect the accounting situation. The Company's independent directors communicate well with the CPAs.
(2)The audit division prepared the monthly audit report and follow up reports, and submitted to each independent directors for review and approval. If the independent directors have any questions or instructions after reviewing the audit report, they will inquire the audit division officer or provide suggestions. The communication channel between the audit division officer and the independent directors has been functioning well.
(3)Communications between the independent directors and the audit division officer for 2021 were listed as follows:

Meeting Date	Main Communication Item	Discussion Result
01/19/2021 (BOD)	Execution report and communications regarding the audit for October, 2020.	Noted
03/29/2021 (BOD & Audit committee meeting)	1. Execution report and communications regarding the audit for November and December, 2020. 2. The 2020 internal control statement. 3. The amendments to the Internal Control System.	1. Noted 2. After discussion, the statement was proposed to the BOD for resolution
05/07/2021 (BOD)	Execution report and communications regarding the audit for January and February, 2021.	Noted
07/20/2021 (Tel. & mail)	Notify and assist independent directors in completing the "Questionnaire for the	Provide necessary information to independent directors

	Audit Committee of Listed/OTC Companies".	
08/12/2021 (BOD)	Execution report and communications regarding the audit for March - May, 2021.	Noted
11/09/2021 (BOD)	Execution report and communications regarding the audit for June - August, 2021.	Noted
12/14/2021 (BOD & Audit committee meeting)	1. Execution report and communications regarding the audit for September, 2021. 2. Revise the authorization chart for the "Administrative Measures for Duty Authorization". 3. The 2022 Audit Plan.	1. Noted 2. After discussion, the statement was proposed to the BOD for resolution
03/22/2022 (BOD & Audit committee meeting)	1. Execution report and communications regarding the audit for November and December, 2021. 2. The 2021 internal control statement. 3. The amendments to the "The procedures for acquisition or disposal of assets".	1. Noted 2. After discussion, the statement was proposed to the BOD for resolution

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

(4) Communications between independent directors and CPAs for 2021 were listed as follows:

Meeting Date	Main Communication Item	Discussion Result
03/29/2021 (Individual symposium)	1. The CPAs explained the contents of the 2020 consolidated financial report and explanation of key audit matters and types of audit opinion issued. 2. The CPAs explained and communicated the questions raised by the independent directors.	Noted
08/12/2021 (Audit committee meeting)	1. The CPAs explained the contents of the review of the consolidated financial report for the second quarter of 2021. 2. The CPAs explained and communicated the questions raised by the participants.	Noted and proposed to BOD for resolution
12/14/2021 (BOD)	1. The CPAs evaluated and explained the possible "Key Audit Matters" for the Company's financial report for 2021. 2. The CPAs explained and communicated the questions raised by the participants.	Noted
03/22/2022 (Individual symposium)	1. The independent directors and the CPAs held a discussion to understand the CPA's communication with the Company's management and the audited departments.	Well communicated
03/22/2022 (BOD & Audit committee meeting)	1. The CPAs explained the contents of the 2021 consolidated financial report and explanation of key audit matters and types of audit opinion issued. 2. The CPAs explained and communicated the questions raised by the participants.	Noted and proposed to BOD for resolution

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

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

Note 3: Number of meetings in the most recent year and up to the publication date of this Annual Report: Four meetings in 2021 and one meeting in 2022 (as of April 30, 2022.)

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

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

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
1. Does the Company establish and disclose its best practice principles of Corporate Governance based on the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"?	V		The Company's Corporate Governance Best Practice Principles was established basing on the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies " by the Taiwan Stock Exchange and first approved by the Board of Directors at the board meeting held in March 25, 2015 and recently in May 3, 2022, amendments on partial articles were approved by the Board. The information was disclosed on MOPS and also available to investors on the Company's official website. The Company's corporate governance is established in compliance with the regulations and Articles of Incorporation and at the same time to enable the protection of investors' rights, strengthening the supervising functions of the Board of Directors, respects to stakeholders and enhancing the transparency of information.	None
2. Shareholding structure & shareholders' rights				
(1) Does the Company have internal operating procedure for handling shareholders' suggestions, concerns, disputes and litigation matters and implement based on the procedure?	V		(1) The Company's Corporate Governance Best Practice Principles specifies internal control procedures for handling shareholders' suggestions, concerns, and disputes and establishes a spokesperson and deputy spokesperson system as well as a contact window for investor relations. The Company also has a Board Secretariat that fully supports together with the shareholder service agent "Capital Securities Corporation" to handle shareholders' suggestions, concerns, disputes and litigation matters. Shareholders attending the Board of Directors' meeting are all given appropriate time to speak and discuss motions. The Company accepts any undisputed and feasible suggestions and makes improvements accordingly. However, for suggestions with disputes are to be resolved by voting in accordance with the rules and procedure of shareholders' meetings.	None
(2) Does the Company possess a list of its major shareholders and ultimate beneficial owners of those shares?	V		(2) The Board Secretariat and the shareholder service agency "Capital Securities Corporation" will monitor and in control the whole time of the directors, managers and major shareholders holding more than 10% of the shares.	None
(3) Does the Company establish and	V		(3) Basically, asset management, finance and accounting operations of the Company's affiliates are	None

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
execute the risk management and firewall system mechanism within its conglomerate structure?			conducted independently. However, the Company has a subsidiary supervisory committee (formed by 2 to 4 directors elected by the Board of Directors, and the President) who are responsible to set up task forces including risk management, sales, finance, information system, Board secretariat, operation management and investment planning division to periodically monitor its subsidiaries and affiliates' business activities and any potential risks so as to make modifications, on a timely manner, on the risk management mechanism in order to prevent frauds which may subsequently create risks to the Company.	
(4) Does the Company establish and implement internal rules against insiders trading with undisclosed information?	V		(4) The Company establishes the "Procedures for Management of the Prevention of Inside Trading", which clearly prohibits any insiders from using undisclosed information on trading of securities. Such procedures and regulations are dedicated to a special unit composed of finance, legal and other related personnel, designated by the president, responsible for execution. Also, at least once a quarter, the Company will educate current insiders about the pre and post reporting of changes on insider shareholdings and provide educational materials on procedures and related legal regulations on monthly basis by electronic transmission. In order to provide the Company's internal employees as well as other high-level managers of its affiliates to better understand the above-mentioned relevant documentation promoting the prevention of insiders trading, the Company arranged a one-hour seminar in 2020. Additionally, on January 28 and November 12, 2021 respectively, the Company arranged another 2 seminars promoting the prevention of insiders trading and participants included employees of all level managers, drivers and secretaries as well as those employees who have never attended any related training programs, new employees and employees from its affiliates. Altogether there was a total of 26 participants. Consequently, on July 28th, 2021, while the Company arranged a two-hour seminar promoting topics in relations to the Ethical Corporate Management Best Practical Principles, contents also covered case studies on violating and prevention of insiders trading. Afterwards, employees were tested on the contents of the presentations and showed very good results. A total of 82 participants attended this course which reached the rate of achievement of 95%.	None
3. Composition and Responsibilities of the Board of Directors (1) Does the Company develop and implement a diversified policy, specific management goals and implementation for the Board members?	V		(1) Structure of the Company's Board takes into the consideration based on the needs of business planning and future development. In accordance with the Company's Articles of Incorporation and practices of business, the Company should determine the number, nationality, background, skills and professional experiences of the directors. The Company's board of directors is composed in diversity with expertise and business management experiences in various industries	None

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			and also with 2 university professors serving as directors and independent directors. In order to achieve target of Corporate Governance Best Practice Principles, the Board of Directors is responsible to perform the following capabilities: 1. Business Operation Judgement 2. Accounting and Financial Analysis 3. Business Management 4. Crisis Management 5. Industry Knowledge 6. International market 7. Leadership 8. Decision Making Please see Attachment Table 1 for implementing the directors' diversity policy.	
(2) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and Audit Committee?	V		(2) In compliance with the legal regulations, in addition to establishing the remuneration committee and audit committee, the Company also has a "Subsidiary Supervisory Committee" established in accordance with the internal control regulations. The Committee consists of 2 – 4 professional directors selected by the Board of Directors; and the President. A convener is elected by a majority vote and assembles task forces by requisitioning members from various departments and business units. The Committee fulfills its duties of supervision and management by reviewing reports or motions periodically or irregularly submitted by the task forces. Moreover, in order to effectively address and strengthen the increasing attention to the ESG-related and sustainable development, at the 441st Board Meeting held on March 22, 2021, the Board of Directors resolved to set up the "Sustainable Development Committee". For the committee's composition, duties and operation, please refer to "3.4.8 Other Important Information to Facilitate Better Understanding of the Company's Corporate Governance.	None
(3) Does the Company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for reelection?	V		(3) The Board of Director's Meeting has approved the "Board Performance Evaluation Regulations" on May 9, 2019 and will proceed with the performance evaluation on annual basis accordingly. The 2021 performance evaluation of the Board of Directors has been approved at the Board of Directors' Meeting on March 22, 2022; overall performance is better than 2020. The "Board Performance Evaluation Regulation" includes the following five aspects : 1. Participation in the operation of the Company 2. Improvement of the quality of the board of directors' decision making 3. Composition and structure of the board of directors 4. Election and continuing education of the directors	None

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			5. Internal control The Result of 2021 Performance Evaluation of the Board of Directors Meeting is as below 1. Self-evaluation of the Board of Directors: more than 95 % of the evaluation items in the above mentioned five aspects are evaluated "Excellent" 2. Self-evaluation of the Functional Committee: more than 95% of the evaluation items in the above mentioned five aspects are evaluated "Excellent" Performance evaluation procedures and regulations were fully disclosed on the Market Observation Post System (MOPS) and the Company's website.	
(4) Does the Company regularly evaluate the independence of CPAs?	V		(4) The Company annually evaluates the independence of the CPAs and the results of the evaluation has been reported at the Audit Committee on March 29, 2021 for approval by the board of directors. According to the evaluation, Chiang-Hsun Chen and Keng-Hsi Chang, the CPAs of Deloitte Taiwan, both met the Company's independent evaluation criteria, and were qualified to be the Company's CPAs. For the evaluation standards of CPAs' independence, please refer to Section 3.5 Information of Certified Public Accountants of this Annual Report.	None
4. Does the Company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the Board of Directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?	V		On July 11, 2019 at the Company's 424th meeting, the Board of Directors approved to appoint the Company's EVP, Ms. Li-Hsin Wang as the chief corporate governance officer to establish and supervise the operation of the Company's governance unit responsible to handle matters as below : (1) Handling of matters relating to board of directors meetings and shareholders meetings in compliance with law (2) Preparation of minutes of board of directors meetings and shareholders meetings' (3) Assistance in onboarding and continuing education of the directors and supervisors (including the independent directors) (4) Provision of information required for performance of duties by the directors and supervisors (including the independent directors) (5) Assistance to the directors and supervisors (including the independent directors) in complying with laws and regulations (6) Other matters specified by the articles of incorporation or by contract The execution plan for 2021 is as follows:	None

Evaluation Item	Implementation Status (Note)					Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation			
			Items	Time or Period	**Description**	
			Corporate Governance Evaluation Results	2020-2021	In 2020, the Company strives to enhance the level of Corporate Governance Evaluation Results. Among the 31 indicators out of the total 82 indicators, which need to be improved, the Company completed the improvement of a total of 18 indicators. The seventh (2020) evaluation of the Company announced on April 29th, 2021 showed a result of 6 - 20% (the second level), improved by 3 levels.	
			Appoint a chief corporate governance officer	07/11/2019	On July 11, 2019, the Company's 424th meeting, the Board of Directors approved to appoint Executive Vice President / Li-Hsin Wang as chief corporate governance officer.	
			Establish the Company's governance unit	12/13/2019	Established a corporate governance unit and set up various task groups such as risk control group, supervisory group and corporate governance evaluation group according to the different functions of corporate governance and CSR, and hold corporate governance meetings regularly	
			Performance Evaluation of the Board of Directors Meeting	03/29/2021	Reported the results of the 2020 Self Evaluation of the Board of Director and the functional committees at the 436th Board Meeting.	
				03/22/2022	Conducted performance evaluation of the 2021 Board Directors (self-evaluation) and functional committees. In addition, the Board engaged an external independent agency, Ernst & Young Global Limited, to conduct the performance evaluation of the Board of Directors. The rating result received on March 2022 was "Excellent". The above two results were reported at the 443rd Board Meeting.	
			Directors' Liability Insurance	07/26/2021 Completed	Directors' liability insurance was taken out and reported at the 438th Board Meeting.	
			Corporate	03/29/2021	Reported the operation of the Corporate Governance	

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	

governance unit		unit at the 436th Board Meeting
	08/12/2021	Reported the operation of the Corporate Governance unit at the 439th Board Meeting
	11/09/2021	Reported the operation of the Corporate Governance unit and promoting of Ethical Corporate Management at the 440th Board Meeting
	12/14/2021	Reported the operation of the Corporate Governance Risk Management and resolves to establish, under the Board, the "Sustainable Development Committee" and appointed its first term of office of the committee members at the 441st Board Meeting
Continuing education of the directors	Annual and irregular	The Board Secretariat has commissioned Taiwan Institute of Directors to arrange director's seminar courses and forwarded the information of relevant courses of various organizations for directors' reference in 2021.
Other important matters	Notification of the latest laws and regulations or referral of information on policy advocacy for the directors' reference.	

As of December 2021, the Executive Vice President(Chief of Corporate Governance officer), Ms. Li-Hsin, Wang continued her training as follows:

Time	Organizer	Course	Hours
09/03/2021	Taiwan Institute of Directors	Restoring Global Risk and Resilience in the Post Pandemic Era	3
10/27/2021	Taiwan Institute of Directors	Develop New Business Models and Promote Sustainable Management of Enterprises	3
11/23/2021	BCSD Taiwan	Forum of the Trend of ESG Risk Management	3
11/24/2021	Taiwan Institute of Directors	Following the Challenges of Climate Change and Building Resilience for Enterprises	3
12/14/2021	Taiwan Institute of Directors	Preoccupying Key Talents in the Future: Digital Economy is Coming,	3

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			| | | How Enterprises Prepare for the Next Decade of Talent Transformation | | In addition, in order to improve the quality of corporate governance, the Company's governance director and personnel of the Board Secretariat passed the "Corporate Governance Fundamentals Test" conducted by the Securities and Futures Market Development Foundation.	
5. Does the Company establish a communication channel and designate a website section for its stakeholders (including but not limited to shareholders, employees, customers and suppliers), as well as respond to all issues of stakeholders' concerns in terms of corporate social responsibilities?	V		The Company's website has a "Corporate Social Responsibility" and "Interested Parties Area" for investors and other interested parties to reflect related issues, and is handled by a dedicated person to maintain their rights and interests. The Company Website: http://www.chcgroup.com.tw Steakholders section	None
6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company appoints "Capital Securities Corporation" as the share agent to handle the affairs of the Company's shareholders' meeting.	None
7. Information Disclosure (1) Does the Company have a corporate website to disclose information regarding business, finance and corporate governance?	V		(1) The Company's financial standings and status of corporate governance are disclosed at both websites of the Taiwan Stock Exchange and the Company website www.chcgroup.com.tw	None
(2) Does the Company have other information disclosure channels (e.g. English website, designated personnel to handle information collection and disclosure, spokesperson system, webcasting investor conferences, etc.)?	V		(2) The Company has appointed a dedicated personnel to handle information collection and disclosure and implemented a spokesperson system. The materials of the annual investor conference will be posted on MOPS and the Company website: http://www.chcgroup.com.tw Language: select English.	None
(3) Does the Company announce and file annual financial report within two months after the end of the fiscal year, and announce and file the first, second		V	(3) The Company will carefully evaluate the feasibility of announcing and reporting the annual financial report within two months after the end of the fiscal year with the existing manpower. The Company has announced and filed the first, second and third quarter financial reports and information on monthly revenues as early as before the prescribed period.	None

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
and third quarter financial reports, as well as monthly operating results, before the prescribed time limit?				
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, Directors' and supervisors' training records, the implementation of risk management policies and risk assessments, implementation of customer relations policies, and purchasing insurance for directors and supervisors?	V		(1) With regards to employee rights and wellness, the Company compiled a comprehensive employee handbook, ethics regulation and employee benefits. Environmental protection is implemented in accordance with laws. (2) The Company has always paid full attention to its stakeholders' interests; including its suppliers, investors and or other interested parties and provided appropriate protection. (3) Training of director and independent directors / supervisors: In addition to the continuous education which directors and independent directors take on their own, the Company arranges for directors and independent directors attending the courses on IFRS, corporate governance, risk management organized by the China Corporate Governance Association, the Republic of China Securities and Futures Development Foundation, the Republic of China Chamber of Commerce and Industry and the Taiwan Institute of Directors. Training records of directors and independent directors have been disclosed on the Taiwan Stock Exchange Market Observation Post System in accordance with regulations. (4) Implementation of risk management policies and risk measurement standards 1. The Company's risk management policy was approved by the Board of Directors at its 434th meeting on December 15, 2020. In order to control risks within the risk appetite and risk tolerance level, the Company have established a three-tier risk management structure: the Board of Directors, the administrative department and each related unit (each function/department of the Company or its affiliates) to evaluate the following risks, including hazard, operational, financial, strategic, personnel, cyber security and ESG & etc. in aim to identify and manage risks and take relevant risk response measures and necessary controls. 2. Due to impact caused by the Covid-19 pandemics, specific planning and implementation results are as follows: (1) Through the internal control self-evaluation questionnaires conducted by Audit Division, the Company conducted the first risk identification and developed the risk control distribution map. (2) In response to emergency measure of the pandemics, conducted "Work from Home" mechanism, established the response team to consistently monitor any developments and to dynamically adjust prevention measurements and risk management policy. (3) Develop risk assessment model and implementation plan based on experiences of dealing with pandemic. (4) Continuously review and conduct risk identification and implement operation of management index. 3. Implementation of risk control and management was reported at the 439th (08/12/2021) and 440th (12/14/2021) Board Meeting. 4. Additionally, due to the high attention and needs of corporate sustainable development, the Company has formally established the "Sustainable Development Committee" at the 441st (12/14/2021) Board Meeting. The previously established Risk Management Unit under the Corporate Governance Organization was included in the "Sustainable Development Committee" to continue its duty and operation.	

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			(5) Liability insurance coverage for directors and independent directors/supervisors: The Company has purchased liability insurance for directors and managers of the Company effective since June 2012. During their term of office, liabilities of directors and managers shall be insured within the scope of their duties. (6) The Rules of procedure for shareholders meetings are disclosed and information are transparent in accordance with the regulations. All shareholders are invited to participate. (7) Succession planning for members of the Board of Directors and key management personnel, which operates as follows: 1. Selection of Board Members The Company operates from the perspective of corporate governance and corporate heritage. The Compensation Committee was established in December 2011 and the Audit Committee was established in June 2012, and the process of optimizing the effectiveness of the Board of Directors has been implemented in a gradual manner. In addition to their professional background and skills, the Board members of the Company should also have expertise in the management planning and business operation of the Company. In order to enhance the professionalism and continuous improvement of the Board members, we consider to select courses that cover finance, risk management, business, commerce, legal affairs, accounting, corporate social responsibility or internal control system, and financial reporting related to the nature of the Company's industry in addition to the professional ability of each Board member, and arrange at least 6 hours of refresher courses per year for each Board member to ensure that they have a substantial degree of industry knowledge and acquire new knowledge. The succession plan of the Chairman of the Board of Directors is a continuation of the previous model of nurturing key personnel in the corporate group by assigning reserve personnel to train overseas (e.g., to participate in important projects such as the construction of cement plants). The Company also plans to expand the participation of senior managers in the Group's operations through job rotations and assignments, in order to develop the ability to formulate strategies and macroscopic vision, and to familiarize them with the operations of the Board of Directors. In the midst of the corporate group's transformation, the Company has also assigned executives and reserve talents at various levels to execute overseas new business preparation projects to cultivate their cross-disciplinary functions. 2. Key Management Levels The Company attaches importance to the development of human resources at all levels and has established a management succession plan. Our management succession plan (including the development of talent reserves) is based on cross-company "unit rotation/experiential learning" and "project assignment" within the corporate group to strengthen the functions of operational decision-making thinking and development of strategic partnerships. The duration of the program for each key position is divided into three categories: one (inclusive) to three years, three (inclusive) to five years, and five (inclusive) years or more, and personal development plans are promoted according to the nature of their duties, through which trainees are able to integrate and utilize various resources to develop their abilities in line with the management philosophy. At the same time, the Human Resources Division will plan courses to	

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			strengthen management functions in order to prepare talents at all levels to assume important management positions in the future. The courses include but are not limited to supervisory roles and team building, goal management and annual planning, efficient communication and teamwork, performance interview and employee motivation, effective communication, teamwork and sensitivity training etc.	

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

No.	Items of Corporate Governance Evaluation	Implementation and Improvement
2.2	Did the Company adopt a board diversity policy and disclose the specific management objectives as well as the status of implementation of the diversity policy on the Company's website and in the annual report?	The composition of the Board of Directors is based on a combination of industry experience, professional ability and years of experience as a director of individual directors, and specific information is disclosed on the Company's website and Attachment Table 1 – Diversified Capabilities of the Directors.
2.14	Did the Company have any functional committees other than statutorily required committees, and did such functional committees have not less than three members, with at least half of the members being independent directors, and with one or more members possessing the particular professional competences required by the respective committees, and did the Company disclose the organization, functions, and operations of such committees?	At the Board Meeting dated 12/14/2021, the Board resolved to establish the "Sustainable Development Committee" and its organization chart and by laws. At the meantime, the Board appointed the first term of office of committee members. (including 4 directors, and among them 2 are independent directors)
2.28	Has the Company adopted an approval method for the recruitment, evaluation, and remuneration of its internal auditors, whether by submission to the board for approval, or by submission by the chief internal auditor to the chairman of the board for approval, and disclosed the method on the Company's website?	The Company's Employee Compensation Management Policy has been implemented and disclosed on the Company's website in the internal audit section.
4.12	Did the Company set management policies for energy conservation, reduction of carbon/greenhouse gas (GHG) emissions, water use, or other waste/pollutants? [If the Company has assessed the potential risks and opportunities presented by climate change for the Company now and in the future, and has adopted response measures related to climate change issues, one additional point will be added to the total score.]	The Company passed the new version of ISO 14064 International Certification in April 2021. In the future, its affiliates will continuously work to promote carbon footprint verification and proceed with reduction of greenhouse gas emission.
4.13	Did the Company obtain ISO 14001 or ISO50001 certified or accredited with similar environmental or energy management system certification?	In November 2021, the Group passed ISO 50001: 2018 Energy Management System Certification

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

Table 1: Diversified Capabilities of the Directors

Title	Name	Nationality	Gender	Seniority as the Director of the Company	Diversified Capabilities							
					Accounting, Finance and Legal Affairs	Risk Management	Business Management	Global Marketing	Investment and M&A	Hospitality Services	Information Technology	Sustainability Management
Chairman	Jason K. L. Chang	ROC	M	21 years	V	V	V	V	V	V	V	V
Director	Chi-Te Chen	ROC	M	30 years	V	V	V	V	V			V
	Pan Howard Wei-Hao	USA	M	9 years	V	V	V	V	V		V	V
	I-Cheng Liu	ROC	M	2 year	V	V	V	V	V		V	V
Independent Director	Robert K. Su	ROC	M	6 years	V	V	V	V	V			V
	Chia-Shen Chen	ROC	M	9 years	V	V	V	V			V	V
	Kuan-Ming Chen	ROC	M	9 years	V	V	V	V	V		V	V

3.4.4 Composition, Responsibilities, and Operation of the Remuneration Committee

1. Professional Qualifications and Independence Analysis of Remuneration Committee Members

Role / Name / Criteria		Professional qualification and experiences	Independent criteria (Note 1)	Number of members who are concurrently members of the compensation and remuneration committees of other public offering companies
Independent Director (Convenor)	Chia-Shen Chen	Please refer to P. 15, 3.2.1-2 Directors and Management Team for related information.	Please refer to P. 20, 3.3.1 Remuneration of Directors and Independent Directors for related information.	0
Independent Director	Robert K. Su			1
Other	Chi-Lin Wea	Experienced in commerce, legal, finance, accounting, and related work experiences for Group's business needs PhD, Economics, University of Paris, France Chairman of IBF Financial Holdings Co., Ltd. Director of Chung Hsin Bills Finance Corporation	Received a total of NTD 1,072,000 compensation for providing business, legal, financial, accounting and other services to the Company or its affiliates in the most recent two years.	3

Note 1: All remuneration committee members satisfy the following criteria:

(1) The member's (including but not limited to), spouse, and relatives within 2^{nd} degree kinship do not serve as directors, supervisors or employees of the Company or its affiliated companies.

(2) The member, member's spouse, and relatives within 2^{nd} degree kinship do not use others to hold their shares of the Company.

(3) The member does not serve as a director, supervisor or employee of a company with specific relationship of the Company as specified by Provisions of Article 6, Paragraph 1, Subparagraphs 5 to 8 of the Measures for the Establishment and Exercise of Powers of the Compensation and Remuneration Committee of Companies Listed on the Stock Exchange or Trading at the Business Office of a Securities Firm.

Responsibilities of the Remuneration Committee

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

Authorities of the Remuneration Committee

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

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

2. Operation of the Remuneration Committee

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

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

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

Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate in Person (%) (B/A) (Note)	Remarks
Convener	Chia-Shen Chen	10	0	100%	
Member	Robert K. Su	10	0	100%	
Member	Chi-Lin Wea	9	1	90%	
Other mentionable items： 1. If the Board of Directors declines to adopt or modifies a recommendation of the Remuneration Committee, it should specify the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the Company's response to the Remuneration Committee's opinion (e.g., the remuneration passed by the Board of Directors exceeds the recommendation of the Remuneration Committee, the circumstances and cause for the difference shall be specified): None. 2. If resolutions of the Remuneration Committee were objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.					

Note:

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

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

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

Meeting Date	Members Attended	Content of Motion	Avoidance of Motion in Conflict of Interest	Discussion & Resolution Status
03/11/2021 9th Meeting of The 4th Term	Chia-Shen Chen, Robert K. Su, Chi-Lin Wea	2020 compensation amount recommendation for directors and employees		All attended members unanimously resolved the amount of compensation recommended for employees and directors. Actual provision % shall be calculated based on audited amount of net income before tax.
04/22/2021 10th Meeting of The 4th Term	Chia-Shen Chen, Robert K. Su, Chi-Lin Wea	Distribution of 2020 compensation for managerial employees and directors		Unanimously resolved and proposed to Board of Directors for resolution.
		Deliberation on the 2nd time proposed amount of shares purchased by managers		Unanimously resolved and proposed to Board of Directors for resolution.
05/07/2021 11th Meeting of The 4th Term	Chia-Shen Chen, Robert K. Su	Approved the amount of shares to be purchased by managers (including employees)		Unanimously resolved and proposed to Board of Directors for resolution.
10/19/2021 12th Meeting of The 4th Term	Chia-Shen Chen, Robert K. Su, Chi-Lin Wea	2020 remuneration of representative directors and supervisor of affiliates and other invested companies		Unanimously resolved and proposed to Board of Directors for resolution.
12/24/2021 13th Meeting of The 4th Term	Chia-Shen Chen, Robert K. Su, Chi-Lin Wea	2021 Amount of year-end bonus for Chairman and managerial officers (including employees)		Unanimously resolved and proposed to Board of Directors for resolution.
		2021 Additional payment of Lunar New Year for Directors		Unanimously resolved and proposed to Board of Directors for resolution.
		2021 Additional payment of Lunar New Year for Remuneration Committee members	No substantive review based on avoidance of interest	All members attended in person but recused themselves from discussion and voting and submitted to the Board of Directors for resolution.
03/02/2022 14th Meeting of The 4th Term	Chia-Shen Chen, Robert K. Su, Chi-Lin Wea	2021proposal for compensation amount recommendation for directors and employees		Unanimously resolved and proposed to Board of Directors for resolution.
		Distribution of 2021 compensation for directors		Unanimously resolved and proposed to Board of Directors for resolution.
		Distribution of 2021 compensation for managerial employee		Unanimously resolved and proposed to Board of Directors for resolution.

3.4.5 Promotion of Sustainable Development and Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies”

Promotion Item	Implementation Status(Note 1)			Deviations from the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
1. Does the Company establish a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the board of directors to handle senior management, and supervised by the board of directors?	V		1. In order to comply with international trends and the needs of sustainable development, and to respond to the important issues of concern to various stakeholders, the Company has established the sustainable development committee at the 441st board meeting (12/14/2021). In addition to the functions of the original corporate governance organization established back in 2019 (such as risk management, corporate social responsibility and corporate governance, etc.) are included in the sustainable development committee for continuous operation, and sustainable development office is set up to undertake and promote sustainable planning. . 2. Please refer to Section 3.4.8 of the Annual Report for the composition, professional competence and diversity information of the members of the Sustainable Development Committee. 3. Functions of the Sustainable Development Committee: (1) Integrate the corporate culture and important sustainable development issues in the future, and formulate the mission, vision and development policy. (2) Review the implementation and effectiveness of the Company's sustainable development, and report to the board of directors on a regular basis. (3) Focus on the important issues of concern to various stakeholders and supervise the communication plan. (4) Other matters resolved by the board of directors to be handled by the committee. 4. The Company's corporate governance organization (now renamed the Sustainable Development Office) has regularly reported to the board of directors the implementation of various sustainable development (including corporate social responsibility) projects since 2020. This year, the operation status is reported on the 439th board meeting (08/12/2021) and the 441st board meeting (12/14/2021).	None

<table>
<tr><th rowspan="2">Promotion Item</th><th colspan="3">Implementation Status(Note 1)</th><th rowspan="2">Deviations from the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td></td><td></td><td></td><td>5. Affected by the epidemic in 2021, epidemic prevention methods are prioritized (including working from home, employee care, etc.). After reporting to the board of directors and affirming their implementation, after the establishment of the sustainable development committee, relevant important sustainable issues (such as carbon inventory) is now been discussing and the Company planned to formulate sustainable policies and implementation blueprints for the Group in the year 2022.</td><td></td></tr>
<tr><td>2. Does the Company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?(Note 2)</td><td>V</td><td></td><td>1. The Company's risk management policy was approved by the 434th meeting of the board of directors on 12/15/2020. It established a risk management framework, assessed risk identification and management in all aspects, and adopted relevant risk response measures and control activities.
2. The risk management strategy consists of elements such as risk identification, risk measurement, risk monitoring, risk reporting and risk response. The scope of assessment is the Company and its important subsidiaries.
<table>
<tr><th>Major Issues</th><th>Risk Assessment Items</th><th>Description</th></tr>
<tr><td>3. Environment</td><td>Environmental impact and management</td><td>The Company effectively reduces pollution emissions and impact on the environment through the implementation of process safety management and institutionalized management cycles.
With the assistance of an external consulting firm, the Company's climate risk identification process was constructed using the TCFD framework and the identification of climate change-related risks was completed. Moving forward, to establish relevant response plans, develop climate change management systems and policies, and regularly review and assess related risks. Regularly check</td></tr>
</table></td><td>None</td></tr>
</table>

Promotion Item	Implementation Status(Note 1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	

		greenhouse gas emissions in accordance with ISO 14064-1 and review the impact on company operations. Based on the results of the carbon inventory, plan and implement carbon reduction measures to effectively reduce the risk of Scope 1 emissions and the indirect emissions of Scope 2 greenhouse gases caused by the use of electricity. The annual internal audit plan is planned, aiming at the compliance of the Company to comply with various relevant environmental laws and regulations, and auditing that each operating process has complied with the regulations.
Society	Occupational Safety	Fire drills and industrial safety education and training are held regularly every year to cultivate employees' ability to respond to emergencies and self-safety management.
Corporate Governance	Social Economy and Legal Compliance	By establishing a governance organization and implementing an internal control mechanism, ensure that all personnel and operations of the Company truly comply with relevant laws and regulations.
	Strengthen the functions of directors	Plan relevant training topics for directors, and provide directors with the latest regulations, system development and policies every year. At the same time, directors' liability insurance is also

<table>
<tr><th rowspan="2">Promotion Item</th><th colspan="3">Implementation Status(Note 1)</th><th rowspan="2">Deviations from the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><td></td><td></td><td>insured for directors to protect them against lawsuits or claims.</td></tr>
<tr><td></td><td>Communication with Stakeholders</td><td>The Company attaches great importance to communication with stakeholders, analyzes important issues that important stakeholders care, and establishes various communication channels to actively communicate to reduce confrontation and misunderstanding.
Set up a dedicated mailbox, which is handled and responded to by the spokesperson.</td></tr>
</table>
3. Based on the sustainable development requirements, the Sustainable Development Committee was established at the 441st meeting of the board of directors (12/14/2021), and risk management was included as one of the important functions of the Sustainable Development Office.
4. The operational status of risk control is reported on the 439th meeting of the board of directors (08/12/2021) and the 441st meeting of the board of directors (12/14/2021).</td><td></td></tr>
<tr><td>3. Environmental issues
(1) Does the Company establish proper environmental management systems based on the characteristics of the Company's business operations?</td><td>V</td><td></td><td>In terms of environmental management system, the Company conducts environmental management through ISO international standards such as greenhouse gas inventory and energy management systems. For example, in 2021 the Company headquarters has passed the third-party verification of ISO 14064-1 greenhouse gas inventory, and the third-party verification of ISO 50001 energy management system (energy management system validity period: 11/7/2021 - 11/7/2024). And publicly disclosed in the sustainability report and the Company's website: (http://www.chcgroup.com.tw). Starting from 2022, the scope of greenhouse gas inventory and the energy management system will be gradually expanded from headquarter to operating entities of the Group.</td><td>None</td></tr>
</table>

Promotion Item	Implementation Status(Note 1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			In addition, for each investment, the Company also establishes appropriate environmental management systems according to the characteristics of the industry. The postpartum care center is following the WELL Building Standard™ (has obtained the WELL platinum certification in 2020), the newly built Hotel Collective in Okinawa is following LEED standard for green building (Has obtained LEED Certification in 2021).	
(2) Does the Company endeavor to improve energy efficiency and to utilize renewable resources to reduce their impact on the environment?	V		1. The Company is committed to improving the efficiency of energy use. In 2021, the headquarters building introduced the ISO 50001 energy management system, and formulated energy and environmental policies to support environmentally friendly and energy-efficient products, promote the rationalization of energy use and distribution, promote energy conservation and energy improvement in multiple ways, deepen employees' awareness of energy saving and maintain a sustainable operation. In addition to promoting various daily energy-saving behaviors internally, plans for energy-saving and equipment replacement are scheduled each year. For example, in 2020, we improved the replacement of air-conditioning water pumps in CHC Second Building, and reduced the electricity consumption of air-conditioning by 46,815 kWh. The average annual electricity saving rate reached 2.02%, reaching the planned electricity saving target of 1%. In 2021, the power saving plan was implemented, and the centrifuge in the Second Building was improved and replaced with a screw compressor. The investment amounted was around 2.9 million NTD to reduce the power consumption of air conditioners. The efficacy of energy saving measures was about 103,000 kWh, and the average annual power saving rate reached 2.11%, exceeding the planned annual power saving target rate of 1% per year. From 2018 to 2021, the average annual power saving rate in each year was 2.48%, 2.21%, 2.02%, and 2.11%, respectively. The average annual power saving rate in the four years exceeded the expected power saving target in the original four-year plan. In the future (2022), we will continue to promote internal energy-saving behaviors among employees, and improve large-scale equipment or operation methods, such as improving	None

Promotion Item	Implementation Status(Note 1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			the use of frequency conversion control for cooling water towers, and reduce electricity consumption such as air conditioning or lighting. It is estimated that the annual electricity saving rate will be 1.3% in 2022. 2. In addition, in order to reduce the impact of environmental load, the Company attaches great importance to the utilization efficiency of resources. For hospitality services such as restaurants operated by the Group, the use of disposable tableware and the use of conservative animal and plant ingredients are rejected. The overseas hotel development projects, on the other hand, reduce the impact to the environment through LEED green building related environmental protection measures such as energy conservation and water resources saving.	
(3) Does the Company assess the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	V		The Company takes the Sustainable Development Committee as the highest organization for climate change management, reviews the policies and objectives of climate change management, and supervises the relevant implementation progress of the climate change team. The Company appoints an external consultant team to assist in completing the identification of climate change-related risks. Moving forward, to establish relevant response plans, develop climate change management systems and policies, and regularly review and assess related risks.	None
(4) Does the Company monitor the greenhouse gas emissions, water consumption and total weight of waste in the past two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water consumption, or other waste management?	V		The Company's statistics include the water consumption, total waste weight, and greenhouse gas emission in the past two years. In order to save energy and reduce carbon footprint, the Company will set annual goals to implement water and electricity conservation policies. Please refer to the "Environment Management "section of the Company's 2021 sustainability report. (1) Greenhouse gas: The Company calculates greenhouse gas emissions through ISO 14064-1. (The following carbon dioxide equivalent units: metric tons) 2020: (Introduced in the first year) the scope of the inventory is the office activities of	None

Promotion Item	Implementation Status(Note 1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			the headquarter of CHC Building Category 1: 30.5912 Category 2: 77.1415 Category 3: 34.7245 The scope of the 2021 inspection has been expanded to all domestic bases of the Group: the inspection is expected to be completed in June 2022, and will be disclosed in the sustainability report or the official website of the Group. (2) Water consumption: *Statistical scope: Chia Hsin Building (including all tenants), Taipei Port No. 1 Bulk Cargo Center, Taichung Port Cement Storage and Transportation Station, Keelung Port Cement Storage and Transportation Station. 2020: 72,608 degrees/liter 2021: 89,628 degrees/liter (3) Waste: *Statistical category: same as above (2) 2020: 183.07 metric tons of general waste 108 metric tons of business waste 2021: General waste 196.38 metric tons Business waste 58.2 metric tons Verification obtained from greenhouse gas inventory: ISO14064-1:2018. The year of acquisition is April 2021 (scope of inspection: office activities of the headquarter of CHC Building; period covered by inspection: January to December 2020) It is expected that the inventory and verification will be completed in June 2022 (the scope of the inventory: expanded to all domestic bases of the Group; the period covered by the	

Promotion Item	Implementation Status(Note 1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			inventory: January to December 2021). For relevant policies on greenhouse gas reduction, water reduction or other waste management (including base year data, reduction targets, promotion measures and achievement status, etc.), please refer to the environmental chapter of the latest sustainability report or the official website of the Group. (https://www.chcgroup.com.tw Environment Sustainability Section)	
4. Social issues (1) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		The Group is committed to safeguard the basic human rights of employees, recognizes and supports international human rights standards such as "The UN Global Compact", "United Nations Universal Declaration of Human Rights" and "International Labor Organization Declaration on Fundamental Principles and Rights at Work", and formulates human rights policies accordingly, which focuses on the implementation of diverse and inclusive workplaces and ensuring equal job opportunities, smooth communication channels, providing a safe and healthy working environment, personal data protection. Review and evaluation of human rights related systems and actions has been conducted in a regular basis. The policy was signed and implemented by the chairman in January 2020.	None
(2) Does the Company have reasonable employee benefits measures (including salaries, leave, and other benefits, etc.), and appropriately reflect operating performance or results in employee compensation?	V		Employee welfare measures: The Company has reasonable employee welfare measures: The working hours and vacations of employees are detailed in the Company's "Working Rules", which are in compliance with "Labor Standards Act", "Regulations of Leave-Taking of Workers", "Act of Gender Equality in Employment". The Company provides group insurance for employees, provides childcare welfare subsidies to serve employees with children under 12 years of age, and regularly allocates funds to the "Employee Welfare Committee" to provide employees with appropriate care in various	None

Promotion Item	Implementation Status(Note 1)			Deviations from the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			aspects. <u>Workplace Diversity and Inclusion and Compensation System:</u> The Company does not differently treated or discriminate in any form due to gender (including sexual orientation), age, marriage, physical and mental disabilities, etc. of employees, and provides equal pay for equal work and equal promotion opportunities. There are “Employee Compensation Management Measures”, in which regulations related to employees' salaries are reasonably stated. There are also "Performance Management Method", “Year End Bonus Distribution Method”, “Employee Compensation Distribution Method”, and “Employee Promotion Method” as bases for employee assessments, and to determine the amount of bonuses/employee compensation based on business performance and employee performance. The results of employee performance evaluation is also connected to promotion qualification.	
(3) Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		The Company follows the regulations of occupational safety and health related laws and regulations, takes disaster prevention and disaster prevention as the core concept, and aims to achieve zero disasters, so as to build a healthy and joyful workplace. In 2021, the Company has zero occupational disaster. The Company's machinery and equipment are subject to detailed inspections in accordance with the law to ensure the user safety. The Company provides employee health checks every year which are beyond legal requirements, and arranges on-site occupational nurses to conduct interviews to guide and analyze employee health. The Company has set up a staff sports center, provides various fitness facilities, and is equipped with automatic external defibrillator (AED) and blood pressure monitors and other equipment, and regularly arranges all employees to conduct safety education and training	None

Promotion Item	Implementation Status(Note 1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			such as CPR and AED first aid and fire drills. Health seminars are held irregularly to help employees adjust their body and mind and relieve stress. The Company verification status: Safe Place Certification, Healthy Startup Badge, Health Promotion Badge, Sports Business Certification.	
(4) Does the Company provide its employees with career development and training sessions?	V		The Company has established "Education and Training Management Measures" to train employees in the skills required for career development., conducts talent inventory and job work analysis to confirm the needs of colleagues at all levels and departments in terms of professional and general functions every 1-2 years. During the annual performance interview, the heads of each department are invited to discuss the personal development plan with the employees, and prepare the relevant budget according to the proposed needs, and implement the adjustment and implementation. In 2021, according to the Company's policy, we conducted training at different levels. A total of 26 supervisors in the Group completed 36-hour training for supervisors; total 212 employees have received relevant workplace safety training.	None
(5) Does the Company comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of its products and services, and implement relevant consumer or client protection policies and grievance procedures?	V		The Company complies with relevant laws and regulations to ensure consumer rights. The Company has a customer service mailbox and a dedicated customer service line, which are clearly displayed on the Company's website.	None

<table>
<tr><th rowspan="2">Promotion Item</th><th colspan="3">Implementation Status(Note 1)</th><th rowspan="2">Deviations from the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td>(6) Does the Company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational safety and health, or labor and human rights? If so, describe the results.</td><td>V</td><td></td><td>【Supplier Management Policy】
In recent years, the Company has actively promoted transformation and developed into service businesses such as hospitality and health care. There is no factory to manufacture cement in the original cement business entity, and it only plays the role of re-distribution. Therefore, the management of suppliers is not factory oriented.
The Company formulated the supplier management policy in 2020, and promulgated the Company's subsidiaries to comply. Focusing on green procurement principles such as energy conservation, environmental protection and environmental sustainability, requires suppliers to also focus on human rights and labor rights and not to use child labor. At the same time, the Company attaches great importance to the integrity of suppliers' operation and compliance with corporate social responsibility commitments. Suppliers are required to sign "Integrity Commitment" and "Corporate Social Responsibility Commitment". And according to the type of suppliers, to regularly conduct supplier evaluation/self-evaluation, supplier coaching/education, and supplier performance evaluation. In the future, in addition to continuing to promote the importance of suppliers' actions in terms of sustainability, suppliers will be required to abide by the principles of labor rights, integrity management, and green procurement through various contracts.
【Implementation of Supplier Management Policies and Relevant Specifications】
<table><tr><td>Supplier Evaluation/Self-Assessment /Performance Evaluation</td><td>In 2021, an annual evaluation of suppliers will be conducted on the quality, delivery time, cooperation degree, price, etc. of suppliers of cement and packaging paper bags, and the implementation ratio is 100%.
26 suppliers of Central Kitchen suppliers</td></tr></table></td><td>None</td></tr>
</table>

Promotion Item	Implementation Status(Note 1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			<table><tr><td></td><td>have completed supplier evaluation in 2021.</td></tr><tr><td>Supplier mentoring or education</td><td>Arranged energy management manufacturers to participate in 4 energy management education courses in 2021. In 2022, will continue to arrange various suppliers to participate in relevant supplier education courses such as integrity management.</td></tr><tr><td>Engineering contracts or other supplier contracts</td><td>In 2022, will continue to require suppliers to abide by the principles of labor rights, business integrity, and green procurement through various contracts.</td></tr></table>The above management policies and implementation are published on the Company's official website "Supplier Management" (https://www.chcgroup.com.tw Supplier Management Section)	
5. Does the Company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the Company, such as corporate sustainability reports? Do the reports above obtain assurance from a third party verification unit?	V		The Company compiles a corporate social responsibility report with reference to the internationally accepted reporting standards to disclose the Company's non-financial information. For the Company's 2020 CSR Report, BSI British Standards Institution is the third-party verification unit to provide AA1000 moderate assurance. The Company's 2021 Sustainability Report will still be verified by a third party and apply for relevant assurance or assurance opinions.	None

Promotion Item	Implementation Status(Note 1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	

6. Describe the difference, if any, between the actual practice and the Principles, if the Company has implemented its sustainable development principles based on "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies":

The Company established the "Corporate Social Responsibility Policy" in March 2015 in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies". Further in May 2020, based on the newly revised "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies" the Company has formulated the "Code of Practice for Corporate Social Responsibility" to replace the original policy. The "Code of Practice for Corporate Social Responsibilities" was revised to "Code of Practice for Sustainable Development" and was submitted to the board meeting for review and approved on March 2022. At present, the Company's operations are implemented in accordance with the established code of practice, thus there is no difference.

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

(1) The Company is committed to creating a joyful workplace. Although a large-scale domestic epidemic broke out in the year 2021, in addition to maintaining the fundamental policy of flexible working hours; during the period of working from home, the Company continues to pay attention to the physical and mental state of employees, conducted online training, purchased fruit & vegetable boxes and rapid test kits for employees to use, so as to relieve employees' anxiety caused by working from home.

(2) The Company values training and development of talents. In 2021, organized a series of training courses to improve the sensitivity and caring skills of supervisors, so as to strengthen the communication and mutual trust between supervisors and subordinates.

(3) The Group has designated the year of 2021 as the employee health year, and encouraged colleagues to participate in health management activities held in the Zhongshan Health Center, as well as conducted employee health check and arranged for free flu vaccination.

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

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

1. In the year of 2021, donated 100,000 NTD to Jieh Huey Social Welfare & Charity Foundation to care for the disadvantaged and disabled in rural areas.
2. The Group has donated supplies to Taipei City Fire Department (11,000 N95 masks, 2,750 protective clothing, and 11,000 surgical masks). The total expense was NTD 1.51 million.

(6) Chia Hsin Foundation held regular public welfare activities in the year of 2021:

<table>
<tr><th rowspan="2">Promotion Item</th><th colspan="3">Implementation Status(Note 1)</th><th rowspan="2">Deviations from the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td colspan="5">The 62nd Chia Hsin Foundation Scholarships in 2021, a total 5.59 million NTD was awarded to students from disadvantaged families with excellent academic performance; the 57th Chung Hwa-Chia Hsin Sports Scholarship was 1.408 million NTD.
(7) The Group is committed to the youth development. For 2 consecutive year, was invited to participate in the "2021 Sustainability Hackathon" jointly organized by seven universities including Feng Chia University, Asia University and China Medical College. The proposition was provided to students for brainstorming and came out with business proposals. The Group sponsored 40,000 NTD as competition prize thus strengthen the interaction with students.
(8) The Group actively introduce international quality certification standards related to environmental sustainability to new business projects. For example, Hotel Collective is applying for LEED green building certification, aiming to thoroughly managed water, energy, and waste recycling; The domestic postpartum care center, on the other hand, followed the WELL Building Standard™ specification, by following the ten concepts in WELL including air, water, nourishment, light, movement, thermal comfort, sound, materials, mind, and community has developed the most suitable living environment for healthy living, and has obtained WELL Platinum certification in September 2020. The central kitchen has passed HACCP and ISO22000 dual certifications shortly after the construction completed in 2019.</td></tr>
</table>

Note 1: If tick "Yes" for the implementation situation, describe specifically the important policies, strategies, measures and implementation situations adopted; if tick "No" for the implementation situation, state any deviations of such implementation from the “Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies”, and explain the circumstances and reasons for the deviations, and describes plans to adopt relevant policies, strategies and measures in the future.

Note 2: The principle of materiality refers to those who have a significant impact on the Company's investors and other stakeholders in relation to environmental, social and corporate governance issues.

Note 3: For disclosure methods, please refer to the Best Practice Reference Examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

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

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

Evaluation Item	Implementation Status (Note)			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
(3) Does the Company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the Company enforce the programs above effectively and perform regular reviews and amendments?	V		(3) As a precautionary measure to avoid any business related unethical or dishonest behavior, the Company has clearly provided the operating procedures, code of conduct, disciplinary actions, and appeal procedures for violations in its "Ethical Corporate Management Operating Procedures and Behavior Guidelines". In addition, the Company regularly promotes the same in its "Employee Handbook" and relevant operation manuals for employees to follow accordingly.	None
2. Fulfill ethical corporate management policies				
(1) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	V		(1) The Company regularly reviews and evaluates all business partners' ethical records and terminates relationship with those partners of unsatisfactory results. The ethics-related clauses are incorporated in the Company's agreements with the suppliers based on its "Ethical Corporate Management Best Practice Principles" and "Supplier Management Policies". Suppliers' review is also conducted on a regular basis.	None
(2) Does the Company have a dedicated unit for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	V		(2) The Sustainable Development Office (SDO) is the Company's dedicated unit for sustainable development including formulating ethical corporate management policies and overseeing its operations. SDO is under the supervision of the Sustainable Development Committee (SDC), which regularly makes status reports to the Board of Directors. The current year CSR Report has been submitted to the 440th Meeting of the Board of Directors on November 9, 2021.	None
(3) Does the Company establish policies to prevent conflicts of interest and provide	V		(3) The Company provided that no manager shall engage in anything falling in their work scope involving conflicts of interest of the Company unless restrictions are resolved or	None

Evaluation Item	Implementation Status (Note)			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
appropriate communication channels, and implement it?			waived otherwise by the Board of Directors and the Shareholders' Meeting. Once a conflict of interest exists, such member shall not participate in the discussion and shall not exercise voting rights attached thereto in order to avoid any violation of ethical corporate management principles. However, such member is entitled to tender a written statement on this particular issue which is an integral part of the meeting minutes. The standard procedure for employees to report any potential cases of conflicts of interest is set up by the Company.	
(4) Does the Company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?	V		(4) The Company has also established the accounting and the internal control systems and relevant management procedures to enforce these ethical principles. Based on the results of risk assessment, the Audit Division has formulated its audit plan, which enables it to conduct an annual review of internal control, exams its effectiveness and revises the audit plan accordingly if needed.	None
(5) Does the Company regularly hold internal and external educational trainings on ethical corporate management?	V		(5) Internal training workshops on ethical corporate management are held regularly for employees. All relevant ethical corporate management policy updates are also announced in the Company's internal meetings from time to time. In 2021, employees attended two internal and external training workshops accordingly.	None
3. Operation of reporting channel (1) Does the Company establish both a reporting/incentive system and reporting hotline? Can the accused be reached by an appropriate designated person for follow-up?	V		(1) "Internal Procedures for Reporting Illegal, Unethical and Dishonest Acts" has been adopted by the 426th Meeting of the Board of Directors on November 13, 2019. The Company has assigned its Audit Division to help collect complaints via three following channels: a direct complaint hotline at Tel: 886-2-2551-2317, a regular mail with attention to the Manager, the Audit Division and an exclusive complaint email address at	None

Evaluation Item	Implementation Status (Note)			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			chcgroup.audit@gmail.com. Based on the above procedures, whistleblower(s) that have provided sufficient and proper evidence will be rewarded upon completion of the investigation.	
(2) Does the Company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?	V		(2) A standard investigation procedure is established to review the relevant complaints on any illegal, unethical and dishonest acts. After the initial investigation by the Audit Division, a Special Committee may be assigned to do further in-depth investigation if needed and to report its final result to the Chairman of the Company. In circumstances of complaints involving the Company's Directors or senior management, the Special Committee will report to the Head of the Audit Committee. All complaints and investigation documents will be kept in absolute confidentiality for five years.	None
(3) Does the Company provide proper whistleblower protection?	V		(3) The Company makes every effort to provide the whistleblower(s) with protection, including all of their personal identification, accusation details and relevant information of both the whistleblower(s) and the accused are kept as extreme confidential.	None
4. Strengthening information disclosure Does the Company disclose its ethical corporate management policies and results of its implementation on the Company's website and MOPS?	V		Code of Ethical Conduct "and "Ethical Corporate Management Best Practice Principles" are disclosed on the Company's website and its internal bulletin board for employees to follow accordingly, also on MOPS.	None
5. If the Company has established the ethical corporate management policies based on the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please describe any discrepancies between the policies and their implementation: No discrepancies found.				
6. Other important information to facilitate a better understanding of the Company's ethical corporate management practices: (e.g., review and amendment of the policies) The Company's "Ethical Corporate Management Best Practice Principles" and "Code of Ethical Conduct" have been amended and adopted by the Meeting of the Board of Directors on November 11, 2020. Meanwhile, in order to provide employees with the operating procedures and behavior guidelines, the Company's "Ethical Corporate Management Operating Procedures and Behavior Guidelines" has also been adopted by the same above Meeting of the Board of Directors. The Company complies with the				

Evaluation Item	Implementation Status (Note)			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
Company Law, the Securities and Exchange Act, relevant regulations for listed companies, and other relevant laws and regulations on business practices which collectively form the basis of our implementation of ethical corporate management. Please refer to Ethical Corporate Management and Code of Ethical Conduct in the Company’s CSR Report.				

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

3.4.7 Access to Corporate Governance Guidelines and Regulations

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

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

1. Composition and Operation of the Sustainable Development Committee
   Since the establishment of the Company's corporate governance organization structure (including risk management, etc.), reported at the 427th Board meeting on December 13, 2019, the Group has endeavored to promote corporate governance and to fulfill corporate social responsibilities related works, and periodically reported the implementation results to the Board.
   Following the international development trend, the Company's Sustainable Development Committee was established at the 441st Board meeting on December 14, 2021 to success and continue the operations and all functions of the corporate governance organization. In addition, related action planning (i.e. environmental management, climate actions, and etc.) was included based on various aspects of the sustainable development.
   To assist the Board to fulfill sustainable operation and to actively implement sustainable development related works, responsibilities of the Sustainable Development Committee includes the following items:
   (1) Integration business culture of the Group and future critical sustainable development issues. Set up vision, mission, and development policies.
   (2) Review and discussion the implementation status and effectiveness of sustainable development.
   (3) Attention on the issues concerned by the interested parties and supervising the communication plan.
   (4) Other assigned issues resolved by the Board.

Members of the Sustainable Development Committee

Title	Name	Major Experience	Diversified Capabilities						
			Accounting, Finance and Legal Affairs	Risk Management	Business Management	Global Marketing	Investment and M&A	Hospitality Business	Information Technology
Chairperson	Jason K.L. Chang (Chairman)	●Director of Taiwan Cement Corp. ●Vice Chairman of EPOCH	V	V	V	V	V	V	V
Member	Pan Howard Wei-Hao (Director)	●Director and President of Cheng Yeh Chemical Works ●Director and V.P. of CFA Society	V	V	V	V	V		V

Title	Name	Major Experience	Diversified Capabilities						
			Accounting, Finance and Legal Affairs	Risk Management	Business Management	Global Marketing	Investment and M&A	Hospitality Business	Information Technology
		Taiwan							
Member	Robert K. Su (Independent Director)	●Accounting professor of NCCU ●Independent director of Ta-yuan Cogen Co., Ltd. ●Member of Chinese Business Ethics Education Association ●Member of remuneration committee, Chien Kuo Construction Co., Ltd.	V	V	V	V	V		
Member	Chia-Shen Chen (Independent Director)	●Professor of Business Administration, NTU ●Independent director of Yue Yuen Industrial (Holdings) Limited (HK) ●Member of Taiwan Power Company Promotional Development Committee Consultant of Industrial Technology Research Institute	V	V	V	V			V

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

relating to fraud and corporate governance, cyber security, and accounting manager's continuing educations to improve the operation of corporate governance and reduce the occurrence of risks.

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

Title	Name	Content of Course	Date Attended	Hours
President	Shih-Chu Chi	Chia Hsin Group ESG Collaboration Project Training	03/17/2021	3
		Workplace Equality Promotion	12/08/2021	3
EVP Also CEO of Headquarters Office and Chief Officer of Corporate Governance	Li-Hsin Wang	Chia Hsin Group ESG Collaboration Project Training	03/17/2021	3
		Increase Management Sensitivity and Employee Care Skill	04/15/2021-11/26/2021	30
		Workplace Equality Promotion	12/08/2021	3
Finance Officer	Jane YC Chou	Leadership Workshop MBTI	01/22/2021	3
		New Greenhouse Gases Inventory and Internal Audit Training	03/04/2021	2
		Chia Hsin Group ESG Collaboration Project Training	03/17/2021	3
		Increase Management Sensitivity and Employee Care Skill	04/15/2021-11/26/2021	33
		Talking Tax and Succession New Thoughts-New Developments of House and Land Transactions Income Tax and Anti-Tax Avoidance	04/23/2021	2.5
		Employee Relations under Epidemic Impact	06/18/2021	1
		Do you really know your subordinates? Using Fruits to Get Understanding	06/28/2021	1
		Leadership Vision Coaching Manager	07/21/2021	1
		Ethical Corporate Management	07/28/2021	2
		Restoring Global Risk and Resilience in the Post Pandemic Era	09/03/2021	3
		IFRS+ESG Corporate Sustainable Value Report Disclosure	09/09/2021	1.5
		(IAASB+ESG)ISAE3000 and Assurance Report	09/23/2021	1.5
		Tax Regulation Trend Analysis, Plan Sustainable Development Blueprint	09/30/2021	3
		Initiate Post-Epidemic New Layout-Finding Business Opportunities and Investment spot light	10/21/2021	1.5

Title	Name	Content of Course	Date Attended	Hours
		New Business Model Innovation, Let AI add Value to Business Brand	10/27/2021	3
		Explanation for COMODO Cybersecurity Firewall System	11/18/2021	0.5
		Following the Challenges of Climate Change and Building Resilience for Enterprises	11/24/2021	3
		Expenses Reimbursement Administration Regulations Promotion	11/30/2021	1.5
		2021 Cathy Sustainable Finance and Climate Change Summit (On-line Forum)	12/07/2021	6.5
		Workplace Equality Promotion	12/08/2021	3
		How to Meet Talents Transition for the Next Decade	12/14/2021	3
Accounting Officer	Mars Feng	SROI Basic	01/19/2021	2.5
		Leadership Workshop MBTI	01/22/2021	3
		New Greenhouse Gases Inventory and Internal Audit Training	03/04/2021	2
		Chia Hsin Group ESG Collaboration Project Training	03/17/2021	3
		Increase Management Sensitivity and Employee Care Skill	04/15/2021-11/26/2021	33
		Ethical Corporate Management	07/28/2021	2
		Restoring Global Risk and Resilience in the Post Pandemic Era	09/03/2021	3
		Tax Regulation Trend Analysis, Plan Sustainable Development Blueprint	09/30/2021	3
		New Business Model Innovation, Let AI add Value to Business Brand	10/27/2021	3
		Following the Challenges of Climate Change and Building Resilience for Enterprises	11/24/2021	3
		Accounting officer continuing education based on ”Regulations Governing the Qualification Requirements & Professional Development of Accounting Officer of Issuers, Security Firms , and Security Exchange.”	06/12/2021-12/07/2021	12
		Workplace Equality Promotion	12/08/2021	3
		How to Meet Talents Transition for the Next Decade	12/14/2021	3

3.4.9 Internal Control System Execution Status

1. Internal Control Statement

Chia Hsin Cement Corporation Limited

Statement of Internal Control System

Date: March 22, 2022

Based on the findings of a self-assessment, Chia Hsin Cement Corporation Limited (CHC) states the following with regard to its internal control system during the year 2021:

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

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

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

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

5. Based on the findings of such evaluation, CHC believes that, on December 31, 2021, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.

6. This Statement is an integral part of CHC's annual report for the year 2021 and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.

7. This statement was passed by the Board of Directors in their meeting held on March 22, 2022, with all 7 attending directors affirming the content of this Statement.

Chia Hsin Cement Corporation Limited

Jason K.L. Chang ,

Chairman

Shih-Chu Chi,

President

Shih Chi Chi

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

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

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

1. Major Resolutions of the Annual General Shareholders' Meeting

Year	Date	Major Resolutions	Remarks
2021	08/18/2021 Shareholders' Meeting (Postponed due to Covied-19 pandemics and was held by means of visual communication assisted shareholders meeting)	1. Approved 2020 Business and Financial Statements. 2. Approved the proposal of 2020 earnings distribution that to set aside NTD1,651,591,012 as dividend to shareholders (NTD1.4 cash dividend per share). The above dividend shall be distributed in priority from 2020 net profit after tax. 3. Approved the amendments to the "Rules of Procedures for the Shareholders' Meeting". 4. Approved the amendments to the "Rules for Election of Directors".	1. Announcement has been made on the same date and in accordance with resolution of the shareholders' meeting. 2. The Board Meeting resolved the earnings distribution; set 09/14/2021 as the record date and completed the cash dividend distribution on 10/07/2021. 3. Announcement was made on the same date and in accordance with the resolution of shareholders' meeting. 4. Announcement was made on the same date and in accordance with the resolution of shareholders' meeting.

2. A Total of Nine Board Meetings Were Held During January 1, 2021 to April 30, 2022. Major Resolutions of Each Meeting Were as Follows:

Meeting	Date	Major Resolutions
435	01/19/2021	1. Approved the manager's subscription details for handling "The First Rules on Transfer Repurchased Shares to Employees for the Year of 2018". 2. Approved the amount of 2020 bonus of the Chairman and managers. 3. Approved the amount of Lunar New Year bonus of the directors (not including the independent directors who are concurrently members of the Remuneration Committee). 4. Approved the proposed amount of Lunar New Year bonus of members of the Remuneration Committee (including the independent directors who are concurrently members of the Remuneration Committee). 5. Approved the special motion to report the investment risk profiling questionnaire for the Company's foreign currency account at BNP Paribas Wealth Management Bank, Hong Kong Branch.
436	03/29/2021	1. Approved the 2020 compensation distribution of employees and directors and to report at the General Shareholders' Meeting for acceptance. 2. Approved the amendment of "Internal Control System". 3. Approved the 2020 Internal Control Statement. 4. Approved the engagement of the CPAs and their service fees. 5. Approved the draft of 2020 Business Report and Financial Statement for acceptance at the General Shareholders' Meeting. 6. Approved the 2020 earnings distribution for acceptance at the General Shareholders' Meeting. 7. The Board of Directors resolved to convene the 2021 General Shareholders' Meeting.
437	05/07/2021	1. Approved the amount of 2020 compensation to employees and directors. 2. Approved the amount of 2020 compensation to managers.

Meeting	Date	Major Resolutions
		3. Approved the manager's subscription details for handling "The First Rules on Transfer Repurchased Shares to Employees for the Year of 2018". 4. Approved the amendment of "Rules of Procedure for the Shareholders' Meetings". 5. Approved the amendment of "Rules for Election of Directors". 6. Reviewed and approved the proposal of shareholders Huang Jun-Jung and Lu Kuei-Mei to add to the Reporting Items of 2021 Shareholders' Meeting Agenda. 7. The Board of Directors resolved to add and adjust the meeting agenda of the 2021 Annual General Shareholders' Meeting.
438	07/26/2021	1. The Board of Directors resolved to change the date and venue of the 2021 Annual General Shareholders' Meeting.
439	08/12/2021	1. Approved to endorse the cashier's check of Taiwan Bank of its invested company LDC ROME HOTELS S.R.L. 2. Approved to renewal the Warehouse and Storage Service Contract signed with Taiwan Cement Corp.
440	11/09/2021	1. In accordance to the Company's Principles for the Appointment of Representative Directors and Supervisors and Compensation, the Board approved the review and evaluation of those corporate directors and supervisors of its affiliates and invested companies for their 2020 compensation. 2. Approved change of credit limit with Mega International Commercial Bank Co. Ltd. And Yuanta Commercial Bank Co. ltd. 3. Approved the endorsement guarantee of a bank loan from Taishin International Bank Tokyo Branch to the Company's subsidiary CHC Ryukyu Development GK in Japan. 4. Approved the endorsement guarantee of a bank loan from CTBC Bank Tokyo Branch to the Company's subsidiary CHC Ryukyu Development GK in Japan. 5. Approved the endorsement guarantee of a bank loan from Taishin International Bank Tokyo Branch to the Company's subsidiary CHC Ryukyu COLLECTIVE KK in Japan. 6. Approved the endorsement guarantee of a bank loan from CTBC Bank Tokyo Branch to the Company's subsidiary CHC Ryukyu COLLECTIVE KK in Japan.
441	12/14/2021	1. Approved the renewal of the management contract for Keelung Storage and Transportation Center and service contract for cement storage warehousing signed with its subsidiary TYCH Int'l. 2. Approved the signing of the Equipment Usage Agreement for 2022 at Taipei Cargo Terminal No.1 with the Company's subsidiary Chia Pei International Corp. 3. Approved the renewal of the Storage and Transportation Agreement signed with the Company's subsidiary Chia Pei International Corp. 4. Approved the amendment of the Company's partial contents on Approval Authority Table of the "Management of Job Authorization". 5. Approved the adoption of 2022 Audit Plan. 6. Approved the same credit lines signed with the financial institutions for 2022. 7. Approved the 2022 budget. 8. Approved the Board Meeting's resolution establishing the "Sustainable Development Committee" and appointment of the first term committee members.
442	01/13/2022	1. Approved the amount of 2021 bonus of the Chairman and managers. 2. Approved the amount of 2021 Lunar New Year bonus of the directors (not including the independent directors who are concurrently members of the Remuneration Committee). 3. Approved the proposed amount of 2021 Lunar New Year bonus of members of the Remuneration Committee (including the independent directors who are concurrently members of the Remuneration Committee). 4. Approved the change of credit lines with the First Commercial Bank.

Meeting	Date	Major Resolutions
443	03/22/2022	1. Approved the 2021 compensation distribution of employees and directors and to report at the General Shareholders' Meeting for acceptance. 2. Approved the 2021 compensation distribution of the directors. 3. Approved the 2021 compensation distribution of the employees. 4. Approved the 2021 Internal Control Statement. 5. Approved the order of seats for the next board meeting. 6. Approved the elections of board directors. 7. Approved releasing Directors from Non-competition Restrictions. 8. Approved the amendment of partial articles of Corporate Sustainable Development Best Principles. 9. Approved the amendment of "Procedures for Acquisition or Disposal of Assets". 10. Approved the renewal of credit line with First Commercial Bank. 11. Approved the engagement of the CPAs. 12. Approved the draft of 2021 Business Report and Financial Statement for acceptance at the General Shareholders' Meeting. 13. The Board of Directors resolved to convene the 2022 General Shareholders' Meeting. 14. Approved to accept nominations of board director and related procedures. 15. Approved to accept proposals for shareholders' meeting and related procedures.

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

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

3.5 Information Regarding the Company's Certified Public Accountant

3.5.1 Audit Fee

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

<u>Information of Audit Fee</u>

Unit: NTD thousands

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-Audit Fee (Note 1)	Subtotal	Remarks
Deloitte Taiwan	Chiang-Hsun Chen	01/01/2021~12/31/2021	6,480	1,156	7,636	
	Keng-Hsi Chang					

Note 1：Mainly for services of: protocol procedure service 760, sustainability consulting 370, and checklist of information for salary of full-time employees who are not in a managerial position 30.

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

3. Audit fee of the year is less than that of the previous year by over 10%:
Audit fee of the year was less than that of the previous year by NTD 1,150 thousands or 15%, mainly due to the decrease in service for J GAAP conversion to TIFRs of NTD 600 thousands and for English translation of 2019 parent company only and consolidated financial statements of NTD 600 thousands.

4. Evaluation of the external auditors' independence:

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

(1) The auditors' independence declaration.

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

(3) Annually evaluates the independence of the external auditors and summarizes the independent evaluation results by conducting the auditor independent survey (Note).

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

Items	Content	Meet or Not	
		Meet	Not
1	The professional accountants should avoid and not accept the engagement when they may have involved in any direct or material indirect interests which may impair their impartiality and independence.	V	

Items	Content	Meet or Not	
		Meet	Not
2	A professional accountant shall have independence of mind and in appearance, to provide audit, review, or verification on financial statements, special audit, and express an opinion. The members of the audit team, accounting firm and any of its affiliates shall also maintain their independence.	V	
3	A professional accountant shall be honest, objective and keeping the spirit of independence.	V	
4	Whether the independence is impaired by self-interest, self-assessment, defense, familiarity and force.		V
5	Is not under any of the followings： (1)The CPA has not been punished by the Competent Authority referred to in Article 37 of Securities and Exchange Act. (2) The CPA has not served as the Company's auditor for seven consecutive years or have impaired their independence. (3) The CPA has not use his power to compete unfairly.	 V V V	

3.5.2 Replacement of Certified Public Accountant

1. Information of former CPAs

<table>
<tr><td>Date of Replacement</td><td colspan="4">Approved by the 443rd Board of Directors on March 22, 2022</td></tr>
<tr><td>Reasons and Explanation of Replacement</td><td colspan="4">In compliance with regulatory requirements on rotation, the Company changed the accountants Chiang-Hsun Chen and Keng-Hsi Chang to Chiang-Hsun Chen and Sheng-Tai Liang starting from the first quarter of 2022.</td></tr>
<tr><td rowspan="3">State whether the Appointment is Terminated or Rejected by the Consignor or CPAs</td><td colspan="2">Parties
Status</td><td>CPA</td><td>Consignor</td></tr>
<tr><td colspan="2">Appointment terminated</td><td>NA</td><td>NA</td></tr>
<tr><td colspan="2">Appointment rejected (discontinued)</td><td>NA</td><td>NA</td></tr>
<tr><td>The Opinions other than Unqualified Opinion Issued in the Past Two Years and the Reasons for the Said Opinions</td><td colspan="4">None</td></tr>
<tr><td rowspan="4">Is there any disagreement in opinion with the issuer</td><td rowspan="4">Yes</td><td></td><td colspan="2">Accounting principle or practice</td></tr>
<tr><td></td><td colspan="2">Disclosure of financial statements</td></tr>
<tr><td></td><td colspan="2">Auditing scope or procedures</td></tr>
<tr><td></td><td colspan="2">Others</td></tr>
</table>

	No	V
	Explanation	
Supplementary Disclosure (Disclosures Specified in Article 10.6.1.4~7 of the Standards)	None	

2. Information of successor CPAs

Accounting Firm	Deloitte Taiwan
CPA	Chiang-Hsun Chen and Sheng-Tai Liang
Date of Engagement	Approved by the 443rd Board of Directors on March 22, 2022
Prior to the Formal Engagement, Any Inquiry or Consultation on the Accounting Treatment or Accounting Principles for Specific Transactions, and the Type of Audit Opinion that Might be Rendered on the Financial Report	None
Written Opinions from the Successor CPAs that are Different from the Former CPA's Opinions	None

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

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

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

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

Title (Note 1)	Name	2021		Current Year Up to 04/30/2022	
		Net Change in Shareholding (Note 2)	Net Change in Share Pledged	Net Change in Shareholding	Net Change in Share Pledged
Chairman	Jason K.L. Chang	330,000	0	0	0
Director	Chi-Te Chen	0	0	0	0
Director	Tong Yang Chia Hsin Int'l Corp.	0	0	0	0
Representative of Corporate Director	Pan Howard Wei-Hao	0	0	0	0
Representative of Corporate Director	I-Chen Liu	0	0	0	0
Independent Director	Robert K. Su	0	0	0	0
Independent Director	Chia-Shen Chen	0	0	0	0
Independent Director	Kuan-Ming Chen	0	0	0	0
President	Chih-Chu Chi	109,000	0	0	0
Executive V.P. Also CEO of Headquarters Office and Chief Officer of Corporate Governance	Li-Hsin Wang	216,000	0	0	0
Finance Officer	Jane Y.C. Chou	57,000	0	0	0
Accounting Officer	Mars Feng	30,000	0	0	0
Major Shareholder (16.44%)	Tong Yang Chia Hsin Int'l Corp.	0	0	0	0

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

Note 2: Increase in shareholding of the managers was caused by the execution of the transfer of the Company's treasury shares to employees. The Company's Chairman also serves as President of Tong Yang Chia Hsin Marine Corp., a subsidiary of the Company.

2. Shares Trading with Related Parties: None.

3. Shares Pledge with Related Parties: None.

3.7 Relationship among the Company's Top Ten Shareholders

Relationship among the Company's Top Ten Shareholders

Name (Note 1)	Personal Shareholding		Spouse's & Minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship between the Company's Top Ten Shareholders, or Spouses or Relatives within Two Degrees of Kinship (Note 3)		Remarks
	Shares	(%)	Shares	(%)	Shares	(%)	Name	Relationship	
Tong Yang Chia Hsin Int'l Corp.	127,370,320	16.44	0	0	0	0	Int'l Chia Hsin Corp.	Supervisor	-
Tong Yang Chia Hsin Int'l Corp. Representative：Jason K.L. Chang	4,808,396	0.62	4,477,000	0.58	975,000	0.13	Yung-Ping Chang Taiwan Cement Corp.	Father & Son Director (JPR)	-
Sung Su Investment Corp.	68,780,239	8.88	0	0	0	0	None	None	-
Sung Su Investment Corp. Representative: Yung-Ping Chang	41,748,178	5.39	6,797,543	0.88	0	0	Nelson An-Ping Chang Hsien-Ping Chang Chang Koo, Huai-Ju Jason K.L. Chang Int'l Chia Hsin Corp.	2nd degree kinship 2nd degree kinship 2nd degree kinship Father & Son Director	-
Yung-Ping Chang	41,748,178	5.39	6,797,543	0.88	0	0	Same as above	Same as above	-
Taiwan Cement Corp.	27,419,416	3.54	0	0	0	0	Ta-Ho Marinetime Corp.	Parent/Subsidiary	-
Taiwan Cement Corp. Representative: Nelson An-Ping Chang	6,852,956	0.89	241,252	0.03	0	0	Yung-Ping Chang Hsien-Ping Chang Chang Koo, Huai-Ju Ta-Ho Marinetime Corp. Chia Hsin R.M.C. Corp.	2nd degree kinship 2nd degree kinship Spouse Director(JPR) Director	-
Ta-Ho Marinetime Corp.	25,761,288	3.32	0	0	0	0	Taiwan Cement Corp.	Parent/Subsidiary	-
Ta-Ho Marinetime Corp. Representative: Li-Wen Tsai	0	0	0	0	0	0	None	None	-
Nutri Vita Inc.	17,266,817	2.23	0	0	0	0	None	None	-
Nutri Vita Inc. Representative: Hsien-Ping Chang	1,000	0.00	0	0	0	0	Yung-Ping Chang Nelson An-Ping Chang Chang Koo, Huai-Ju Tong Yang Chia Hsin Int'l Corp. Int'l Chia Hsin Corp. Chia Hsin R.M.C. Corp.	2nd degree kinship 2nd degree kinship 2nd degree kinship Supervisor Supervisor Supervisor	-
Chia Hsin Foundation	14,842,899	1.92	0	0	0	0	None	None	-

Name (Note 1)	Personal Shareholding		Spouse's & Minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship between the Company's Top Ten Shareholders, or Spouses or Relatives within Two Degrees of Kinship (Note 3)		Remarks
	Shares	(%)	Shares	(%)	Shares	(%)	Name	Relationship	
Chia Hsin Foundation Representative: Jason K.L. Chang	4,808,396	0.62	4,477,000	0.58	975,000	0.13	Yung-Ping Chang Taiwan Cement Corp.	Father & Son Director (JPR)	-
Int'l Chia Hsin Corp.	14,640,437	1.89	0	0	0	0	Tong Yang Chia Hsin Int'l Corp.	Director	-
Int'l Chia Hsin Corp. Representative: Shiao-Lin Chen	0	0	0	0	0	0	Tong Yang Chia Hsin Int'l Corp.	Supervisor(JPR)	-
Guo-Huei Gu	13,491,408	1.74	0	0	0	0	None	None	-
Chia Hsin R. M. C. Corp.	13,151,113	1.70	0	0	0	0	Taiwan Cement Corp.	Director	-
Chia Hsin R. M. C. Corp. Representative: Chang Koo, Huai-Ju	241,252	0.03	6,852,956	0.88	0	0	Yung-Ping Chang Hsien-Ping Chang Nelson An-Ping Chang	2nd degree kinship 2nd degree kinship Spouse	-

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

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

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

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

Comprehensive Ownership Information

Unit：Share；%

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

Note 1: The affiliated companies stated are long-term investments accounted for using equity method as of 31 December 2021 by the Company.

Note 2: Investment amount: EUR17,071,000.

4. Capital Overview

4.1 Capital and Shares

4.1.1 Source of Capital

Source of Capital

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

Note: Source of capital are as follows,

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

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

Note: Treasury stocks included. Refer to 4.1.9 for details.

Information for Self Registration

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

4.1.2 Structure of Shareholdings

Structure of Shareholdings

As of 04/16/2022: book closure date for AGM

Item	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	1	6	275	61,995	151	62,428
Shareholding (Shares)	693	1,806,338	423,948,228	308,471,325	40,553,964	774,780,548
Percentage	0.00%	0.23%	54.72%	39.81%	5.24%	100%

4.1.3 Shareholding Distribution Status

Shareholding Distribution Status

As of 04/16/2022: book closure date for AGM

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1 ~ 999	38,556	4,724,054	0.61%
1,000 ~ 5,000	17,747	38,023,920	4.91%
5,001 ~ 10,000	3,118	24,007,391	3.10%
10,001 ~ 15,000	991	12,401,279	1.60%
15,001 ~ 20,000	550	10,176,847	1.31%
20,001 ~ 30,000	462	11,740,854	1.52%
30,001 ~ 40,000	214	7,590,728	0.98%
40,001 ~ 50,000	147	6,841,766	0.88%
50,001 ~ 100,000	290	20,952,831	2.70%
100,001 ~ 200,000	157	22,093,673	2.85%
200,001 ~ 400,000	82	24,006,856	3.10%
400,001 ~ 600,000	25	12,601,286	1.63%
600,001 ~ 800,000	11	7,658,464	0.99%
800,001 ~ 1,000,000	9	8,014,555	1.03%
1,000,001 or over	69	563,946,044	72.79%
Total	62,428	774,780,548	100%

Preferred Shares

As of 04/16/2022: book closure date for AGM

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

4.1.4 Major Shareholders

List of Major Shareholders

As of 04/16/2022: book closure date for AGM

Name of Shareholders	Shareholding	
	Shares	Percentage
Tong Yang Chia Hsin Int’l Corp.	127,370,320	16.44%
Sung Ju Investment Corp.	68,780,239	8.88%
Yung-Ping Chang	41,748,178	5.39%
Taiwan Cement Corp.	27,419,416	3.54%
Ta-Ho Marinetime Corp.	25,761,288	3.32%
Nutri Vita Inc.	17,266,817	2.23%
Chai Hsin Foundation	14,842,899	1.92%
Int’l Chia Hsin Corp.	14,640,437	1.89%
Guo-Huei Gu	13,491,408	1.74%
Chia Hsin R. M. C. Corp.	13,151,113	1.70%

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

<u>Share Price, Net Worth, Earnings, Dividends and Related Information</u>

Item \ Year			2020	2021	From Beginning of Current Year to 04/29/2022 (Note 8)
Market Price per Share (Note 1)	Highest		22.7	28.15	21.55
	Lowest		12.55	16.40	19.50
	Average		17.40	20.88	20.54
Net Worth per Share (Note 2)	Before Distribution		31.21	32.30	-
	After Distribution		29.81	(Note 2) 31.65	-
Earnings per Share (EPS)	Weighted Average Outstanding Shares (Thousand shares)		643,427	(Note 2) 644,540	-
	EPS(NTD) (Note 3)		2.74	1.02	-
Dividends per Share	Cash Dividends		1.4	0.65	-
	Stock Dividends	-	-		-
		-	-		-
	Accumulated Undistributed Dividends (Note 4)		-	-	-
Return on Investment	Price / Earnings Ratio (Note 5)		6.35	20.47	-
	Price / Dividend Ratio (Note 6)		12.43	32.12	-
	Cash Dividend Yield Rate (Note 7)		8.0%	3.1%	-

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

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

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

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

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

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

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

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

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

4.1.6 Dividend Policy and Implementation Status

1. Dividend Policy

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, and at least 50% shall be distributed as dividend for shareholders.

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.

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

2. Implementation Status

The Company's 2021 earnings distribution proposed by the Board was as follows:

The proposal of dividend per common share is NTD 0.65 with cash dividend of NTD 0.65 and stock dividend of NTD 0.0, which was passed at the meeting of the Board. Ex-dividend date will be set after the distribution proposal resolves by the annual shareholders' meeting.

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

<table>
<tr><td colspan="3" rowspan="2">Year
Item</td><td>2022 Forecasts</td></tr>
<tr><td>(2021 Earnings Distribution)</td></tr>
<tr><td colspan="3">Beginning Paid-in Capital of Common Share (NTD)</td><td>7,747,805,480</td></tr>
<tr><td rowspan="3">Stock and Cash Dividends for 2020</td><td colspan="2">Cash Dividend per Share (NTD)</td><td>NTD 0.65</td></tr>
<tr><td colspan="2">Number of Stock dividend per Share for Capitalization from Retained Earnings</td><td>0.0</td></tr>
<tr><td colspan="2">Number of Stock Dividend per Share for Capitalization from Capital Surplus</td><td>0.0</td></tr>
<tr><td rowspan="7">Changes in Performance</td><td colspan="2">Operating Profit (Thousand NTD)</td><td>(Note)</td></tr>
<tr><td colspan="2">Percentage Changes in Operating Profit Compared with Previous Year</td><td>(Note)</td></tr>
<tr><td colspan="2">After-tax Net Profit (Thousand NTD)</td><td>(Note)</td></tr>
<tr><td colspan="2">Percentage Changes in After-tax Net Profit Compared with previous Year</td><td>(Note)</td></tr>
<tr><td colspan="2">Earnings per Share (NTD)</td><td>(Note)</td></tr>
<tr><td colspan="2">Change in Earnings per Share Compared with Previous Year</td><td>(Note)</td></tr>
<tr><td colspan="2">Annual Average Return on Investment (Reversal of Annual Average Price/Earnings Ratio)</td><td>(Note)</td></tr>
<tr><td rowspan="6">Pro Forma Earnings per Share (EPS) and Price/Earnings Ratio</td><td rowspan="2">If Stock Dividend for Capitalization from Retained Earnings All Converted to Cash Dividend</td><td>Pro Forma EPS (NTD)</td><td>(Note)</td></tr>
<tr><td>Pro Forma Annual Average Return on Investment</td><td>(Note)</td></tr>
<tr><td rowspan="2">If No Stock Dividend for Capitalization from Capital Surplus</td><td>Pro Forma EPS (NTD)</td><td>(Note)</td></tr>
<tr><td>Pro Forma Annual Average Return on Investment</td><td>(Note)</td></tr>
<tr><td rowspan="2">If No Stock Dividend for Capitalization from Capital Surplus and Stock Dividend for Capitalization from Retained Earnings All Converted to Cash Dividend</td><td>Pro Forma EPS (NTD)</td><td>(Note)</td></tr>
<tr><td>Pro Forma Annual Average Return on Investment</td><td>(Note)</td></tr>
</table>

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

4.1.8 Compensation of Employees and Directors

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

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

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

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

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

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

   The Covid-19 pandemic has continued to ravage the world since 2020, the economy is still unstable up to date (2021), but the overall operating performance and board performance are well above expectations. In accordance with board compensation regulation, and to reflect the positive outcomes from previous performances, the Board of Directors decided to compensate employees with an average of 2.1 months salary as 2021 year-end bonus to reward and motivate the employees.

   On March 22, 2022, the Board of Directors approved the amount of compensation for employees and directors with NTD 9,660,000 and NTD 9,660,000, respectively. The amount of compensation for employees and directors in 2021 was the same as estimated in the book.

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

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

4. The actual distribution of employees' compensation and directors' remuneration for the previous fiscal year (with an indication of the number of shares, amount and stock price of the shares distributed), and if there is any discrepancy between the actual distribution and the recognized employees' compensation and directors' remuneration shall be disclosed the discrepancy, its cause, and the status of treatment:

   There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the financial statements for the year ended December 31, 2021.

4.1.9 Buy-Back of Treasury Stock

1. Repurchase Already Completed

As of 12/31/2021

Batch Order	The Eighth Batch	The Ninth Batch
Purpose of Buy-back	Transfer to employees	Transfer to employees
Timeframe of Buy-back	2018/11/14-2019/01/11	2020/03/26-2020/05/22
Price Range	NTD 12.39 ~ 14.25 per share	NTD 14.79 ~ 15.96 per share
Type and Number of Shares Repurchased	3,000,000 shares of Common stock	1,435,000 shares of Common stock
Value of Shares Repurchased	NTD41,072,581	NTD22,239,663
Number of Shares Repurchased as a Percentage of the Total Shares to Be Repurchased.	100%	20.50%
Shares Cancelled/Transferred	3,000,000 shares of Common stock	-
Accumulated Number of Repurchased Shares Held by the Company	0 shares of Common stock	1,435,000 shares of Common stock
Accumulated Number of Repurchased Shares held as a Percentage to the Total Outstanding Shares Issued by the Company	-	0.19%

2. Any Repurchase Still in Progress: None

4.2 Issuance of Corporate Bonds: None.

4.3 Issuance of Preferred Shares: None.

4.4 Issuance of Global Depository Receipts: None.

4.5 Issuance of Employee Stock Warrants: None.

4.6 Issuance of New Restricted Employee Shares: None.

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

4.8 Financing Plan and Implementation: None.

5 Operational Highlights

5.1 Business Activities

5.1.1 Business Scope

Sector	Proportion of Operations
Cement	48%
Storage and Logistic	30%
Real Estate	11%
Hospitality	11%

5.1.2 Industry Overview

1. Cement Sector

Current Status and Future Development

Our Company’s cement sales market focuses mainly on the central and northern parts of Taiwan. The domestic cement market is a mature industry with a stable demand. Although the global economy is affected by the COVID-19 pandemic, which causes high uncertainty in the external environment, Taiwan’s domestic COVID-19 pandemic has been properly controlled, fortunately. The domestic economy was minimally affected. According to Taiwan Cement Manufacturers' Association’s 2021 annual statistics, Taiwan domestically produced 11,957,769 metric tons of cement, a 1.46% annual growth. The total annual consumption of cement was 12,631,002 metric tons, a 4.58% increase from the previous year. The average consumption per person was 537 kilograms. It is anticipated that the cement demand will see a slight increase in 2022 following the developments of major domestic infrastructures.

Unit: metric tons

Year \ Item	Domestic Cement Production	Domestic Cement Consumption (Sum of Domestic and Imported Cement Sales)
2020	11,785,977	12,077,852
2021	11,957,769	12,631,002
Difference	171,792	553,150

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

Supply Chain Relationship

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

Product Development Trends and Competitions

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

2. Storage and Logistic Sector

Current Status and Future Development

The Storage and Logistics Sector of our company mainly provides handling service for industrial bulk raw materials. The handling volume at the ports will fluctuate with the condition of the domestic economy. In 2021, the bulk cargo handling volume of Taipei Port was 12,517,344 metric tons, a 20.92% growth from last year; Keelung Port was 4,212,197 metric tons, a 10.31% slight decrease compared to last year; Taichung Port was 50,953,785 metric tons, a 10.28% growth from last year.

Handling Volume at Each Port Unit: metric tons

Year \ Port	Taipei Port	Keelung Port	Taichung Port
2020	10.351,797	4,696,291	46,205,315
2021	12,517,344	4,212,197	50,953,785
Difference (%)	20.92%	-10.31%	10.28%

Source: Official website of each Port Bureau

Supply Chain Relationship

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

Product Development Trends and Competitions

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

3. Real Estate Sector

Current Status and Future Development

The 2021 Taiwan commercial real estate transaction amount reached 152.8 billion TWD with an annual growth rate of 14.3%, setting a new height in history. In the commercial leasing market, more and more old commercial buildings are investing in urban renewal and urban unsafe & old buildings reconstruction programs, which reduces the supply inventory. This causes insufficient supply in the A-type commercial offices in Taipei City and raises the leasing rates. These rates are, now, maintained at 2,351 TWD per ping, and the vacancy rate is at 1.95%.

The industrial real estate market, on the other hand, sees stable increase in transactions as self-use demand strengthens and strategic investors seek opportunities more actively. In 2021, the annual transaction amount of industrial lands, factories, and factory offices benefited and reached 142.3 billion TWD with an annual growth rate of 23%. The majority of industrial real estate market transactions happened in Taoyuan City and New Taipei City.

Supply Chain Relationship

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

Product Development Trends and Competitions

The real estate market is affected by multiple factors, including the macroeconomic environment, financial markets, governmental policies, demographic dividends, international trades, industrial developments, and international competition. In 2021, Taiwan’s six special municipalities' real estate buildings transacted reached 267,751 buildings, with an increase of 7% from the previous year. The number of buildings transacted has reached a new high since 2013. Among all, New Taipei City, Taoyuan City, and Taichung City reached new highs in the past 8 years. Tainan City and Kaohsiung City also reached historical highs aggregatively. The real estate market presented a “South boom and North moderate” situation.

4. Hospitality Sector

Lodging

Current Status and Future Development

In 2021, the global service industry was still severely affected by the COVID-19 pandemic. Although vaccinations have been carried out, the spread of Delta virus has greatly restricted the opening of borders. Taiwan is one of the few countries where the pandemic has been properly controlled. Its domestic tourism has become a popular business, and the resort hotels benefited the most under the condition. Taiwan’s international tourism, however, is greatly affected and can only maintain its performance through catering and domestic tourism. The pandemic situation in Japan is more severe than that in Taiwan. Under the situation where the pandemic cannot be controlled, Japan’s domestic tourism performance fluctuated. With the border restrictions in place, international travelers were not allowed to enter Okinawa after March of 2020. The domestic tourism of Okinawa could only rely on the locals and travelers from mainland Japan. Considering the limited medical resources in Okinawa, Okinawa Prefecture declared a state of emergency that continued from January to September, further reducing the domestic tourism demand. In 2021, the number of tourist visits to Okinawa was 3.01 million, down 19.3% from the previous year, returning to the level of 1980. The number of international tourists hit zero for the first time since Okinawa returned to Japanese rule. Looking forward to 2022, as the Japanese government has initiated to administer vaccine boosters and coexist with the pandemic, Japan's domestic tourism has begun to generate a positive consumption cycle.

Supply Chain Relationship

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

Product Development Trends and Competitions

The epidemic has changed people's living and working habits, and it has also changed the trend of the hospitality industry. Consumers are more focused on personalized and unique experiences, wellness pursuits, sustainable environments, and digital experiences. In addition, the inconvenience caused by the epidemic has reduced the number of travelers, and made them lean towards destinations closer to home.

Healthcare

Current Status and Future Development

Taiwan's postpartum care institutions increased from 117 in 2011 to 276 in 2022, however institutions in New Taipei City + Taipei City have seen a gradual decrease due to the impact of the external environment. It can be seen that in the beginning of 2022 the number of institutions in Taipei city have decreased from 69 to 61, and the number in New Taipei City has decreased from 52 to 48 since 2021. (The number of postpartum institutions in Taipei and New Taipei City accounted for 39.49% in Taiwan, a decrease of 9.93% from the previous year.) The decrease in the number of postpartum centers shows that the postpartum industry is facing great challenges. This means that product differentiation and value creation will be the determining factors of success. Among them, the proportion of postpartum care institutions in metropolitan cities is much higher than that in other cities. However, since 2011 other counties and cities have increased 111 institutions excluding Taipei and New Taipei City. Taoyuan has increased from 3 to 37 institutions. The progressing development of postpartum institutions in other cities means that the concept of postpartum care and recovery is gradually balanced between urban and rural areas. The current industry development has created a trend and market environment where "branding" is emphasized. This means that the value, the professionalism and the characteristics of the brand will convert the consumption habits of the postpartum care consumers, bringing this market into a period of "medical service industry". In addition, due to the epidemic, the market will also start to develop home care models.

Supply Chain Relationship

The related industries of postpartum care institutions range from professional medical institutions for women and babies, retailing of maternity and infant products, catering, knowledge course centers, SPA aromatherapy services, and health consulting to other related industries, such as those related to health issues and the growth and development of infants and young children. In recent years, preventative medicine, residential environment quality, and early childhood education have started to receive more attention.

Product Development Trends and Competitions

The product trends vary by areas. In urban city areas, nearly 70% of the expectant mothers will choose to stay in postpartum care institutions. Every institution has its competitive advantages, but the majority follow the regulations of the Ministry of Health and Welfare. Due to the intense price competition and the lack of holistic perspectives in the country’s healthcare system, the industry sees little breakthrough and limited development. The Company’s Gemcare Maternity Center is now actively developing the industrial chain, aiming to utilize its own strengths and combine external resources to provide a foundation for a comprehensive service for postpartum care and healthcare.

5.1.3 Technology and Research & Development Status

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

5.1.4 Long-Term and Short-Term Development Plans

Short-Term

1. Cement Sector

Strengthen sales channels in Taiwan’s cement market.

2. Storage and Logistic Sector

Sustain existing clients and continue to expand new sales.

3. Real Estate Sector

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

4. Hospitality Sector

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

(2) Actively cooperate with various professional teams to increase the medical professionalism and added value for the Company’s services.

Long-Term

1. Cement Sector

Maintain strategic investment in Taiwan Cement Corporation and indirectly benefit from the investment interests in the Chinese and European cement markets. Additionally, in the field of circular economy of the cement industry, our company continues to support Taiwan Cement Corporation’s business’ in renewable energy, batteries, energy storage, and waste treatment to respond to future sustainable development projects at a higher efficiency and at a larger scale.

2. Storage and Logistic Sector

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

3. Real Estate Sector

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

4. Hospitality Sector

Lodging

(1) Strengthens the value and market awareness for the Company's private brand Hotel Collective.
(2) Cooperate with international brands and related companies, utilize partner's resources, and expand the Company's influences into different markets.

Healthcare

(1) Continue to strategically cooperate with upstream and downstream industries to establish a complete and high-quality healthcare model.
(2) Starting with maternal and infant care, lay down a good team and professional foundation to develop the concept of "all-aged" care.
(3) Expand the Company's blueprint in healthcare with Gemcare Maternity Care Center's core value.

5.2 Market, Production, and Sales Overview

5.2.1 Market Analysis

1. Cement sector

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

Our company's cement sales mainly focus on Central and Northern Taiwan's markets. Taiwan's domestic cement market is a mature industry with limitations to grow. However, following the gradual increase of projected subcontracting budget and the increase in environmental protection and green energy construction, the 2022 domestic cement demand is estimated to increase by a slight growth compared to 2021.

Competitive Niche

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

Favorable Factors for Industry Development

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

Unfavorable Factors for Industry Development and Countermeasures

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

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

2. Storage and Logistic Sector

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

Taipei Port No.1 Bulk Cargo Center's handling business mainly serves wholesalers and manufacturers in the sand, coal, and bulk cargo industries in Northern Taiwan. In 2021, our company handled 5,674,549 metric tons of bulk cargo, accounting for approximately 45.33% of the total related handling volume in Taipei Port. Both the market demand for sand and gravel in Northern Taiwan and the economic growth rate are simultaneously showing slight growths. The supply side, on the other hand, is easily affected by climate (typhoons, abnormal rainfall) impacts on the dredging volume of rivers. It can also be easily affected by local government policies on mining, quarrying, related production, and transportation cost, causing fluctuations in supply.

Competitive Niche

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

Favorable Factors for Industry Development

The terminal adopts environmental friendly unloading and warehousing operations as the current trend. Currently, the bulk cargo operations in Keelung Port have not yet adopted hermetic handling operations. Due to the limited backline hinterland, it is difficult to install related environmental protection facilities. Therefore, in the future, in accordance with domestic environmental protection standards, the port's sand, gravel, and bulk cargo handling business is expected to gradually move out, giving Taipei Port's No. 1 Bulk Cargo Center an advantage.

Unfavorable Factors for Industry Development and Countermeasures

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

Countermeasures: In addition to the loading and unloading business of sand, gravel and coal, the No. 1 Bulk Cargo Center in Taipei Port strives to expand the handling business of other bulk cargoes.

3. Real Estate Sector

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

The real estate leasing and asset development sector focuses on business operations such as asset leasing, asset management, and asset development. The Company's revenue in 2021 is NTD 250,926,000, a decrease of 3.21% from NTD 259,243,000 in 2020; the annual average occupancy rate of the Chia Hsin Building is 94.65%, and the rental income increased by 2.32%; Gangshan factories average leasing rate is 60.09%, a 1.08% decrease in leasing revenue. Other rental income decreased by 26.40% due to the disposal of Taoyuan Luzhu fixed asset in 2020 and the relief measures implemented during Taiwan's COVID-19 level 3 alert. The sector's annual revenue was affected by the decrease in the overall rental income.

Competitive Niche

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

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

Favorable Factors for Industry Development

In 2021, the building transaction volume in Taiwan has reached an eight year high under the environment of Taiwan's successful epidemic prevention, the return of funds from Taiwanese businessmen, the monetary easing policy, and the low interest rates. While, due to inflation, material shortages and labor shortages, the cost of construction has increased which increased the housing prices in many areas. This market environment created a trend of increasing housing transactions and prices.

Even though the epidemic was increased to level three alert in the middle of the year, it did not shake the confidence of commercial real estate buyers. The transaction scale reached a record high, with a transaction ratio of 50% in both the first and second half of the year. The main driving force comes from the rigid self-use demand of technology-based productions. This will continue to be the driving force of the commercial real estate market for the next one to two years. The demand for factory offices has also increased significantly in recent years with the continuous promotion of rail construction and the vertical expansion of industrial parks policy. In addition, many domestic and foreign semiconductor manufacturers have successively announced the addition of Tainan and Kaohsiung investments, thus continuing the supply chain expansion.

The urban development blueprint of Gangshan has become clearer after the Kaohsiung City Urban and Territorial Plan was approved in April 2021. In addition, the third overall review of the plan has reached the display and public hearing phase.

Unfavorable Factors for Industry Development

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

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

Countermeasures: With the main task of revitalizing existing assets, continue to observe the variables and risks that are brought forward by the COVID-19 pandemic, the change in federal funds rate, and the future development of the government’s credit control policies.

4. Hospitality Sector

The hospitality sector mainly has two product lines: Lodging and the Healthcare industry

Lodging

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

The Company's new city resort hotel brand, Hotel Collective, has been officially put into operation in Naha, Okinawa Prefecture, Japan in 2020. Hotel Collective has a total of 260 rooms, accounting for 3.72% of the 6,990 rooms in Okinawa city hotels market. Due to difficulties in acquiring large areas of land in Naha City, it is hard to develop large tourist hotels. Most of the new supply is urban business hotels. Hotel Collective's main competitors are the Hyatt Regency Naha, Rihga Royal GRAN Hotel, and The Naha Terrace. In 2021, Hotel Collective’s annual operating income came to JPY 603 million, an increase of 44% from the previous year.

Under the impact of pandemic, Hotel Collective maintained good service qualities and a high score in guest satisfaction. On Booking.com, we scored 9.1 points and won the 2021 Guest Rating Excellence Award. We also scored 9.2 points on Hotel.com and won the Loved by Guest Award in the luxury hotel category.

Competitive Niche

(1) The hotel is located in the center of Kokusai Street, a prime location for tourism.
(2) The hotel’s hardware facilities are the most advanced in the industry, and the first to introduce giant LED screens in the banquet hall.
(3) The hotel’s room and bathroom space are more than double of other Japanese-style city hotels.
(4) The hotel has multinational employees, which gives great advantages in receiving international tourists.

Favorable Factors for Industry Development

(1) The second runway of Okinawa was completed and opened in 2020, increasing the frequency of take-offs and landing. This increases the number of tourists from Japan and overseas to visitors.
(2) As border restrictions are lifted, international tourism will gradually recover. However, it is expected that intercontinental tourism will recover slower due to the uncertain recovery time of the global epidemic. Therefore, short-distance international tourism will be travelers’ first choice. Japan, expected to stabilize the epidemic early with the popularization of vaccines, is bound to be the best choice for East Asia tourism. In addition, Okinawa has always been a tourist attraction in Japan; so when the epidemic is contained, it should usher in a strong rebound.

Unfavorable Factors for Industry Development and Countermeasures

(1) The recovery period for international tourism will take a longer time. It is expected that the number of travelers will return to pre-Covid level after 2024.
Countermeasures: Hotel Collective will focus primarily on domestic tourists as its target audiences.

(2) The Coronavirus pandemic affects the labor market. It is anticipated to cause an imbalance in supply and demand when the peak season arrives.
Countermeasures: Reduce the turnover rate of personnel and strengthen the cooperation with schools and institutions.

Healthcare

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

Our postpartum brand Gemcare Maternity Center's main customer base is Taipei City, supplemented by New Taipei City. It is seen that the proportion of medical staff that comes in as VIPs and the number of referrals through medical institutions are gradually increasing. This means that our Gemcare Maternity Center's professionalism is being recognized. The number of births in 2021 was 153,800, and the number of births in Taipei City was 16,695 (1,391 people per month). The total number of beds in Taipei City in 2021 was 2,767. This shows that the supply far exceeded the demand, greatly impacting the occupancy rate of postpartum institutions. With continuous efforts in branding, Gemcare Zhongshan Maternity Center was able to maintain a 65.26% occupancy, and a 62.51% occupancy at Gemcare Dunhua Maternity Center. The Company is moving forward towards the value and price goals with clear brand positioning, and our professionalism and services are recognized by many of our VIPs.

Competitive Niche

The composition of our Gemcare Maternity Center team is different from other institutions. We incorporated a professional team with advanced nursing, catering, customer service, and related service background members. Therefore, we have professionalism and refinement when carrying out each service. In addition, our corporation fully supports the healthcare industry and is devoting more resources into this field. And because we are not a medical institution, we are able to have more freedom and opportunities to develop and cooperate with medical teams in other professional fields. Through this, we are able to prolong our services to our customers and highlight our uniqueness which gives us a competitive edge in the market.

Favorable Factors for Industry Development

(1) At this point in time, we can further differentiate the customer segments and emphasize our development on our target audiences.
(2) Consumers have changed their views on maternity care and have accepted the professional care from the institutions.
(3) The public is willing to cooperate with the care model for health, making the products and services more effective.

Unfavorable Factors for Industry Development

Due to the decline in the country's birth rates, when the total birth population hits a historical low, the relative demand will decrease accordingly, causing the overall industry to experience changes.

To survive under this kind of market condition, many businesses will change their original practice, which can potentially cause a decrease in customer satisfaction and a negative impact on the industry's ideology. Additionally, the consumer attitudes and behaviors are changing under the impact of the Coronavirus pandemic. With conservative mindsets, consumers are expected to have a longer hesitation period towards products and services with higher prices.

Countermeasures:

(1) Implement, expand, and promote Gemcare's health care ideologies through various channels.
(2) Through implementing and persisting in our brand value, we are dedicated to support social welfare and healthcare topics.
(3) During tougher times, we must work harder to improve our services through rigorous quality control of our products.

5.2.2 Important Applications and Production Processes of Main Products

Important Applications of Main Products

1. Cement Sector

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

2. Storage and Logistic Sector

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

3. Real Estate Sector

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

4. Hospitality Sector

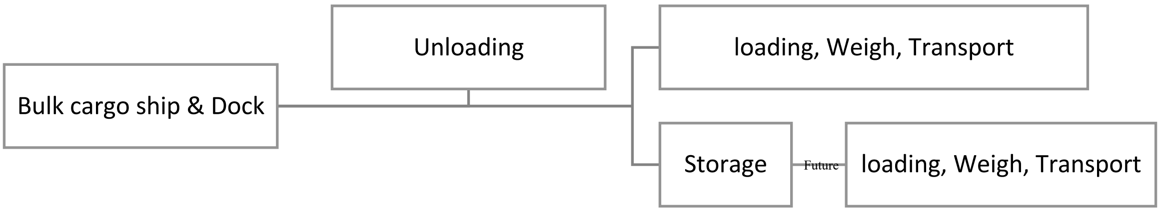
Our hospitality sector mainly operates guest rooms, food and beverages services, and care services. We aim to provide good and lasting impressions to our guests.

Main Product Production Process

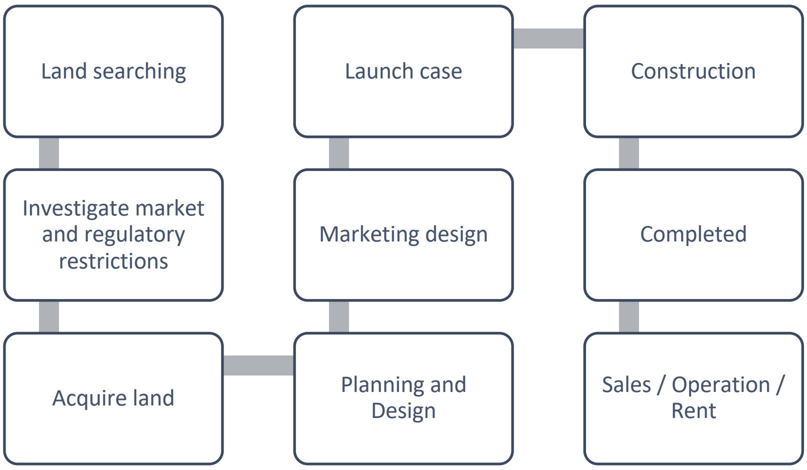
1. Cement Sector

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

2. Storage and Logistic Sector



3. Real Estate Sector



4. Hospitality Sector

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

5.2.3 Supply of Main Raw Materials

1. Cement Sector

According to Taiwan Cement Manufacturers' Association's 2021 annual production statistics, Taiwan's domestic production of cement is 11,957,769 metric tons, a 1.46% growth from the previous year. The total annual consumption of cement is 12,631,002 metric tons, a 4.38% growth from the previous year. The supply and demand of cement is at an equilibrium. Our main cement suppliers are Taiwan Cement Corporation and Asia Cement Corporation.

2. Storage and Logistic Sector

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

3. Real Estate Sector

Our real estate leasing and asset development sector is mainly responsible for managing Taipei CHIA HSIN Building, Taipei Boai Rd. development project, New Taipei City land asset, Kaohsiung Dagang Mountain land asset, Kaohsiung Gangshan factories, and Kaohsiung Kuojian Rd. land asset.

4. Hospitality Sector

Lodging

Our company provides 260 guest rooms at Hotel Collective, Japan and a total of 44 beds at the two Gemcare Maternity Centers in Taiwan.

Food & Beverages

Through organic and sustainable consumption, we promote local sustainability. We not only work with upstream, superb quality food suppliers, we also purchase from organic food suppliers such as Yonglin Farm through GPING WELLNESS Co. LTD. Aligning with our corporate value, we also support small, independent suppliers.

5.2.4 Major Suppliers and Customers in the Past Two Years

1. Major Suppliers in the Past Two Years

Unit：NTD thousands

Item	2021				2020			
	Company Name	Amount	As % of Total Net Purchase	Relation with the Company	Company Name	Amount	As % of Total Net Purchase	Relation with the Company
1	Taiwan Cement	696,400	67%	The Company is Director of Taiwan Cement	Taiwan Cement	453,720	45%	The Company is Director of Taiwan Cement
2	Asia Cement	254,450	25%	None	Asia Cement	457,700	46%	None
3	Others	82,746	8%		Others	89,510	9%	
	Total Net Purchase	1,033,596	100%		Total Net Purchase	1,000,930	100%	

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

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

2. Major Customers in the Past Two Years

Unit: NTD thousands

Item	2021				2020			
	Company Name	Amount	As % of Total Net Revenue	Relation with the Company	Company Name	Amount	As % of Total Net Revenue	Relation with the Company
1	Lian Hsin Construction Material	303,782	14%	None	Lian Hsin Construction Material	253,197	12%	None
2	Goldsun Development & Construction	226,197	10%	None	Others	1,805,220	88%	
3	Others	1,690,275	76%					
	Total Net Revenue	2,220,254	100%		Total Net Revenue	2,058,417	100%	

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

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

Note 3: The sales to the customer of Goldsun Development & Construction was more than 10% of the total sales in the current period, accounting for 8% of the total sales last year, which was due to the increase in sales volume in the current period.

5.2.5 Production Volume and Value in the Past Two Years

Capacity/Quantity: MT
Amount: NTD thousands

Year / Output / Major Products (or by Department)	2021			2020		
	Capacity	Quantity	Amount	Capacity	Quantity	Amount
Portland Type I Cement		467,000	1,050,753		458,000	1,015,566
Clinker	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total		467,000	1,050,753		458,000	1,015,566

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

5.2.6 Sales Volume and Value in the Past Two Years

Quantity: MT
Amount: NTD thousands

Year / Sales / Major Products (or by Department)	2021				2020			
	Domestic		Export		Domestic		Export	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Portland Type I Cement	469,911	1,062,850	-	-	455,210	1,002,463	-	-
Clinker	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Total	469,911	1,062,850	-	-	455,210	1,002,463	-	-

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

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

1. The Company

Year		2020	2021	Current Year Up to 04/30/2022
Number of Employees	Regular Employees	84	85	83
	Contracted Employees	0	0	0
	Total	84	85	83
Average age		46.15	45.89	46.10
Average Years of Service		11.53	10.53	11.11
Education Distribution Percentage (%)	Ph.D.	0.00	0.00	0.00
	Masters	22.62	22.35	21.69
	Bachelor’s Degree	69.05	69.41	69.88
	Senior High School	7.14	7.06	7.23
	Below Senior High School	1.19	1.18	1.20

2. All Companies in the Consolidated Financial Statements

Year		2020	2021	Current Year Up to 04/30/2022
Number of Employees	Regular Employees	405	395	415
	Contracted Employees	29	37	38
	Total	434	432	453
Average age		41.94	42.65	41.93
Average Years of Service		5.32	5.83	5.87
Education Distribution Percentage (%)	Ph.D.	0.00	0.00	0.00
	Masters	6.22	6.48	5.96
	Bachelor’s Degree	68.20	69.68	69.76
	Senior High School	19.59	17.82	18.32
	Below Senior High School	5.99	6.02	5.96

5.4 Environmental Protection Expenditures

1. Losses or penalties caused by environmental pollution in the past year and up to the publication date of this Annual Report: None.
2. Specific actions:
   In view of the Company's concerns regarding environmental protection, subsidiaries of the Group continue to invest and improve on both pollution prevention equipment and energy-saving technologies. Specific actions in the past two years were as follows:

Unit: NTD thousands

Company/Unit	Expenditures 2021	Expenditures 2020	Remarks
Chia Hsin Ryukyu Collective KK	4,094	2,730	Hotel Collective applied for the LEED (Leadership in Energy and Environmental Design) green building certification. In addition to application fee, it invested on related equipment and improvements. Certification was awarded in June 2021 and Hotel Collective has become the first hotel in Okinawa winning the LEED certification.
Tong Yang Chia Hsin Int'l Corp.		320	Replaced the lighting fixtures of Taichung Storage Center with LED lights. Replaced part of the electrical equipment with high-efficiency model.
	504		To save energy consumption, Taichung Storage Center has been subsequently replacing the transporting equipment, updating 2 carriers with high efficiency motor and purchased new 2 air compressors. Estimated expenditures for the upcoming three years amounts to NTD 4,850,000.
Chia Pei Int'l Corp.	424	1,230	Replaced the lighting fixtures of Taipei Port First Bulk Cargo Center plant areas with LED lights；Replaced part of electrical equipment with high-efficiency model；Improved the water sprinkler equipment to prevent dust pollution.

Company/Unit	Expenditures 2021	Expenditures 2020	Remarks
Chia Hsin Property Management & Development Corp.		3,000	Replaced Chia Hsin back wing building's main A/C system with a more advanced energy saving model.
	420		Replaced the A/C cooling tower and changed the size of the water pipe from 6 inches to 8 inches. Changed to inverter motor for purpose energy saving and carbon reduction.
Jaho Life Plus+ Management Corp. & Gemcare Maternity Centers		5,600	To build a high-quality postpartum care center in aim to offer mothers and their newborns as well as the staff a healthier life and working environment. Since 2019, the Center has been working on WELL certification. (Note) WELL building certification has specific standard requirements for indoor air quality purification and monitoring, potable water quality and maintenance, soft light source provision, and sound environment construction. The certification application was entrusted to consultant to provide professional advice, and the related improvement projects were gradually carried out to meet the requirements of the regulations. WELL certification was awarded to both Zhongshan Center and Dunhua Center in Q3 2020. Note: The WELL Building Standard was published by the U.S. International WELL Building Institute (IWBI) in 2014 and the certification is managed by the Green Business Certification Inc. (GBCI)
Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd.	1,159		To build a high-quality postpartum care center in aim to offer mothers and their newborns as well as the staff a healthier life and working environment. Since 2019, the Center has been working on WELL

Company/Unit	Expenditures 2021	Expenditures 2020	Remarks
			certification (Note). WELL building certification has specific standard requirements for indoor air quality purification and monitoring, potable water quality and maintenance, soft light source provision, and sound environment construction. The certification application was entrusted to consultant to provide professional advice, and the related improvement projects were gradually carried out to meet the requirements of the regulations. WELL certification was awarded to the Center in Q1 2022. Note: The WELL Building Standard was published by the U.S. International WELL Building Institute (IWBI) in 2014 and the certification is managed by the Green Business Certification Inc. (GBCI)

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

5.5 Employee Relations

Current Major Labor-Management Negotiations and Implementation Status

1. Convening Labor-Management Meetings

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

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

(2) A place to negotiate labor conditions.

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

(4) A way to improve work efficiency.

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

2. Convening Employee's Welfare Committee Meetings

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

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

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

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

(4) To monitor employee welfare related matters.

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

We hold periodic meetings to fulfill the following missions:

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

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

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

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

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

4. Implementation of Employ Welfare and Retirement Program

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

5. Implementation of Employee Training

(1) Continue reinforcing workplace safety and employee health:

1. To facilitate and promote managerial sensitivity and employee caring techniques, Teacher Chang was invited to conduct 36 hours of training. A total of 26 managers completed this series of courses.
2. Facilitated employees to obtain first aid skills training certification, and conducted four AED+CPR basic life-saving training sessions, each of 2 hours, and a total of 95

people were trained.

3. Familiarize with the application of fire protection facilities in the building and emergency fire drill, where four fire drills of 2 hours each were conducted, with a total of 72 people trained.
4. Three sessions of healthy diet related training sessions were held, each session of 1 hour, a total of 45 people were trained.
5. Certification Qualification: Health Promotion Workplace Certification from the National Health Service of the Ministry of Health and Welfare.

(2) Internal Staff Training:

1. A total of 22 internal physical and online trainings for knowledge and skill improvement were held in the year, totaling 1,146 hours, and 462 people were trained (the ratio of males and females was 192:270), with an average training time of 2.5 hours.
2. Due to business needs, employee participation in professional function external entities and online training sum up to a total of 51 sessions, totaling 353 hours, and 93 people were trained (the ratio of males and females was 34:59). The average training hours were 3.8 hours.

6. Losses Resulted from Labor Dispute up to the Publication date of this Annual Report:
None.

5.6 Information Security Management

1. Cyber Security Risk Management Framework

The information security unit of the Company is the IT division, which has one supervisor and several professional engineers, who are responsible for formulating the Company's information security policy, planning information security measures, and implementing related information security operations.

The audit division is the audit unit for information security supervision. If defects are found in the audit, IT division will be immediately requested to put forward relevant improvement plans and report to the board of directors. The improvement results will be checked regularly to reduce internal information security risks.

The accountant conducts information operations review annually. If deficiencies are found, improvement measures will be requested and improvement results will be tracked.

Based on the importance of information security, the responsible unit reports the Company's information security governance and implementation status to the board of directors annually. The latest report date is November 09, 2021.

2. Cyber Security Policy

The Company administers the following measures to prevent risk and strengthen management of information security, ensure the availability, integrity and confidentiality of information, and avoid intentional and accidental threats internally and externally. The goals of cyber security management are:

(1) Maintain the continuous operation of various information systems

(2) Prevent hackers, various viruses from invading and destroying

(3) Prevent improper and illegal use of systems

(4) Prevent the leakage of sensitive information

(5) Avoid human error and accident

(6) Maintain physical environment security

The contents of cyber security management include the following 6 items:

(1) Computer equipment security management

(2) Network Security Management

(3) End Point Protection and Management Preven

(4) System Access Control

(5) Operation continuity

(6) Promoting and Education training

3. Practical Management Plan

(1) Computer equipment security management

1. The Company's various application servers and equipment are all set up and located in the dedicated computer room with the access control adopting entrance guard system. Access records are kept for inspection.
2. An independent air conditioner is installed inside the computer room so the computer equipment is well maintained and operated under a proper temperature environment. In addition, chemical fire extinguisher is placed to put out fires caused by electrical appliances.
3. The computer room is designed with uninterruptible power supply and voltage stabilization equipment connecting to the building's generator power supply system to avoid sudden power failure and to ensure that the operation of the computer application system will not be interrupted during a temporary power failure.
4. The service life of computer equipment is 8 years for desktop and 5 years for notebook. The equipment that reaches the service life can be replaced within budget to avoid affecting work due to equipment failures.

(2) Network Security Management

1. Install enterprise-level firewalls for network control external network access control to prevent hacking.
2. Install site to site encrypted VPN connection between Taichung Storage Center, Keelung Storage Transportation Center and Taipei Headquarters' Office to avoid illegal capture during data transmission.
3. Employees who needs to work remotely by accessing the ERP system must apply for a VPN account. They can log in and use in a secure way through VPN certification control and account password verification, and records on logging are kept for inspection.
4. Install internet behavior management hardware and filtering equipment to control internet access, block access to harmful or disallowed URL and contents as well as to ensure network security and prevent bandwidth resources from being improperly occupied.

(3) End Point Protection and Management

1. Install endpoint protection software system both in the server and the terminal computers for anti-virus and anti-hacking protection. The virus pattern is automatically updated to ensure that the latest virus can be blocked and at the same time, it can detect and prevent the installation of potentially executable files from threatening systems.
2. The email server is equipped with email anti-virus and spam filtering mechanism to prevent viruses or spam entering users' PC.
3. The anti-virus system will not only isolate or delete the detected or intercepted virus immediately, but also will proactively issue a risk report on the computer that is exposed at risk so that managers can take corresponding actions.

(4) System Access Control

1. Employees should use each application system in compliance and through internal authority approval procedure. After approval granted by the responsibility supervisor, IT Division will establish a system account and each system administrator will be authorized in accordance with the authorized access granted.
2. Password used to sign on the account should be in appropriate strength and number of characters and must be mixed with alphanumeric characters and special symbols.
3. At the time when employees go through the internal procedure for resignation (leave), they must notify IT Division to deactivate or delete all accounts.

(5) Operation continuity

1. System backup: Build in a cloud backup system and adopt a daily backup mechanism. In addition to uploading one back up copy of the system and database to the international cloud, the computer room and the bank safe box should each keeps a copy to ensure absolute security.
2. Disaster recovery drill: Drills for recovery should be conducted once a year. After the base date of restoration date reference is decided, the backup media will be restored to the main system and all users will confirm in writing if the correct data is restored so as to ensure the correctness and effectiveness of the backup media.
3. Network Redundancy: Two data lines from the telecommunications company. Through the bandwidth management equipment, the two lines are used in parallel as each other's backup to ensure the network communication will not be interrupted.

(6) Promoting and Education training

1. The Company should promote on regular basis that employees are requested to change their passwords from time to time to maintain account security.
2. The Company should conduct seminars or training courses on regular basis promoting cyber security-related topics.
3. Join membership of "Taiwan Computer Network Crisis Handling and Coordination Center TWCERT/CC" which provides channels to cyber security incident consultation and access on cyber security information data as materials for training courses

4. Resources invested in the Cyber security management

In order to implement the six major information security policies, the resources invested are as follows:

1. Network hardware devices such as firewall, email antivirus, spam filtering, online behavior analysis, switching hub with network management, etc. Software systems such as endpoint protection systems, backup management software, VPN authentication and encryption software, etc.
2. Software systems such as endpoint protection systems, backup management software, VPN authentication and encryption software, etc.
3. Telecom services such as multiple lines, cloud backup services, intrusion prevention services, etc.
4. Invested in manpower such as: daily system status check and backup, weekly implementation of backup media offsite, information security courses at least twice a year, annual system disaster recovery drills, annual internal audit of information circulation, accountant audit, etc.
5. Information security manning: One supervisor and two information security engineers, responsible for information security architecture design, information security maintenance and monitoring, information security incident response and investigation, information security policy review and revision, the information security director annually report to the board of directors at least once.

5.7 Important Contracts

Important Contracts

Nature of Contract	Counterparty	Period	Major Contents	Restrictions
Lease Agreement (Note 1)	Chia Hsin Cement Corporation / Keelung Harbor Bureau	23 years and 9 months starting on 10/07/2000	The Company rented land between the back side of Wharf W33 and the west wave breaker from Keelung Harbor Bureau, and built a cement silo and auxiliary equipment in the name of Keelung Harbor Bureau as advance rental payments. Ownership belongs to Keelung Harbor Bureau in accordance with Article 12 of the Commercial Harbor Law.	
Lease Agreement (Note 1)	Chia Hsin Cement Corporation / Keelung Harbor Bureau	35 years and 5 months starting on 12/10/2009	The Company leased wharfs (E13, E14 and E15) at Taipei Port First Bulk Cargo Center from Keelung Harbor Bureau, and agreed to construct wharf E16 and jointly construct warehouse facilities, offices and storage and transport equipment at the back side of the Center. The facilities and equipment are used for loading & unloading, storage and transport of coal, gravel and bulk and general cargo.	
Storage and Transport Agreement	Chia Hsin Cement Corporation / CHC Resources Corporation	10/25/2010 - 05/10/2045	The Company built warehouse facilities at the back side of wharfs (E14, E15 and E16) at Taipei Port First Bulk Cargo Center and mainly uses the facilities for storage and transport of slag powder and related products of CHC Resources Corporation. The warehouse is managed by CHC Resources Corporation, which is responsible for work safety, environmental protection, site utilization, facility operation and maintenance, and insurance within the contract period.	
Port of Taichung No. 27 Wharf Lease Agreement	Tong Yang Chia Hsin International Corporation/ Port of Taichung, Taiwan International Ports Corporation, Ltd.	12/01/2014 - 12/31/2024	Rented Port of Taichung No. 27 Wharf 1st line land, cement silo and auxiliary facilities	
Lease Agreement	Chia Hsin Property Management & Development Corporation/Nat'l Taiwan University	05/16/2014 - 05/15/2024	Long term rental of Japanese-style house and attached buildings on Hangzhou South Road, Taipei City from Nat'l Taiwan University	
Lease Agreement	Chia Hsin Property Management & Development Corporation / Gipin Health	08/16/2015 - 05/15//2024	Long term rental of Japanese-style house and attached buildings on Hangzhou South Road, Taipei City	
Leasing Agreement	Chia Hsin Property Management & Development Corporation / POYA Int'l Co., Ltd.	12/01/2015 - 11/30/2035	Rental of two lots of land at Watsu Section, Gangshan District, Kaohsiung City (No. 2197-4 and No. 2205), total 8,413 ping	
Leasing Agreement	Chia Hsin Property Management & Development Corporation / Family Mart	01/01/2016 - 12/31/2035	Rental of six lots of land (No. 2197) at Watsu Section, Gangshan District, Kaohsiung City, total 15,130.37 ping	

Nature of Contract	Counterparty	Period	Major Contents	Restrictions
Lease Agreement	Chia Hsin Property Management & Development Corporation / Family Mart	01/01/2017 - 12/31/2035	Increase rental of land No. 2197-3, 965.88 ping at Watsu Section, Gangshan District, Kaohsiung City	
Lease agreement	Chia Hsin Property Management & Development Corporation /Woey Her Enterprise Co., Ltd.	03/15/2019 – 03/14/2039	Rental of five lots of land (No. 1164) at Chia hsin Section, Gangshan District, Kaohsiung, total 12,764 ping	
Lease Agreement	Chia Hsin Property Management & Development Corporation /Hon Yuan Moto Corp.	01/01/2021 – 03/31/2033	Rental of Land and Building, total 905.35 and 384.62 ping respectively, at No. 349, Zhongshan Rd., Sec. 2, Chunghe District, New Taipei City,	
Loading/ Unloading, Storage and Transport Agreement	Chia Pei Int'l Corp./ Nan Ya Plastic, Hua Ya Power	08/01/2020 - 07/31/2026	Provide unloading, storage, and truck loading services of coal at Taipei Port First Bulk Cargo Center	
Lease Agreement	Jaho Life Plus+ Management Corp./ Chen Xiuxia, Chen Xiuchuan, Chen Xiulong, Chen Xiumin, Chen Xiufeng, Chen Zhangji, Chen Weiyuan, Chen Weida	01/01/2018 - 12/31/2028	Long term rental of a building at 230 Dunhua North Road, Songshan District, Taipei City	
Construction Design and Supervision Contract	CHC Ryukyu Development GK/Kengo Kuma & Associates	05/28/2018 - Completion date	Construction planning, design, and supervision of Toyosaki project	
Management Agreement	CHC Ryukyu Development GK/IHG Japan (Management) LLC	Signed on 08/17/2019	Hotel operation and management of Toyosaki project	
Lease Agreement	Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd./ Yangzhou Tianlegang Holiday Concourse	12/01/2018 - 02/28/2034	Long term rental of a building in Yangzhou	
Renovation Construction Contract	Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd./Nanjing Jinhong Decoration Engineering Co., Ltd.	02/08/2020- Completion date	Renovation construction	

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

6. Financial Information

6.1 Five Year Financial Summary

Condensed Balance Sheet and Statements of Comprehensive Income –IFRS

Condensed Consolidated Balance Sheet-IFRS

Unit：NTD thousands

Item \ Year		Financial Summary for the Past Five Years（Note 1）				
		2021	2020	2019	2018	2017
Current Assets		11,156,660	11,726,520	10,657,604	11,150,914	9,106,166
Property, Plant and Equipment		5,282,102	6,195,433	6,535,574	3,467,524	2,852,330
Intangible Assets		7,580	11,347	5,518	-	-
Other Assets		23,801,309	22,712,927	21,521,938	17,367,191	16,359,490
Total Assets		40,247,651	40,646,227	38,720,634	31,985,629	28,317,986
Current Liabilities	Before Distribution	2,789,328	3,042,465	3,700,460	3,195,396	2,317,056
	After Distribution	(Note 2)	3,967,015	4,360,993	3,856,136	2,317,056
Non-Current Liabilities		11,548,090	12,586,413	11,343,949	7,870,414	6,740,090
Total Liabilities	Before Distribution	14,337,418	15,628,878	15,044,409	11,065,810	9,057,146
	After Distribution	(Note 2)	16,553,428	15,704,942	11,726,550	9,384,749
Equity Attributable to Owners of the Company		25,025,368	24,182,147	22,813,442	19,019,812	17,511,786
Share Capital		7,747,805	7,747,805	7,747,805	7,747,805	7,747,805
Capital Surplus		1,139,296	960,402	847,377	703,931	642,168
Retained Earnings	Before Distribution	11,237,099	11,653,749	10,660,775	9,672,041	9,074,455
	After Distribution	(Note 2)	10,574,189	9,888,994	8,900,260	8,687,065
Other Equity		5,979,118	4,939,214	4,654,268	2,082,579	1,196,784
Treasury Shares		(1,077,950)	(1,119,023)	(1,096,783)	(1,186,544)	(1,149,426)
Non-Controlling Interest		884,865	835,202	862,783	1,900,007	1,749,054
Total Equity	Before Distribution	25,910,233	25,017,349	23,676,225	20,919,819	19,260,840
	After Distribution	(Note 2)	24,092,799	23,015,692	20,259,079	18,933,237

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

Note 2：Distribution of 2021 earnings is pending for resolution by AGM.

Condensed Consolidated Statements of Comprehensive Income-IFRS

Unit：NTD thousands

Item \ Year	Financial Summary for the Past Five Years（Note 1）				
	2021	2020	2019	2018	2017
Operating Revenue	2,220,254	2,058,417	1,884,002	2,092,406	2,095,607
Gross Profit	30,799	(143,741)	198,597	288,488	282,321
(Loss) Profit from Operations	(525,636)	822,567	(434,786)	(103,601)	(229,484)
Non-Operating Income and Expenses	1,345,156	1,283,475	1,420,557	531,481	1,311,027
Profit Before Income Tax from Continuing Operations	819,520	2,106,042	985,771	427,880	1,081,543
Net Profit from Continuing Operations	747,535	1,836,495	818,510	254,597	977,309
Net Profit from Discontinued Operations	-	1,499	590,161	514,526	-
Net Profit for the Year	747,535	1,837,994	1,408,671	769,123	977,309
Other Comprehensive Income (Loss) (Net of Tax)	1,087,633	300,229	3,141,141	711,350	2,725,318
Total Comprehensive Income (Loss) for the Year	1,835,168	2,138,223	4,549,812	1,480,473	3,702,627
Net Profit Attributable to Owners of the Company	657,848	1,764,366	1,297,473	699,755	895,198
Net Profit Attributable to Non-Controlling Interest	89,687	73,628	111,198	69,368	82,111
Total Comprehensive Income Attributable to Owners of the Company	1,702,814	2,051,467	4,326,485	1,384,470	3,538,372
Total Comprehensive Income Attributable to Non-Controlling Interest	132,354	86,756	223,327	96,003	164,255
Earnings per Share (NTD)	1.02	2.74	2.02	1.09	1.39

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

Condensed Parent Company Only Balance Sheet-IFRS

Unit：NTD thousands

Item \ Year		Financial Summary for the Past Five Years（Note 1）				
		2021	2020	2019	2018	2017
Current Assets		4,423,478	3,915,414	3,709,387	3,650,324	3,552,127
Property, Plant and Equipment		724,113	820,507	959,470	1,099,989	1,227,458
Intangible Assets		169	-	-	-	-
Other Assets		27,619,650	28,243,095	25,798,495	20,358,821	18,226,318
Total Assets		32,767,410	32,979,016	30,467,352	25,109,134	23,005,903
Current Liabilities	Before Distribution	1,915,210	2,379,296	2,110,520	1,600,289	1,421,867
	After Distribution	(Note 2)	3,458,856	2,882,301	2,372,070	1,809,257
Non-Current Liabilities		5,826,832	6,417,573	5,543,390	4,489,033	4,072,250
Total Liabilities	Before Distribution	7,742,042	8,796,869	7,653,910	6,089,322	5,494,117
	After Distribution	(Note 2)	9,876,429	8,425,691	6,861,103	5,881,507
Share Capital		7,747,805	7,747,805	7,747,805	7,747,805	7,747,805
Capital surplus		1,139,296	960,402	847,377	703,931	642,168
Retained Earnings	Before Distribution	11,237,099	11,653,749	10,660,775	9,672,041	9,074,455
	After Distribution	(Note 2)	10,574,189	9,888,994	8,900,260	8,687,065
Other equity		5,979,118	4,939,214	4,654,268	2,082,579	1,196,784
Treasury Shares		(1,077,950)	(1,119,023)	(1,096,783)	(1,186,544)	(1,149,426)
Total Equity	Before Distribution	25,025,368	24,182,147	22,813,442	19,019,812	17,511,786
	After Distribution	(Note 2)	23,257,597	22,152,909	18,359,072	17,184,183

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

Note 2：Distribution of 2021 earnings is pending for resolution by AGM.

Condensed Parent Company Only Statements of Comprehensive Income-IFRS

Unit：NTD thousands

Item \ Year	Financial Summary for the Past Five Years（Note 1）				
	2021	2020	2019	2018	2017
Operating Revenues	1,248,931	1,186,875	1,249,323	1,204,046	1,173,223
Gross Profit	15,567	(20,676)	29,299	7,448	46,157
(Loss) Profit from Operations	(221,860)	(237,300)	(214,529)	(173,787)	(112,898)
Non-Operating Income and Expenses	896,489	2,056,785	1,593,740	944,776	1,075,860
Profit Before Income Tax from Continuing Operations	674,629	1,819,485	1,379,211	770,989	962,962
Net Profit from Continuing Operations	657,848	1,764,366	1,297,473	699,755	895,198
Net Profit from Discontinued Operations	-	-	-	-	-
Net Profit for the Year	657,848	1,764,366	1,297,473	699,755	895,198
Other Comprehensive Income (Loss) (Net of Tax)	1,044,966	287,101	3,029,012	684,715	2,643,174
Total Comprehensive Income (Loss) for the Year	1,702,814	2,051,467	4,326,485	1,384,470	3,538,372
Earnings per Share (NTD)	1.02	2.74	2.02	1.09	1.39

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

Auditors' Opinion for the Past Five Years

Year	Name of the CPA	Audit Opinion
2017	Cheng-Chuan Yu, Keng-Hsi Chang	Unqualified
2018	Cheng-Chuan Yu, Keng-Hsi Chang	Unqualified
2019	Cheng-Chuan Yu, Keng-Hsi Chang	Unqualified
2020	Cheng-Chuan Yu, Keng-Hsi Chang	Unqualified
2021	Chiang-Hsun Chen, Keng-Hsi Chang	Unqualified

6.2 Five Year Financial Analysis

Consolidated Financial Analysis-IFRS

Item	Year	Financial Analysis (Note 1) 2021	2020	2019	2018	2017
Financial Structure (%)	Debt Ratio	35.62	38.45	38.85	34.60	31.98
	Ratio of Long-Term Capital to Property, Plant and Equipment	709.16	606.96	535.84	830.28	911.57
Solvency (%)	Current Ratio	399.98	385.43	288.01	348.97	393.01
	Quick Ratio	392.65	380.09	284.83	321.92	359.07
	Interest Earned Ratio (Times)	612.51	1,387.47	884.56	593.43	1,170.83
Operating Performance	Accounts Receivable Turnover (Times)	9.12	8.41	7.05	8.17	7.20
	Average Collection Period (Days)	40	43	52	45	51
	Inventory Turnover (Times)	18.01	18.77	2.8	1.43	1.24
	Accounts Payable Turnover (Times)	11.00	12.59	8.44	9.48	7.23
	Average Days in Sales	20	19	130	255	295
	Property, Plant and Equipment Turnover (Times)	0.39	0.32	0.38	0.66	0.86
	Total Assets Turnover (Times)	0.05	0.05	0.05	0.07	0.07
Profitability	Return on Assets (%)	2.16	4.96	4.27	2.78	3.90
	Return on Equity (%)	2.94	7.55	6.32	3.83	5.57
	Pre-Tax Income to Paid-In Capital (%) (Note 6)	10.58	27.18	12.72	5.52	13.96
	Net Profit Margin (%)	33.67	89.29	74.77	36.76	46.64
	Earnings per Share (NTD)	1.02	2.74	2.02	1.09	1.39
Cash Flow	Cash Flow Ratio (%)	0.00	17.45	0.00	0.00	17.41
	Cash Flow Adequacy Ratio (%)	10.30	15.70	17.68	29.24	29.79
	Cash Reinvestment Ratio (%)	0.00	0.00	0.00	0.00	0.86
Leverage	Operating Leverage	(0.67)	0.16	(0.53)	(3.25)	(1.58)
	Financial Leverage	0.77	1.25	0.78	0.54	0.69

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

1.Decrease of interest earned ratio, return on assets, return on equity, pre-tax income to paid-in capital, net profit margin, earnings per share, operating leverage and financial leverage: Mainly due to the gains from disposal of investment properties by subsidiary CHPMD in 2020, resulting in the increase of operating income, profit before income tax and net profit for the year, respectively.

2.Decrease of cash flow ratio and cash flow adequacy ratio: Mainly due to decrease in net cash generated from operating activities in 2021.

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

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

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

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

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

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

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

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

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

Parent Company Only Financial Analysis-IFRS

Item	Year	Financial Analysis (Note 1)				
		2021	2020	2019	2018	2017
Financial Structure (%)	Debt Ratio	23.63	26.67	25.12	24.25	23.88
	Ratio of Long-Term Capital to Property, Plant and Equipment	4,260.69	3,729.37	2,955.47	2,137.19	1,758.43
Solvency (%)	Current Ratio	230.97	164.56	175.76	228.10	249.82
	Quick Ratio	226.14	162.21	173.82	227.10	246.59
	Interest Earned Ratio (Times)	855.66	2,048.97	1,519.99	1,145.49	1,484.64
Operating Performance	Accounts Receivable Turnover (Times)	6.85	6.06	5.26	5.18	5.67
	Average Collection Period (Days)	53	60	69	70	65
	Inventory Turnover (times)	21.49	22.47	41.60	45.49	19.77
	Accounts Payable Turnover (Times)	6.91	7.60	6.47	7.34	7.09
	Average Days in Sales	17	16	9	8	19
	Property, Plant and Equipment Turnover (Times)	1.62	1.33	1.21	1.03	0.89
	Total Assets Turnover (Times)	0.04	0.04	0.04	0.05	0.05
Profitability	Return on Assets (%)	2.22	5.80	4.95	3.15	4.44
	Return on Equity (%)	2.67	7.51	6.20	3.83	5.66
	Pre-Tax Income to Paid-In Capital (%) (Note 6)	8.71	23.48	17.80	9.95	12.43
	Net Profit Margin (%)	52.67	148.66	103.85	58.12	76.30
	Earnings per Share (NTD)	1.02	2.74	2.02	1.09	1.39
Cash Flow	Cash Flow Ratio (%)	0.00	2.21	0.00	0.00	13.83
	Cash Flow Adequacy Ratio (%)	3.71	8.06	27.22	32.12	40.48
	Cash Reinvestment Ratio (%)	0.00	0.00	0.00	0.00	0.18
Leverage	Operation Leverage	(0.40)	(0.38)	(0.53)	(0.59)	(1.85)
	Financial Leverage	0.71	0.72	0.69	0.70	0.62

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

1. Increase of current ratio and quick ratio: Mainly due to the increase of dividend income in 2021, the increase of cash and repayment of borrowings.
2. Decrease of interest earned ratio, return on assets, return on equity, pre-tax income to paid-in capital, net profit margin, earnings per share: Mainly due to the increase in the share of profit recognized under equity method from the gains of investment properties disposed by subsidiary CHPMD in 2020, resulting in the increase of both profit before income tax and net profit.
3. Increase of property, plant and equipment turnover: Mainly due to property, plant and equipment continued to depreciate, and the decrease of the amount of property, plant and equipment at the end of the period.
4. Decrease of cash flow ratio and cash flow adequacy ratio: Mainly due to the decrease of net cash generated from operating activities in 2021.

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

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

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

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

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

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

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

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

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

6.3 Audit Committee’s Review Report

Chia Hsin Cement Corporation

Audit Committee’s Review Report

We have examined the Company’s 2021 Business Report, Financial Statements of December 31, 2021, and the proposed plan to distribute earnings, and we did not find any improper items in the above-mentioned reports and statements. We hereby report to the 2022 General Meeting of Shareholders in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law as such.

Independent Directors:

Su, Robert K.

Chen, Chia-Shen

Chen, Kuan-Ming

Mar. 22, 2022

6.4 Consolidated Financial Statements

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies that are required to be included in the consolidated financial statements of affiliates of Chia Hsin Cement Corporation as of and for the year ended December 31, 2021, 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

March 22, 2022

勤業眾信

勤業眾信聯合會計師事務所
11073台北市信義區松仁路100號20樓

Deloitte & Touche
20F, Taipei Nan Shan Plaza
No. 100, Songren Rd.,
Xinyi Dist., Taipei 11073, Taiwan

Tel :+886 (2) 2725-9988
Fax:+886 (2) 4051-6888
www.deloitte.com.tw

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, 2021 and 2020, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Group's consolidated financial statements for the year ended December 31, 2021 are stated as follows:

Key Audit Matter 1: Sales of Cement to the Main Clients

The operating revenue of the Group mainly comes from the sale of cement. For the year ended December 31, 2021, the amount of revenue from the sales of cement was $1,069,131 thousand, which accounted for 48% of the consolidated total operating revenue. Due to the concentration of sales to target clients in the Group's cement business and the materiality of the transactions, we considered the transactions with such clients as key audit matter.

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

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

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

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

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

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

Key Audit Matter 2: Impairment of Property, Plant and Equipment

As of December 31, 2021, the net carrying amount of property, plant and equipment of the hotel operated by the Group located in Ryukyu, Japan was NT$4,181,457 thousand, representing 10% of total consolidated assets, which was material to the consolidated financial statements. Due to the impact of the COVID-19 on the overall economic trend of the industry, the actual operating performance of the hotel was lower than expected, which in turn affected the management's assessment of impairment of property, plant, and equipment. Since the information used in the assessment was subject to management's judgment and involved a high level of uncertainty, we identified the impairment of property, plant and equipment as a key audit matter.

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

We obtained from the management an impairment assessment report issued by an external expert, 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, and we assessed the reasonableness of management's adoption of such assumptions and data.

2. We assessed the appropriateness of the discount rates used by the external specialists in their valuation 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, 2021 and 2020 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 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 Keng Hsi Chang.

Chiang Hsun Chen   Keng Hsi Chang

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 22, 2022

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

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

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

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021		2020	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 3,685,347	9	$ 3,375,981	8
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	1,387,308	4	1,091,077	3
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	2,982,413	8	2,713,193	7
Financial assets at amortized cost - current (Notes 4 and 14)	2,638,297	7	4,065,846	10
Notes receivable from unrelated parties (Notes 4, 9 and 27)	137,437	-	147,422	1
Trade receivables from unrelated parties (Notes 4, 9 and 27)	78,308	-	108,712	-
Trade receivables from related parties (Notes 4, 27 and 37)	10,864	-	4,041	-
Finance lease receivables - current (Notes 4 and 11)	2,852	-	2,618	-
Other receivables from unrelated parties (Notes 4 and 10)	28,546	-	33,016	-
Other receivables from related parties (Notes 4 and 37)	317	-	19,435	-
Current tax assets (Notes 4 and 29)	467	-	1,197	-
Inventories (Notes 4 and 12)	55,320	-	61,497	-
Prepayments (Note 21)	149,047	-	100,846	-
Disposal groups held for sale (Notes 4 and 13)	-	-	-	-
Refundable deposits (Note 4)	20	-	1,639	-
Other current assets (Note 21)	117	-	-	-
Total current assets	11,156,660	28	11,726,520	29
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	12,152,445	30	10,895,230	27
Financial assets at amortized cost - non-current (Notes 4, 14 and 38)	25,856	-	25,794	-
Investments accounted for using the equity method (Notes 4 and 16)	3,445,290	9	3,628,571	9
Property, plant and equipment (Notes 4, 5, 17 and 38)	5,282,102	13	6,195,433	15
Right-of-use assets (Notes 4 and 18)	1,652,742	4	1,786,356	4
Investment properties (Notes 4, 19, 37 and 38)	6,130,417	15	6,138,701	15
Intangible assets (Notes 4 and 20)	7,580	-	11,347	-
Deferred tax assets (Notes 4 and 29)	333,077	1	174,983	1
Refundable deposits - non-current (Note 4)	31,539	-	32,990	-
Finance lease receivables - non-current (Notes 4 and 11)	4,027	-	6,879	-
Net defined benefit assets - non-current (Notes 4 and 25)	4,834	-	-	-
Other non-current assets (Note 21)	21,082	-	23,423	-
Total non-current assets	29,090,991	72	28,919,707	71
TOTAL	$ 40,247,651	100	$ 40,646,227	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 22 and 38)	$ 914,000	2	$ 1,564,000	4
Short-term bills payable (Note 22)	134,842	1	136,773	-
Contract liabilities (Notes 4 and 27)	23,704	-	13,154	-
Notes payable to unrelated parties (Note 23)	3,351	-	3,011	-
Trade payables to unrelated parties (Note 23)	118,141	-	76,579	-
Trade payables to related parties (Note 37)	124,010	-	73,132	-
Other payables to unrelated parties (Note 24)	227,742	1	345,715	1
Other payables to related parties (Note 37)	72	-	89	-
Current tax liabilities (Notes 4 and 29)	121,492	-	137,173	1
Lease liabilities - current (Notes 4 and 18)	132,442	-	124,926	-
Advance receipts (Note 24)	8,820	-	11,829	-
Current portion of long-term borrowings (Notes 22 and 38)	947,847	3	528,223	1
Guarantee deposits - current (Note 37)	29,995	-	19,768	-
Other current liabilities (Note 24)	2,870	-	8,093	-
Total current liabilities	2,789,328	7	3,042,465	7
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 22 and 38)	7,908,939	20	8,771,785	22
Deferred tax liabilities (Notes 4 and 29)	1,583,897	4	1,559,363	4
Lease liabilities - non-current (Notes 4 and 18)	1,599,272	4	1,723,014	4
Deferred revenue - non-current (Notes 24 and 32)	367,431	1	437,169	1
Net defined benefit liabilities - non-current (Notes 4 and 25)	-	-	1,007	-
Guarantee deposits - non-current (Note 37)	88,551	-	94,075	-
Total non-current liabilities	11,548,090	29	12,586,413	31
Total liabilities	14,337,418	36	15,628,878	38
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 26)				
Share capital				
Ordinary shares	7,747,805	19	7,747,805	19
Capital surplus	1,139,296	3	960,402	3
Retained earnings				
Legal reserve	2,503,173	6	2,319,663	6
Special reserve	2,257,996	6	2,275,704	6
Unappropriated earnings	6,475,930	16	7,058,382	17
Total retained earnings	11,237,099	28	11,653,749	29
Other equity	5,979,118	15	4,939,214	12
Treasury shares	(1,077,950)	(3)	(1,119,023)	(3)
Total equity attributable to owners of the Company	25,025,368	62	24,182,147	60
NON-CONTROLLING INTERESTS (Note 26)	884,865	2	835,202	2
Total equity	25,910,233	64	25,017,349	62
TOTAL	$ 40,247,651	100	$ 40,646,227	100

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

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 27 and 37)	$ 2,220,254	100	$ 2,058,417	100
OPERATING COSTS (Notes 12, 28 and 37)	(2,189,455)	(99)	(2,202,158)	(107)
GROSS PROFIT (LOSS)	30,799	1	(143,741)	(7)
OPERATING EXPENSES (Notes 9, 10, 13, 28 and 37)				
Selling and marketing expenses	(32,965)	(1)	(30,794)	(1)
General and administrative expenses	(523,691)	(24)	(572,267)	(28)
Expected credit gain (loss)	221	-	(94)	-
Total operating expenses	(556,435)	(25)	(603,155)	(29)
OTHER OPERATING INCOME AND EXPENSES (Notes 28 and 37)	-	-	1,569,463	76
(LOSS) GAIN FROM OPERATIONS	(525,636)	(24)	822,567	40
NON-OPERATING INCOME AND EXPENSES (Notes 4, 13, 28 and 37)				
Interest income	52,932	2	84,861	4
Other income	1,262,036	57	927,568	45
Other gains and losses	311,367	14	372,015	18
Finance costs	(159,902)	(7)	(163,580)	(8)
Share of profit or loss of associates and joint ventures	(121,277)	(5)	62,611	3
Total non-operating income and expenses	1,345,156	61	1,283,475	62
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	819,520	37	2,106,042	102
INCOME TAX EXPENSE (Notes 4 and 29)	(71,985)	(3)	(269,547)	(13)
NET PROFIT FROM CONTINUING OPERATIONS	747,535	34	1,836,495	89
NET PROFIT FROM DISCONTINUED OPERATIONS (Note 13)	-	-	1,499	-
NET PROFIT FOR THE YEAR	747,535	34	1,837,994	89

(Continued)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (Notes 4, 25, 26 and 29)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	$ 5,776	-	$ 2,142	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	1,441,456	65	408,679	20
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	52,959	3	(45,256)	(2)
Income tax relating to items that will not be reclassified subsequently to profit or loss	(1,155)	-	(429)	-
	1,499,036	68	365,136	18
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(554,584)	(25)	(79,343)	(4)
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	(4,289)	-	(3,907)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	147,470	6	18,343	1
	(411,403)	(19)	(64,907)	(3)
Other comprehensive income for the year, net of income tax	1,087,633	49	300,229	15
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 1,835,168	83	$ 2,138,223	104
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 657,848	30	$ 1,764,366	86
Non-controlling interests	89,687	4	73,628	3
	$ 747,535	34	$ 1,837,994	89
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 1,702,814	77	$ 2,051,467	100
Non-controlling interests	132,354	6	86,756	4
	$ 1,835,168	83	$ 2,138,223	104

(Continued)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	**%**	**Amount**	**%**
EARNINGS PER SHARE (Note 30)				
From continuing and discontinued operations				
Basic	$ 1.02		$ 2.74	
Diluted	$ 1.02		$ 2.74	
From continuing operations				
Basic	$ 1.02		$ 2.74	
Diluted	$ 1.02		$ 2.74	

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, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

			Retained Earnings			Other Equity					
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Total	Non-controlling Interests	Total Equity
BALANCE, JANUARY 1, 2020	$ 7,747,805	$ 847,377	$ 2,143,611	$ 2,346,051	$ 6,171,113	$ (343,071)	$ 4,997,339	$ (1,096,783)	$ 22,813,442	$ 862,783	$ 23,676,225
Appropriation of 2019 earnings (Note 26)											
Legal reserve	-	-	176,052	-	(176,052)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(771,781)	-	-	-	(771,781)	-	(771,781)
Reverse of special reserve	-	-	-	(70,347)	70,347	-	-	-	-	-	-
Net profit for the year ended December 31, 2020	-	-	-	-	1,764,366	-	-	-	1,764,366	73,628	1,837,994
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	2,155	(61,154)	346,100	-	287,101	13,128	300,229
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	1,766,521	(61,154)	346,100	-	2,051,467	86,756	2,138,223
Changes in capital surplus due to cash dividends of the Company paid to subsidiary (Note 26)	-	111,248	-	-	-	-	-	-	111,248	-	111,248
Acquisition of interests in subsidiaries (Notes 15 and 33)	-	(538)	-	-	(1,766)	-	-	-	(2,304)	(19,927)	(22,231)
Decrease in non-controlling interests (Note 26)	-	-	-	-	-	-	-	-	-	(94,469)	(94,469)
Buy-back of ordinary shares (Note 26)	-	-	-	-	-	-	-	(22,240)	(22,240)	-	(22,240)
Unclaimed dividends extinguished by prescription (Note 26)	-	2,315	-	-	-	-	-	-	2,315	59	2,374
BALANCE, DECEMBER 31, 2020	7,747,805	960,402	2,319,663	2,275,704	7,058,382	(404,225)	5,343,439	(1,119,023)	24,182,147	835,202	25,017,349
Appropriation of 2020 earnings (Note 26)											
Legal reserve	-	-	183,510	-	(183,510)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,079,560)	-	-	-	(1,079,560)	-	(1,079,560)
Reverse of special reserve	-	-	-	(17,708)	17,708	-	-	-	-	-	-
Changes in equity of associates accounted for using the equity method (Note 26)	-	3,461	-	-	-	-	-	-	3,461	-	3,461
Net profit for the year ended December 31, 2021	-	-	-	-	657,848	-	-	-	657,848	89,687	747,535
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	5,062	(396,011)	1,435,915	-	1,044,966	42,667	1,087,633
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	662,910	(396,011)	1,435,915	-	1,702,814	132,354	1,835,168
Changes in capital surplus due to cash dividends of the Company paid to subsidiary (Note 26)	-	155,010	-	-	-	-	-	-	155,010	-	155,010
Share-based payment (Notes 26 and 31)	-	20,175	-	-	-	-	-	-	20,175	412	20,587
Decrease in non-controlling interests (Note 26)	-	-	-	-	-	-	-	-	-	(83,132)	(83,132)
Reissuance of treasury shares (Note 26)	-	(96)	-	-	-	-	-	41,073	40,977	-	40,977
Unclaimed dividends extinguished by prescription (Note 26)	-	344	-	-	-	-	-	-	344	29	373
BALANCE, DECEMBER 31, 2021	$ 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

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, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax from continuing operations	$ 819,520	$ 2,106,042
Income before income tax from discontinued operations	-	1,499
Income before income tax	819,520	2,107,541
Adjustments for:		
Depreciation expense	524,834	570,326
Amortization expense	2,629	2,508
Expected credit (gain) loss	(221)	94
Net gain on fair value changes of financial assets at fair value through profit or loss	(102,103)	(1,682)
Finance costs	159,902	163,580
Interest income	(52,932)	(88,828)
Dividend income	(1,128,413)	(807,947)
Compensation costs arising from share-based payment	20,587	-
Share of loss (profit) of associates and joint ventures	121,277	(62,611)
Loss (gain) on disposal of property, plant and equipment	143	(64,356)
Expense transferred from property under construction	-	1,358
Gain on disposal of investment properties	-	(1,569,463)
Expense transferred from investment property	1,492	-
Gain on disposal of right-of-use assets	(140)	-
(Gain) loss on disposal of associates and joint ventures accounted for using the equity method	(3,245)	5,822
Loss (gain) on lease modification	95	(45)
Gain on disposal of assets held for sale	-	(335,919)
Gain on disposal of subsidiaries	(291,167)	(92,073)
Impairment loss recognized on property, plant and equipment and right-of-use assets	-	56,980
Impairment loss recognized on non-financial assets	404	366
Reversal of deferred revenue	(13,884)	(12,310)
Net loss on foreign currency exchange	105,410	36,937
Changes in operating assets and liabilities:		
Financial assets mandatorily classified as at fair value through profit or loss	(194,128)	573,921
Notes receivable from unrelated parties	10,070	18,057
Trade receivables from unrelated parties	28,116	(47,866)
Trade receivables from related parties	(6,823)	(1,361)
Other receivables from unrelated parties	3,018	323,663
Inventories	5,315	(16,941)
Increase in other current assets	(124)	-
Prepayments	(49,828)	(29,887)
Contract liabilities	10,778	3,865
Notes payables to unrelated parties	340	105
Trade payables to unrelated parties	42,083	(33,959)
Trade payables to related parties	50,878	(10,448)
Other payables to unrelated parties	(47,597)	107,347

(Continued)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
Advanced receipts	$ (2,960)	$ (2,451)
Other current liabilities	(4,412)	7,045
Net defined benefit liability	(65)	(59)
Cash generated from operations	8,849	801,309
Interest paid	(129,874)	(133,714)
Income tax paid	(73,691)	(136,764)
Net cash (used in) generated from operating activities	(194,716)	530,831
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(90,000)	(10,000)
Purchase of financial assets at amortized cost	(74,951)	(644,164)
Proceeds from sale of financial assets at amortized cost	1,467,434	-
Cash return of capital due to liquidation of associates and joint ventures accounted for using the equity method	66,327	184,358
Acquisition of associates	(50,000)	(1,144,460)
Payments for property, plant and equipment	(105,482)	(746,786)
Proceeds from disposal of property, plant and equipment	178	41,261
Decrease (increase) in refundable deposits paid	2,747	(4,274)
Decrease in other receivables from related parties	19,118	97,185
Payments for intangible assets	(184)	(5,581)
Payments for investment properties	(71,967)	(28,588)
Proceeds from disposal of investment properties	-	1,686,299
Decrease in finance lease receivables	2,047	2,105
Decrease (increase) in other non-current assets	1,708	(311)
Increase in prepayments for equipment	(4,149)	(4,873)
Interest received	53,296	92,618
Other dividends received	1,144,142	855,136
Deferred revenue	-	7,439
Net cash generated from investing activities	2,360,264	377,364
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayments of) proceeds from short-term borrowings	(650,000)	762,800
Repayments of short-term bills payable	(2,000)	(133,000)
Proceeds from long-term loans	1,679,000	851,261
Repayments of long-term loans	(1,619,271)	(123,678)
Refunds of guarantee deposits received	-	(8,117)
Proceeds of guarantee deposits received	4,749	-
Repayments of the principal portion of lease liabilities	(117,847)	(106,734)
Dividend paid to owners of the Company	(924,550)	(660,533)
Payments for buy-back of ordinary shares	-	(22,240)
Proceeds from reissuance of treasury shares	40,977	-
Acquisition of additional interests in subsidiaries	-	(22,231)

(Continued)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
Dividends paid to non-controlling interests	$ (83,132)	$ (94,469)
Return of unclaimed dividends extinguished by prescription	373	2,374
Net cash (used in) generated from financing activities	(1,671,701)	445,433
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(184,481)	(44,544)
NET INCREASE IN CASH AND CASH EQUIVALENTS	309,366	1,309,084
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3,375,981	2,066,897
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 3,685,347	$ 3,375,981

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, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

a. Chia Hsin Cement Corporation (the "Company"; the Company and the entities controlled by the Company are referred to as the "Group") was incorporated in the Republic of China (ROC) with capital of $24,000 thousand in December 1954. Over the years, the Company has increased its capital through capital contributions in cash, undistributed earnings, and asset revaluation increments. As of December 31, 2021, the Company has authorized capital of $15,000,000 thousand and paid-in capital of $7,747,805 thousand. The Company's business activities include cement manufacturing, wholesale of building materials, retail sale of building materials, non-metallic mining, mixed-concrete products manufacturing, international trade, construction and development of residences and buildings, lease, construction and development of industrial factory buildings, real estate commerce, real estate rental and leasing, reconstruction within the renewal area and warehousing and storage, healthcare, fitness and training, manufacture of beverages and bakery products, and hotel management.

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on March 22, 2022.

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

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

   The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Company's accounting policies.

b. The IFRSs endorsed by the FSC for application starting from 2022.

New IFRSs	Effective Date Announced by IASB
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 1)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 2)
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 3)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 4)

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

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

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

New IFRSs	Effective Date Announced by IASB (Note 1)
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 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 4)

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

Note 2: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Statement of compliance

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

b. Basis of preparation

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

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

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

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

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

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

Current assets include:

1) Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

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

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

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

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

d. Basis of consolidation

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

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

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

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

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

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

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

See Note 15, Table 6 and Table 8 for detailed information on subsidiaries.

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 not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

f. Inventories

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

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

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

g. Investments in associates and joint ventures

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

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

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

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

When the Group subscribes for additional new shares of an associate and a joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group’s proportionate interest in the associate and joint venture. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using the equity method. If the Group’s ownership interest is reduced due to its additional subscription of the new shares of the associate and joint venture, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and 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 and a joint venture equals or exceeds its interest in that associate and joint venture (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group’s net investment in the associate and joint venture), the Group discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate and joint venture.

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

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

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

h. Property, plant and equipment

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

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

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

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

i. Investment properties

Investment properties are properties held to earn rental and or for capital appreciation. Investment properties include right-of-use assets and 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 assets, 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 assets, 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.

l. Disposal groups held for sale

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

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

m. Financial instruments

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

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

1) Financial assets

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

   a) Measurement categories

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

      i. Financial assets at FVTPL

         Financial assets are classified as at FVTPL when such 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, and remeasurement gains or losses on such financial assets are recognized in profit or loss. Fair value is determined in the manner described in Note 36.

      ii. Financial assets at amortized cost

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

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

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

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

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

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (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. When a financial asset is more than 365 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss 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.

n. Revenue recognition

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

1) Revenue from the sale of goods

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

2) Revenue from the rendering of services

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

o. Leases

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

1) The Group as lessor

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

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

Under finance leases, the lease payments comprise fixed payments. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Group's net investment outstanding in respect of leases. 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 comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

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

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the 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, 2021, 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.

p. Borrowing costs

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

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

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

q. Government grants

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

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

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

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

r. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

s. Share-based payment arrangements

Equity-settled share-based payment arrangements granted to employees

The fair value at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately.

t. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred taxes for the year

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

4) The linked-tax system

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The Group considers the possible impact of the recent development of the COVID-19 in global and its economic environment implications when making its critical accounting estimates on cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Key Sources of Estimation Uncertainty

Impairment of property, plant and equipment

Impairment of equipment is 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. Furthermore, the estimates of the cash flow projections, growth rate and discount rate are subject to higher degree of estimation uncertainties in the current year due to uncertainty on the impact arising from potential disruptions of the Group's operations and volatility in financial markets due to the evolution of COVID-19 pandemic.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2021	**2020**
Cash on hand	$ 4,169	$ 4,790
Checking accounts and demand deposits	1,528,380	921,356
Cash equivalents		
Commercial papers	118,867	452,656
Time deposits with original maturities of 3 months or less	2,006,243	1,904,118
Repurchase agreements collateralized by bonds	27,688	93,061
	$ 3,685,347	$ 3,375,981

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

	December 31	
	2021	**2020**
Commercial papers	0.23%-0.25%	0.19%-0.23%
Cash in the bank	0.001%-2.55%	0.001%-2.12%
Repurchase agreements collateralized by bonds	0.33%	0.50%-0.60%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2021	**2020**
Financial assets mandatorily classified as at fair value through profit or loss (FVTPL) - current		
Non-derivative financial assets		
Domestic listed shares	$ 1,023,941	$ 922,018
Overseas listed shares	50,340	64,909
Overseas mutual funds - beneficiary certificates	313,027	104,150
	$ 1,387,308	$ 1,091,077

The Group has investments in shares of Taiwan Cement Corporation. As of December 31, 2021, the Group held 21,332,026 shares (carrying amount of $1,023,938 thousand) accounted for as financial assets at fair value through profit or loss and 302,818,769 shares (carrying amount of $14,535,301 thousand) accounted for as financial assets at fair value through other comprehensive income. As of December 31, 2020, the Group held 21,332,026 shares (carrying amount of $921,543 thousand) accounted for as financial assets at fair value through profit or loss and 302,818,769 shares (carrying amount of $13,081,771 thousand) accounted for as financial assets at fair value through other comprehensive income. Information for other price risks and sensitivity analysis are provided in Note 36.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2021	2020
Investments in equity instruments - current		
Domestic investments		
Listed shares and emerging market shares	$ 2,982,413	$ 2,713,193
Investments in equity instruments - non-current		
Domestic investments		
Listed shares and emerging market shares	$ 11,758,119	$ 10,582,307
Unlisted shares	394,326	312,923
	$ 12,152,445	$ 10,895,230

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 preference shares B of Smart Ageing Tech Co., Ltd. and ordinary shares of B Current Impact Investment Fund 3 with the amount of $90,000 thousand in July 2021 and $10,000 thousand in March 2020, respectively. The investment is held for medium- to long-term strategic purposes. Accordingly, the management designated these investments as at FVTOCI.

9. NOTES RECEIVABLE, TRADE RECEIVABLES AND OVERDUE RECEIVABLES

	December 31	
	2021	2020
Notes receivable		
Gross carrying amount at amortized cost	$ 138,812	$ 148,892
Less: Allowance for impairment loss	(1,375)	(1,470)
	$ 137,437	$ 147,422

(Continued)

	December 31	
	2021	2020
Trade receivables		
Gross carrying amount at amortized cost	$ 78,619	$ 109,296
Less: Allowance for impairment loss	(311)	(584)
	$ 78,308	$ 108,712
Overdue receivables (Note)		
Gross carrying amount at amortized cost	$ 12,952	$ 13,022
Less: Allowance for impairment loss	(12,952)	(13,022)
	$ -	$ -

(Concluded)

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

Notes Receivable

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

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

Trade Receivables

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

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

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

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

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

December 31, 2021

	Not Overdue	Overdue Within 90 Days	Overdue 91-360 Days	Overdue 1 Year or More	Total
Expected credit loss rate	0.74%	0.94%	-	100%	
Gross carrying amount	$ 227,547	$ 748	$ -	$ 12,952	$ 241,247
Loss allowance (Lifetime ECLs)	(1,679)	(7)	-	(12,952)	(14,638)
Amortized cost	$ 225,868	$ 741	$ -	$ -	$ 226,609

December 31, 2020

	Not Overdue	Overdue Within 90 Days	Overdue 91-360 Days	Overdue 1 Year or More	Total
Expected credit loss rate	0.73%	0.77%	100%	100%	
Gross carrying amount	$ 261,965	$ 130	$ 134	$ 13,022	$ 275,251
Loss allowance (Lifetime ECLs)	(1,919)	(1)	(134)	(13,022)	(15,076)
Amortized cost	$ 260,046	$ 129	$ -	$ -	$ 260,175

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

	For the Year Ended December 31	
	2021	2020
Balance at January 1	$ 15,076	$ 14,784
Add: Net remeasurement of loss allowance	10	266
Less: Net remeasurement of loss allowance reversed	(231)	(172)
Less: Amounts written off	(134)	-
Foreign exchange gains and losses	(83)	198
Balance at December 31	$ 14,638	$ 15,076

10. OTHER RECEIVABLES

	December 31	
	2021	2020
Interest receivables	$ 14,569	$ 15,015
VAT refund receivables	-	4,226
Government grant receivables (Note 32)	1,950	3,585
Others	13,908	12,081
Less: Allowance of impairment loss	(1,881)	(1,891)
	$ 28,546	$ 33,016

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

	For the Year Ended December 31	
	2021	2020
Balance at January 1	$ 1,891	$ 1,862
Foreign exchange gains and losses	(10)	29
Balance at December 31	$ 1,881	$ 1,891

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

December 31, 2021

	Not Overdue	Overdue Less than 90 Days	Overdue 90-360 Days	Overdue 1 Year or More	Total
Expected credit loss rate	0%	-	-	100%	
Gross carrying amount	$ 28,546	$ -	$ -	$ 1,881	$ 30,427
Loss allowance (Lifetime ECLs)	-	-	-	(1,881)	(1,881)
Amortized cost	$ 28,546	$ -	$ -	$ -	$ 28,546

December 31, 2020

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

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

11. FINANCE LEASE RECEIVABLES

	December 31	
	2021	2020
Undiscounted lease payments		
Year 1	$ 2,972	$ 2,800
Year 2	2,972	2,972
Year 3	1,114	2,972
Year 4	-	1,114
	7,058	9,858
Less: Unearned finance income	(179)	(361)
Lease payments receivable	6,879	9,497
Net investment in leases presented as finance lease receivables	$ 6,879	$ 9,497

Due to the severe impact of Covid-19 pandemic on economy, the Group consented to unconditionally reduce the rent by 55%, 100% and 95% during the period from May 1, 2021 to May 31, 2021, the period from June 1, 2021 to June 30, 2021 and the period from July 1, 2021 to July 31, 2021, respectively. And reduce the rent by 25% and 50% during the period from March 1, 2020 to March 31, 2020 and the period from April 1, 2020 to June 30, 2020, respectively. Because there was no relevant rent adjustment mechanism in the original lease contract, the aforementioned rent deduction adjustment led to a decrease in finance lease receivables, and the Group recognized $95 and $67 thousand of loss on lease modification under other gains and losses, respectively.

	December 31	
	2021	2020
Lease payments receivable		
Not more than 1 year	$ 2,852	$ 2,618
More than 1 year and not more than 5 years	4,027	6,879
	$ 6,879	$ 9,497

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

The interest rates inherent in the leases are fixed at the contract dates for the entire term of the lease. As of December 31, 2021 and 2020, the interest rate inherent in the finance leases was both approximately 2.25% per annum.

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

The Group measures the loss allowance for finance lease receivables at an amount equal to lifetime ECLs. As of December 31, 2021 and 2020, no finance lease receivable was past due. The Group has not recognized a loss allowance for finance lease receivables after taking into consideration the historical default experience and the future prospects of the industries in which the lessee operates, together with the value of collateral held over these finance lease receivables.

12. INVENTORIES

	December 31	
	2021	2020
Finished goods	$ 50,526	$ 55,699
Raw materials	278	271
Supplies	1,350	2,361
	52,154	58,331
Land held for construction	3,166	3,166
	$ 55,320	$ 61,497

The cost of inventories sold for the years ended December 31, 2021 and 2020 was $1,051,719 thousand and $998,455 thousand, respectively.

The loss from the write-downs of inventory for the years ended December 31, 2021 and 2020 was $404 thousand and $366 thousand, respectively.

13. DISPOSAL GROUPS HELD FOR SALE

a. Discontinued operations

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

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

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

	For the Year Ended December 31, 2020
Operating revenue	$ -
Operating costs	-
Gross profit	-
Selling and marketing expenses	-
General and administrative expenses	-
Allowance for credit loss	-
Loss from operations	-
Interest income	3,967
Other income	-
Other gains and losses	(2,468)
Finance costs	-
Profit before tax	1,499
Income tax expense	-
Net profit for the year	$ 1,499
Profit from discontinued operations attributable to:	
Owners of the Company	$ 1,499
Non-controlling interests	-
	$ 1,499
Cash flows	
Operating activities	$ (9,383)
Investing activities	3,967
Financing activities	(601,796)
Net cash outflows	$ (607,212)

b. Disposal groups held for sale

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

14. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2021	2020
Current		
Principal protected investments (Note)	$ -	$ 501,955
Time deposits with original maturities of more than 3 months	2,638,297	3,563,891
	$ 2,638,297	$ 4,065,846
Non-current		
Restricted deposits	$ 25,856	$ 25,794
Interest rate range		
Principal protected investments	-	2.20%-2.70%
Time deposits with original maturities of more than 3 months	0.12%-2.30%	0.57%-2.25%
Restricted deposits	0.09%-0.815%	0.41%-1.045%

Note: Early redemption is inapplicable to the investment product.

a. The Group has tasked its credit management committee to develop a credit risk grading framework to determine whether the credit risk of the financial assets at amortized cost increases significantly since the last period to the reporting date as well as to measure the expected credit losses. The credit rating information may be obtained from independent rating agencies where available and, if not available, the credit management committee uses other publicly available financial information to rate the debtors. In the consideration of an analysis of the debtor's current financial position and the forecasted direction of economic conditions in the industry, the Group forecasts both 12-month expected credit losses or lifetime expected credit losses of financial assets at amortized cost. As of December 31, 2021 and 2020, the Group assessed the expected credit loss rate as 0%.

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

15. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

			Proportion of Ownership (%) December 31		
Investor	Investee	Nature of Activities	2021	2020	Remark
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 Property Management & Development	Wholesale and retail business of machinery; residence, factory buildings and office buildings leasing and selling; PPE leasing and selling	100.00	100.00	-

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31 2021	2020	Remark
〃	Chia Pei International Corporation	Mining; wholesale of building materials; nonmetallic mining; retail sale of building materials; international trade; rental and leasing business; retail sale of other machinery and equipment	100.00	100.00	-
〃	Chia Hsin Pacific Limited	Holding company	74.16	74.16	Exchange rate risk
〃	BlueSky. Co., Ltd.	International trade; real estate trading; real estate leasing	100.00	100.00	-
〃	YJ International Corporation	Real estate rental and leasing; real estate management; realtor agent	100.00	100.00	-
〃	Jaho Life Plus+ Management Corp., Ltd. (Note 1)	Management consulting service	100.00	100.00	-
YJ International Corporation	CHC Ryukyu Development GK	Real estate rental and leasing; management consulting service	100.00	100.00	Exchange rate risk
〃	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
〃	Chia Hsin Pacific Limited	Holding company	24.18	24.18	Exchange rate risk
Tong Yang Chia Hsin Marine Corp.	Jiangsu Jiaguo Construction Material Storage Co., Ltd.	Engaging in overland delivery of ordinary goods and the processing, manufacturing and selling of cement and other construction material	100.00	100.00	Exchange rate risk and political risk arising from Cross-Strait relations
Jiangsu Jiaguo Construction Material Storage Co., Ltd.	Jiangsu Jiaxin Property Limited Company	Developing and selling real estate and providing property management service	100.00	100.00	Exchange rate risk and political risk arising from Cross-Strait relations
Chia Hsin Property Management & Development	Chia Sheng Construction Corp.	Wholesale and retail business of machinery; residence, factory buildings and office buildings leasing and selling; PPE leasing and selling	100.00	100.00	-
Chia Hsin Pacific Limited	Effervesce Investment Pte. Ltd.	Investment and holding company	100.00	100.00	Exchange rate risk
Effervesce Investment Pte. Ltd.	Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Consulting for developing information system for business and finance purpose.	100.00	100.00	Exchange rate risk and political risk arising from Cross-Strait relations
〃	Shanghai Chia Hsin Ganghui Co., Ltd.	Warehousing and packing bulk cement and formulating and delivering high-strength cement.	100.00	100.00	Exchange rate risk and political risk arising from Cross-Strait relations
〃	Shanghai Jia Huan Concrete Co., Ltd.	Processing, manufacturing and selling of cement, concrete and other related products.	68.00	68.00	Exchange rate risk and political risk arising from Cross-Strait relations
Chia Hsin Pacific Limited	Yonica Pte Ltd (Note 6)	Investment and holding company	-	100.00	Exchange rate risk

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31 2021	2020	Remark
Yonica Pte Ltd	Jiangsu Union Cement Co., Ltd. (Note 5)	Processing, manufacturing and selling of cement.	-	-	Exchange rate risk and political risk arising from Cross-Strait relations
Chia Hsin Pacific Limited	Sparksview Pte. Ltd.	Investment and holding company	100.00	100.00	Exchange rate risk
Sparksview Pte. Ltd.	Shanghai Jia Huan Concrete Co., Ltd.	Processing, manufacturing and selling of cement, concrete and other related products.	32.00	32.00	Exchange rate risk and political risk arising from Cross-Strait relations
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. (Note 2)	Consulting for management of healthcare and hotel business.	100.00	100.00	Exchange rate risk and political risk arising from Cross-Strait relations
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Jiapeng Maternal and Child Care (Yangzhou) Co., Ltd. (Note 3)	Providing healthcare service to mothers in pregnancy, parturition and postpartum period.	100.00	100.00	Exchange rate risk and political risk arising from Cross-Strait relations
〃	Jiapeng Maternal and Child Care (Suzhou) Co., Ltd. (Note 4)	Providing healthcare service to mothers in pregnancy, parturition and postpartum period.	100.00	100.00	Exchange rate risk and political risk arising from Cross-Strait relations

(Concluded)

Note 1: On January 16 and October 6, 2020, the Group increased its investment by $100,000 thousand in total.

Note 2: On September 3, 2020, the board of directors of Chia Hsin Business Consulting (Shanghai) Co., Ltd. passed a resolution to repurchase 30% interests of Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. from an unrelated party, China Chemical & Pharmaceutical Co., Ltd. The total transaction amount was $22,231 thousand; therefore, Chia Hsin Business Consulting (Shanghai) Co., Ltd. increased its continuing interest in Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. from 70% to 100% (Note 33). On September 16, 2020 and January 26, 2021, and May 28, 2021 after the abovementioned transaction, Chia Hsin Business Consulting (Shanghai) Co., Ltd. increased its investment in Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. by RMB21,000 thousand, RMB8,000 thousand and RMB4,000 thousand, respectively.

Note 3: On January 16, 2020, November 20, 2020, and January 27, 2021, Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. increased investment by RMB10,000 thousand, RMB8,000 thousand, and RMB14,000 thousand in Jiapeng Maternal and Child Care (Yangzhou) Co., Ltd., respectively.

Note 4: On December 10, 2020, Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. invested RMB6,000 thousand to establish Jiapeng Maternal and Child Care (Suzhou) Co., Ltd., which is thereafter included in the consolidated financial statements. On May 28, 2021, Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. increased by RMB4,000 thousand the investment in Jiapeng Maternal and Child care (Suzhou) Co., Ltd.

Note 5: On April 1, 2020, the cancellation of registration was completed. After deducting exchange differences from the translation to presentation currency, a gain on disposal of subsidiary of $92,073 thousand was recognized under other gains and losses in 2020.

Note 6: The company was liquidated by the resolution of the board of directors on April 20, 2021. The remaining property for distribution was substantially completed in November 2021, and the dissolution registration was completed on February 2, 2022.

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

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

	Proportion of Ownership and Voting Rights Held by Non-Controlling Interests	
	December 31	
Name of Subsidiary	**2021**	**2020**
Tong Yang Chia Hsin International Corporation	12.82%	12.82%

Refer to Note 43, Table 6 "Information on Investees" for the nature of activities, principal places of business and countries of incorporation of the subsidiaries and associates.

	Profit (Loss) Allocated to Non-controlling Interests		Accumulated Non-controlling Interests	
	For the Year Ended December 31		December 31	
Name of Subsidiary	**2021**	**2020**	**2021**	**2020**
Tong Yang Chia Hsin International Corporation	$ 85,033	$ 71,567	$ 989,243	$ 938,143

The summarized financial information below represents amounts before intragroup eliminations.

Tong Yang Chia Hsin International Corporation

	December 31	
	2021	**2020**
Current assets	$ 2,365,470	$ 2,248,612
Non-current assets	5,569,774	5,296,456
Current liabilities	(48,071)	(45,845)
Non-current liabilities	(172,349)	(182,804)
Equity	$ 7,714,824	$ 7,316,419
Equity attributable to:		
Owners of the Group	$ 6,725,581	$ 6,378,276
Non-controlling interests of Tong Yang Chia Hsin International Corporation	989,243	938,143
	$ 7,714,824	$ 7,316,419

	For the Year Ended December 31	
	2021	2020
Operating revenue	$ 108,027	$ 105,013
Net profit for the year	$ 663,321	$ 558,250
Other comprehensive income	596,864	(303,837)
Total comprehensive income for the year	$ 1,260,185	$ 254,413
Profit attributable to:		
Owners of Group	$ 578,288	$ 486,683
Non-controlling interests of Tong Yang Chia Hsin International Corporation	85,033	71,567
	$ 663,321	$ 558,250
Total comprehensive income attributable to:		
Owners of Group	$ 1,098,629	$ 221,797
Non-controlling interests of Tong Yang Chia Hsin International Corporation	161,556	32,616
	$ 1,260,185	$ 254,413
Net cash (outflow) inflow from:		
Operating activities	$ 29,261	$ (1,438)
Investing activities	536,320	895,964
Financing activities	(671,008)	(759,827)
Net cash (outflow) inflow	$ (105,427)	$ 134,699

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2021	2020
Investments in associates	$ 3,445,290	$ 3,628,571

a. Investments in associates

	December 31	
	2021	2020
Material associates		
LDC ROME HOTELS S.R.L.	$ 289,131	$ 367,335
L'Hotel De Chine Corporation	1,032,448	1,164,251
Chia Hsin Construction & Development Corp.	1,870,402	1,792,694
Associates that are not individually material	253,309	304,291
	$ 3,445,290	$ 3,628,571

1) Material associates

	Proportion of Ownership and Voting Rights	
	December 31	
	2021	2020
LDC ROME HOTELS S.R.L.	40.00%	40.00%
Chia Hsin Construction & Development Corp.	43.87%	43.87%
L'Hotel De Chine Corporation	23.10%	23.10%

Refer to Note 43, 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.

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

LDC ROME HOTELS S.R.L.

	December 31	
	2021	2020
Current assets	$ 200,036	$ 311,500
Non-current assets	1,560,215	1,824,143
Current liabilities	(134,259)	(102,503)
Non-current liabilities	(903,164)	(1,114,803)
Equity	$ 722,828	$ 918,337
Proportion of the Group's ownership	40.00%	40.00%
Equity attributable to the Group	$ 289,131	$ 367,335
Carrying amount	$ 289,131	$ 367,335

	For the Year Ended December 31	
	2021	2020
Operating revenue	$ 235,128	$ 147,972
Net loss for the year	(104,258)	(188,754)
Other comprehensive loss	-	-
Total comprehensive loss for the year	$ (104,258)	$ (188,754)

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

Chia Hsin Construction & Development Corp.

	December 31	
	2021	2020
Current assets	$ 2,006,649	$ 2,041,258
Non-current assets	2,628,645	2,410,159
Current liabilities	(296,726)	(381,994)
Non-current liabilities	(104,405)	(12,394)
Equity	$ 4,234,163	$ 4,057,029
Proportion of the Group's ownership	43.87%	43.87%
Equity attributable to the Group	$ 1,857,527	$ 1,779,819
Premium representing the difference between fair value and carrying amount of remaining equity investments	12,875	12,875
Carrying amount	$ 1,870,402	$ 1,792,694

	For the Year Ended December 31	
	2021	2020
Operating revenue	$ 343,344	$ 328,189
Net profit for the year	114,794	208,159
Other comprehensive income (loss)	97,836	(79,389)
Total comprehensive income for the year	$ 212,630	$ 128,770
Dividends received from Chia Hsin Construction & Development Corp.	$ 15,729	$ 47,189

L'Hotel De Chine Corporation

	December 31	
	2021	2020
Current assets	$ 598,400	$ 2,179,633
Non-current assets	7,065,130	6,118,487
Current liabilities	(1,555,061)	(1,525,195)
Non-current liabilities	(1,638,997)	(1,732,880)
Equity	$ 4,469,472	$ 5,040,045
Proportion of the Group's ownership	23.10%	23.10%
Equity attributable to the Group	$ 1,032,448	$ 1,164,251
Carrying amount	$ 1,032,448	$ 1,164,251

	For the Year Ended December 31	
	2021	2020
Operating revenue	$ 919,740	$ 1,163,999
Net loss for the year	(603,476)	(86,528)
Other comprehensive loss	(34,626)	32,992
Total comprehensive loss for the year	$ (638,102)	$ (53,536)

Acquisition of associates

On December 1, 2020, the Group acquired 67,998,915 shares of L'Hotel De Chine Corporation for $1,107,340 thousand in cash and $50,000 thousand of contingent consideration agreement, which represented a shareholding of 23.10%. The Company has identified the difference between the cost of acquisition and the net fair value of the identifiable assets and liabilities of its associate in November 2021.

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

Note: According to the contingent consideration agreement, if the earnings per share of L'Hotel De Chine Corporation in 2020 did not meet the contractual agreement, the Group is not obligated to pay the contingent consideration. The earning per share in 2020 has meet the contractual agreement and, therefore, the Group has paid the contingent consideration on May 31, 2021.

2) Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2021	2020
The Group's share of:		
Profit from continuing operations	$ 4,599	$ 38,440
Other comprehensive income (loss)	6,986	(11,483)
Total comprehensive income for the year	$ 11,585	$ 26,957

On May 10, 2019, the board of directors of Shanghai Chang Hsin Shipping Co., Ltd., an associate that is not individually material held by the Group, resolved to liquidate the company. On May 17, 2021, the liquidation process and the cancellation of registration of Shanghai Chang Hsin Shipping Co., Ltd. were completed. The Group received $66,327 thousand of cash return on capital due to liquidation and recognized $3,245 thousand of loss on disposal of associates accounted for using the equity method under other gains and losses.

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

b. Investments in joint ventures

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

c. The investments in associates accounted for using the equity method and the share of profit and loss and other comprehensive income of those investments for the years ended December 31, 2021 and 2020 were based on the associates' financial statements which have been audited for the same years.

17. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2021	2020
Assets used by the Group	$ 5,216,443	$ 6,126,784
Assets leased under operating leases	65,659	68,649
	$ 5,282,102	$ 6,195,433

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, 2020	$ 1,053,422	$ 3,649,892	$ 821,036	$ 17,732	$ 2,716,705	$ 628,807	$ 91,480	$ 8,979,074
Additions	-	4,297	8,637	1,311	18,200	14,657	46,251	93,353
Disposals	(5,377)	-	(29,953)	(325)	-	(1,611)	-	(37,266)
Reclassified from property under construction (Note)	-	6,094	-	-	90,780	7,570	(108,566)	(4,122)
Reclassified from prepayments	-	-	7,773	-	-	-	-	7,773
Reclassified from office supplies	-	-	1,608	-	-	-	-	1,608
Transferred from assets leased under operating leases	-	-	-	-	45,033	-	-	45,033
Effect of foreign currency exchange differences	1,134	3,935	1,114	4	927	567	447	8,128
Balance at December 31, 2020	$ 1,049,179	$ 3,664,218	$ 810,215	$ 18,722	$ 2,871,645	$ 649,990	$ 29,612	$ 9,093,581
Revaluation								
Balance at January 1, 2020	$ -	$ -	$ 15,806	$ -	$ -	$ 357	$ -	$ 16,163
Effect of foreign currency exchange differences	-	-	-	-	-	-	-	-
Balance at December 31, 2020	$ -	$ -	$ 15,806	$ -	$ -	$ 357	$ -	$ 16,163
Accumulated depreciation								
Balance at January 1, 2020	$ -	$ 12,175	$ 559,835	$ 11,918	$ 1,609,350	$ 158,107	$ -	$ 2,351,385
Depreciation expenses	-	142,900	43,623	1,637	136,204	99,932	-	424,296
Disposals	-	-	(29,953)	(293)	-	(1,584)	-	(31,830)
Transferred from assets leased under operating leases	-	-	-	-	13,893	-	-	13,893
Effect of foreign currency exchange differences	-	(590)	283	(45)	359	(70)	-	(63)
Balance at December 31, 2020	$ -	$ 154,485	$ 573,788	$ 13,217	$ 1,759,806	$ 256,385	$ -	$ 2,757,681
Accumulated impairment								
Balance at January 1, 2020	$ -	$ -	$ 55,848	$ -	$ 152,610	$ -	$ -	$ 208,458
Impairment loss	-	-	-	-	16,622	-	-	16,622
Effect of foreign currency exchange differences	-	-	139	-	60	-	-	199
Balance at December 31, 2020	$ -	$ -	$ 55,987	$ -	$ 169,292	$ -	$ -	$ 225,279
Carrying amount at January 1, 2020	$ 1,053,422	$ 3,637,717	$ 221,159	$ 5,814	$ 954,745	$ 471,057	$ 91,480	$ 6,435,394
Carrying amount at December 31, 2020	$ 1,049,179	$ 3,509,733	$ 196,246	$ 5,505	$ 942,547	$ 393,962	$ 29,612	$ 6,126,784

(Continued)

	Land	Building	Machinery and Equipment	Transportation Equipment	Leasehold Improvement	Other Equipment	Property under Construction	Total
Cost								
Balance at January 1, 2021	$ 1,049,179	$ 3,664,218	$ 810,215	$ 18,722	$ 2,871,645	$ 649,990	$ 29,612	$ 9,093,581
Additions	-	4,055	5,609	1,330	1,596	27,936	64,160	104,686
Disposals	-	-	(4,907)	(2,891)	-	(1,383)	-	(9,181)
Reclassified from property under construction (Note)	-	-	693	-	19	5,427	(6,869)	(730)
Reclassified from prepayments	-	-	4,362	-	-	-	-	4,362
Effect of foreign currency exchange differences	(135,337)	(475,421)	(24,668)	(67)	467	(53,351)	(695)	(689,072)
Balance at December 31, 2021	$ 913,842	$ 3,192,852	$ 791,304	$ 17,094	$ 2,873,727	$ 628,619	$ 86,208	$ 8,503,646
Revaluation								
Balance at January 1, 2021	$ -	$ -	$ 15,806	$ -	$ -	$ 357	$ -	$ 16,163
Disposals	-	-	-	-	-	(127)	-	(127)
Effect of foreign currency exchange differences	-	-	-	-	-	-	-	-
Balance at December 31, 2021	$ -	$ -	$ 15,806	$ -	$ -	$ 230	$ -	$ 16,036
Accumulated depreciation								
Balance at January 1, 2021	$ -	$ 154,485	$ 573,788	$ 13,217	$ 1,759,806	$ 256,385	$ -	$ 2,757,681
Depreciation expenses	-	132,600	26,920	1,699	117,143	99,133	-	377,495
Disposals	-	-	(4,907)	(2,687)	-	(1,393)	-	(8,987)
Effect of foreign currency exchange differences	-	(27,956)	(4,211)	(51)	156	(16,102)	-	(48,164)
Balance at December 31, 2021	$ -	$ 259,129	$ 591,590	$ 12,178	$ 1,877,105	$ 338,023	$ -	$ 3,078,025
Accumulated impairment								
Balance at January 1, 2021	$ -	$ -	$ 55,987	$ -	$ 169,292	$ -	$ -	$ 225,279
Effect of foreign currency exchange differences	-	-	(48)	-	(17)	-	-	(65)
Balance at December 31, 2021	$ -	$ -	$ 55,939	$ -	$ 169,275	$ -	$ -	$ 225,214
Carrying amount at January 1, 2021	$ 1,049,179	$ 3,509,733	$ 196,246	$ 5,505	$ 942,547	$ 393,962	$ 29,612	$ 6,126,784
Carrying amount at December 31, 2021	$ 913,842	$ 2,933,723	$ 159,581	$ 4,916	$ 827,347	$ 290,826	$ 86,208	$ 5,216,443

(Concluded)

Note: The amounts of $2,764 thousand, $1,358 thousand and $730 thousand were transferred from property under construction to intangible assets and to general and administrative expenses in 2020, and to other current assets in 2021, respectively.

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

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

The abovementioned 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
Cost				
Balance at January 1, 2020	$ 224,863	$ 126,553	$ 2,736	$ 354,152
Additions	10,990	-	-	10,990
Transferred to assets used by the Group	-	(45,033)	-	(45,033)
Effect of foreign currency exchange difference	3,737	1,277	43	5,057
Balance at December 31, 2020	$ 239,590	$ 82,797	$ 2,779	$ 325,166
Accumulated depreciation				
Balance at January 1, 2020	$ 201,825	$ 49,792	$ 2,355	$ 253,972
Depreciation expense	1,239	3,476	58	4,773
Transferred to assets used by the Group	-	(13,893)	-	(13,893)
Effect of foreign currency exchange difference	3,186	623	39	3,848
Balance at December 31, 2020	$ 206,250	$ 39,998	$ 2,452	$ 248,700
Accumulated impairment				
Balance at January 1, 2020	$ -	$ -	$ -	$ -
Impairment losses	-	7,670	-	7,670
Effect of foreign currency exchange difference	-	147	-	147
Balance at December 31, 2020	$ -	$ 7,817	$ -	$ 7,817
Carrying amount at January 1, 2020	$ 23,038	$ 76,761	$ 381	$ 100,180
Carrying amount at December 31, 2020	$ 33,340	$ 34,982	$ 327	$ 68,649

(Continued)

	Machinery and Equipment	Leasehold Improvement	Other Equipment	Total
Cost				
Balance at January 1, 2021	$ 239,590	$ 82,797	$ 2,779	$ 325,166
Additions	-	-	-	-
Effect of foreign currency exchange difference	(1,281)	(442)	(15)	(1,738)
Balance at December 31, 2021	$ 238,309	$ 82,355	$ 2,764	$ 323,428
Accumulated depreciation				
Balance at January 1, 2021	$ 206,250	$ 39,998	$ 2,452	$ 248,700
Depreciation expense	1,159	1,441	24	2,624
Effect of foreign currency exchange difference	(1,103)	(214)	(13)	(1,330)
Balance at December 31, 2021	$ 206,306	$ 41,225	$ 2,463	$ 249,994
Accumulated impairment				
Balance at January 1, 2021	$ -	$ 7,817	$ -	$ 7,817
Impairment losses	-	-	-	-
Effect of foreign currency exchange difference	-	(42)	-	(42)
Balance at December 31, 2021	$ -	$ 7,775	$ -	$ 7,775
Carrying amount at January 1, 2021	$ 33,340	$ 34,982	$ 327	$ 68,649
Carrying amount at December 31, 2021	$ 32,003	$ 33,355	$ 301	$ 65,659

(Concluded)

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

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

	December 31	
	2021	2020
Year 1	$ 29,305	$ 28,906
Year 2	29,382	28,991
Year 3	-	29,070
	$ 58,687	$ 86,967

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

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

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

18. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2021	**2020**
Carrying amount		
Land use rights	$ 559,926	$ 586,329
Land improvement	778,637	799,502
Building	311,632	396,456
Machinery and equipment	60	139
Transportation equipment	2,487	3,930
	$ 1,652,742	$ 1,786,356

	For the Year Ended December 31	
	2021	**2020**
Additions to right-of-use asset	$ 1,589	$ 106,233
Depreciation charge for right-of-use asset		
Land use rights	$ 25,929	$ 26,841
Land improvement	36,027	35,311
Building	72,558	68,987
Machinery and equipment	64	69
Transportation equipment	1,321	1,150
	$ 135,899	$ 132,358

1) Due to intense competition in the healthcare industry and the difficulty in business development, the future cash flows were expected to decrease, resulting in the recoverable amount being less than the carrying amount. Therefore, the Group recognized $16,500 thousand of impairment loss on right-of-use assets in 2020. The Group determined the recoverable amounts of right-of-use assets on the basis of their value in use. The discount rate used in measuring the value in use was 6.4605% per annum. The impairment loss was recognized under other gains and losses.

2) The Group expected the future cash flows from the land use right in the Port of Longwu to decrease, resulting in the recoverable amount being less than the carrying amount. Therefore, the Group recognized $16,188 thousand (RMB3,780 thousand) of impairment loss on right-of-use assets in 2020. The Group determined the recoverable amounts of right-of-use assets on the basis of their value in use. The discount rate used in measuring the value in use was 6.4605% per annum. The impairment loss was recognized under other gains and losses.

b. Lease liabilities

	December 31	
	2021	**2020**
Carrying amount		
Current	$ 132,442	$ 124,926
Non-current	$ 1,599,272	$ 1,723,014

Range of discount rates for lease liabilities was as follows:

	December 31	
	2021	**2020**
Land use rights	1.38%-5.46%	1.38%-5.46%
Land improvement	1.38%-1.58%	1.38%-1.58%
Building	1.30%-5.59%	1.38%-5.59%
Machinery and equipment	5.20%	5.20%
Transportation equipment	2.00%-6.12%	2.00%-6.12%

c. Material leasing activities and terms as lessee

1) Warehousing and storage service at the wharves

In order to operate in cargo loading, unloading, storage and transit business, the Group entered into two lease contracts in December 2009 and December 2014, respectively, 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 Longwu Harbor Company ("Longwu Harbor"). According to the agreement, Longwu Harbor should lease the land use right of its pier to the Group. The lease term lasts for 40 years, commencing on the date the joint venture company, established by the two parties, obtains its business license. Beginning on the sixth year of the lease term, the rent should be adjusted annually based on the increasing rate of the average annual cement price listed on the Shanghai Construction Engineering Cost Information System. When the cement price decreased, no rental adjustment should be made. At the end of the contract term, the contract can be extended and registered with relevant government agencies according to the agreement between both parties.

2) Healthcare business

In order to develop its healthcare business, the Group entered into leasing contracts for buildings for operation purposes in both Taiwan and China. The lease terms range from 10 to 15 years. At the end of the lease term, the Group has the right to apply for extension and 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 17 and 19, respectively; finance leases of assets are set out in Note 11.

	For the Year Ended December 31	
	2021	**2020**
Expenses relating to short-term leases	$ 5,842	$ 5,784
Expenses relating to low-value asset leases	$ 1,402	$ 1,089
Total cash outflow for leases	$ (162,412)	$ (150,346)

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

19. INVESTMENT PROPERTIES

	Land	**Building**	**Investment Property under Construction**	**Total**
Cost				
Balance at January 1, 2020	$ 2,169,973	$ 336,550	$ 93,802	$ 2,600,325
Additions (Note 1)	11,125	-	33,318	44,443
Disposals (Note 1)	(12,963)	(31,680)	-	(44,643)
Effect of foreign currency exchange difference	446	982	19	1,447
Balance at December 31, 2020	$ 2,168,581	$ 305,852	$ 127,139	$ 2,601,572

(Continued)

	Land	Building	Investment Property under Construction	Total
Revaluation				
Balance at January 1, 2020	$ 3,854,646	$ 156,455	$ -	$ 4,011,101
Disposals (Note 1)	(114,999)	(4,810)	-	(119,809)
Balance at December 31, 2020	$ 3,739,647	$ 151,645	$ -	$ 3,891,292
Accumulated depreciation				
Balance at January 1, 2020	$ -	$ 369,693	$ -	$ 369,693
Depreciation expenses	-	8,899	-	8,899
Disposals	-	(36,489)	-	(36,489)
Effect of foreign currency exchange difference	-	411	-	411
Balance at December 31, 2020	$ -	$ 342,514	$ -	$ 342,514
Accumulated impairment				
Balance at January 1, 2020	$ -	$ 11,470	$ -	$ 11,470
Effect of foreign currency exchange difference	-	179	-	179
Balance at December 31, 2020	$ -	$ 11,649	$ -	$ 11,649
Carrying amount at January 1, 2020	$ 6,024,619	$ 111,842	$ 93,802	$ 6,230,263
Carrying amount at December 31, 2020	$ 5,908,228	$ 103,334	$ 127,139	$ 6,138,701
Cost				
Balance at January 1, 2021	$ 2,168,581	$ 305,852	$ 127,139	$ 2,601,572
Additions (Note 2)	53,023	-	76,009	129,032
Disposals (Note 2)	(5,012)	-	-	(5,012)
Reclassified (Note 3)	-	(8,972)	-	(8,972)
Effect of foreign currency exchange difference	(53,233)	(340)	(20,615)	(74,188)
Balance at December 31, 2021	$ 2,163,359	$ 296,540	$ 182,533	$ 2,642,432
Revaluation				
Balance at January 1, 2021	$ 3,739,647	$ 151,645	$ -	$ 3,891,292
Additions	-	-	-	-
Disposals (Note 2)	(48,011)	-	-	(48,011)
Reclassified (Note 3)	-	(635)	-	(635)
Balance at December 31, 2021	$ 3,691,636	$ 151,010	$ -	$ 3,842,646

(Continued)

	Land	Building	Investment Property under Construction	Total
Accumulated depreciation				
Balance at January 1, 2021	$ -	$ 342,514	$ -	$ 342,514
Depreciation expenses	-	8,816	-	8,816
Disposals	-	-	-	-
Reclassified (Note 3)	-	(8,115)	-	(8,115)
Effect of foreign currency exchange difference	-	(142)	-	(142)
Balance at December 31, 2021	$ -	$ 343,073	$ -	$ 343,073
Accumulated impairment				
Balance at January 1, 2021	$ -	$ 11,649	$ -	$ 11,649
Effect of foreign currency exchange difference	-	(61)	-	(61)
Balance at December 31, 2021	$ -	$ 11,588	$ -	$ 11,588
Carrying amount at January 1, 2021	$ 5,908,228	$ 103,334	$ 127,139	$ 6,138,701
Carrying amount at December 31, 2021	$ 5,854,995	$ 92,889	$ 182,533	$ 6,130,417

(Concluded)

Note 1: In order to activate its assets, the Group undertook a land swap on September 30, 2020. The Group swapped out $6,831 thousand of investment properties - land with revaluation of $4,294, and swapped in $11,125 thousand of assets with the same cost.

Note 2: In order to activate its assets, the Group undertook a land swap on May 26, 2021 with National Property Administration. The Group swapped out $5,012 thousand of investment properties - land with revaluation of $48,011 thousand, and swapped in $53,023 thousand of assets with the same cost.

Note 3: The amount of $1,492 thousand were transferred from building to general and administrative expenses.

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

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

	December 31	
	2021	2020
The fair values of investment properties	$ 12,793,999	$ 12,892,061
Discount rate	6.8458%	6.4605%

The Group's investment properties under construction is located on the seaside, Toyosaki Japan. Because the location is still in the development stage, the comparable market transactions occur infrequently and no substitute estimated fair value can be obtained. As a result, the Group cannot reliably determine the fair value of investment property under construction.

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

20. INTANGIBLE ASSETS

	Computer Software
Cost	
Balance at January 1, 2020	$ 5,829
Additions	5,581
Reclassified from property under construction	2,764
Effect of foreign currency exchange difference	(14)
Balance at December 31, 2020	$ 14,160
Accumulated amortization	
Balance at January 1, 2020	$ 311
Amortization expenses	2,508
Effect of foreign currency exchange difference	(6)
Balance at December 31, 2020	$ 2,813
Carrying amount at December 31, 2020	$ 11,347
Cost	
Balance at January 1, 2021	$ 14,160
Additions	184
Effect of foreign currency exchange difference	(1,835)
Balance at December 31, 2021	$ 12,509
Accumulated amortization	
Balance at January 1, 2021	$ 2,813
Amortization expenses	2,629
Effect of foreign currency exchange difference	(513)
Balance at December 31, 2021	$ 4,929
Carrying amount at December 31, 2021	$ 7,580

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

Computer software	5 years

	For the Year Ended December 31	
	2021	2020
An analysis of amortization by function		
General and administrative expenses	$ 2,629	$ 2,508

21. OTHER ASSETS

	December 31	
	2021	2020
Current		
Prepayments		
Prepaid guarantee for freight	$ 56,452	$ 51,824
Prepayment for investments	41,520	-
Overpaid sales tax	29,723	27,744
Office supplies	5,282	7,811
Prepayment for purchase	354	150
Prepaid rents	778	2,191
Others	14,938	11,126
	$ 149,047	$ 100,846
Other current assets		
Other	$ 117	$ -
Non-current		
Other non-current assets		
Prepayments for equipment	$ 17,339	$ 17,614
Others	3,743	5,809
Overdue receivables (Note 9)	-	-
	$ 21,082	$ 23,423

22. BORROWINGS

a. Short-term borrowings

	December 31	
	2021	2020
Secured borrowings	$ 209,000	$ 75,000
Unsecured borrowings	705,000	1,489,000
	$ 914,000	$ 1,564,000

1) The range of interest rates on bank loans was 0.85%-0.90% and 0.85%-0.95% per annum as of December 31, 2021 and 2020, respectively.

2) Refer to Note 38 for information on collaterals for the abovementioned borrowings.

b. Short-term bills payable

	December 31	
	2021	2020
Commercial papers	$ 135,000	$ 137,000
Less: Unamortized discounts on bills payable	(158)	(227)
	$ 134,842	$ 136,773

Outstanding short-term bills payable were as follows:

December 31, 2021

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate Range	Collateral
Commercial papers					
International Bills	$ 135,000	$ (158)	$ 134,842	0.888%	None

December 31, 2020

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate Range	Collateral
Commercial papers					
International Bills	$ 60,000	$ (88)	$ 59,912	0.958%	None
Mega Bills	50,000	(75)	49,925	0.968%	None
China Development Bills	27,000	(64)	26,936	0.988%	None
	$ 137,000	$ (227)	$ 136,773		

c. Long-term borrowings

	December 31	
	2021	2020
Secured borrowings		
Bank loans (1)	$ 5,190,984	$ 5,585,286
Loans from governments (2)	2,170,902	2,526,632
Unsecured borrowings		
Bank loans (3)	1,494,900	1,188,090
	8,856,786	9,300,008
Less: Current portion	(947,847)	(528,223)
Long-term borrowings	$ 7,908,939	$ 8,771,785

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 agreement. The facilities allow drawdown on a revolving basis. For the years ended December 31, 2021 and 2020, the Group has taken new bank loans in the amounts of $200,000 thousand and $1,600,000 thousand, with annual interest rates of 1.05%-1.29% and 1.05%-1.28%, respectively. The loan is repayable in 5 to 7 years, and the final maturity date of the loan is May 28, 2027.

2) The Group entered into a secured government loan facility contract with Okinawa Development Finance Corporation. The loan is to be repaid in installments according to the repayment schedule in the contract. In 2021 and 2020, the Group has drawn $0 thousand and $138,500 thousand, respectively (equal to JPY0 thousand and JPY500,000 thousand respectively). The annual interest rates are both 0.05%-0.2%. The final maturity date of the loan is June 25, 2042.

3) The Group signed medium-term unsecured loan contracts with Taishin Bank, Bank SinoPac, and China Trust Commercial Bank. The bank loan is to be repaid at once or in instalment according to the agreement. The facility allows drawdown on a revolving basis. For the years ended December 31, 2021 and 2020, the Group has taken new bank loans in the amounts of $1,479,000 thousand and $720,200 thousand, with annual interest rates of 1.05%-1.41% and 1.27%-1.28%, 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 38 for information on collaterals for the abovementioned borrowings.

23. NOTES PAYABLE AND TRADE PAYABLES

	December 31	
	2021	2020
Notes payable		
Operating	$ 3,351	$ 3,011
Trade payables		
Operating	$ 118,141	$ 76,579

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

24. OTHER LIABILITIES

	December 31	
	2021	2020
Current		
Other payables		
Payables for salaries and bonuses	$ 93,678	$ 112,768
Payables for machinery and equipment and construction in progress (Note 34)	235	1,041
Payables for VAT	82,645	129,923
Payables for interests	1,397	2,668
Payables for professional fees	7,453	11,176
Payables for insurance	4,474	4,523
Payables for contingent consideration (Note 16)	-	50,000
Others	37,860	33,616
	$ 227,742	$ 345,715
Advanced receipts		
Advanced rental receipts	$ 8,820	$ 11,829
Other liabilities		
Receipts under custody	$ 2,870	$ 8,093
Non-current		
Deferred revenue		
Government grants (Note 32)	$ 367,431	$ 437,169

25. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

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

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

For the years ended on December 31, 2021 and 2020, the amounts included in the consolidated statements of comprehensive income in respect of the Group's defined contribution plan were $12,671 thousand and $11,327 thousand, respectively.

b. Defined benefit plan

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	
	2021	**2020**
Present value of defined benefit obligation	$ 97,375	$ 107,455
Fair value of plan assets	(102,209)	(106,448)
(Surplus) deficit	(4,834)	1,007
Net defined benefit (assets) liabilities	$ (4,834)	$ 1,007

Movements in net defined benefit (assets) liabilities were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit (Assets) Liabilities**
Balance at January 1, 2020	$ 106,690	$ (103,482)	$ 3,208
Service cost			
Current service cost	2,295	-	2,295
Net interest expense (income)	801	(785)	16
Recognized in profit or loss	3,096	(785)	2,311
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(3,383)	(3,383)
Actuarial loss			
Changes in demographic assumptions	15	-	15
Changes in financial assumptions	2,569	-	2,569
Experience adjustments	(1,343)	-	(1,343)
Recognized in other comprehensive income	1,241	(3,383)	(2,142)
Benefits paid	(3,572)	3,572	-
Contributions from the employer	-	(2,370)	(2,370)
Balance at December 31, 2020	107,455	(106,448)	1,007
Service cost			
Current service cost	2,261	-	2,261
Net interest expense (income)	526	(508)	18
Recognized in profit or loss	2,787	(508)	2,279

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit (Assets) Liabilities
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	$ -	$ (1,408)	$ (1,408)
Actuarial loss			
Changes in demographic assumptions	2,049	-	2,049
Changes in financial assumptions	(1,188)	-	(1,188)
Experience adjustments	(5,229)	-	(5,229)
Recognized in other comprehensive income	(4,368)	(1,408)	(5,776)
Benefits paid	(8,499)	8,499	-
Contributions from the employer	-	(2,344)	(2,344)
Balance at December 31, 2021	$ 97,375	$ (102,209)	$ (4,834)

(Concluded)

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	
	2021	2020
Discount rate	0.625%	0.375%-0.500%
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	
	2021	2020
Discount rate		
0.25% increase	$ (2,189)	$ (2,479)
0.25% decrease	$ 2,262	$ 2,565
Expected rate of salary increase		
0.25% increase	$ 2,194	$ 2,485
0.25% decrease	$ (2,135)	$ (2,415)

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	
	2021	2020
Expected contributions to the plans for the next year	$ 2,377	$ 2,464
Average duration of the defined benefit obligation	7.2-9.9 years	8.1-10.2 years

26. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2021	2020
Shares authorized (in thousands of shares)	1,500,000	1,500,000
Amount of shares authorized	$ 15,000,000	$ 15,000,000
Shares issued and fully paid (in thousands of shares)	774,781	774,781
Amount of shares issued and fully paid	$ 7,747,805	$ 7,747,805

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

b. Capital surplus

	December 31	
	2021	2020
May only be used to offset a deficit (Note 1)		
Treasury share transactions	$ 367,772	$ 367,772
Unclaimed dividends extinguished by prescription	12,054	11,908
Unclaimed dividends extinguished by prescription of subsidiaries	198	-
Changes in equity of associates accounted for using the equity method	3,461	-
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 2)		
Treasury share transactions		
Dividends paid to subsidiaries	710,800	555,790
Disposal of treasury shares	24,829	24,925
Share-based payment	15,428	-
Share-based payment of subsidiaries and second - tier subsidiaries	4,747	-
Differences between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	7	7
	$ 1,139,296	$ 960,402

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

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

For 2021 and 2020, the Company distributed cash dividends to subsidiaries, with capital surplus - treasury shares adjusted by the amounts of $155,010 thousand and $111,248 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 28(h).

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

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

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

The Company is required to make appropriation to or reversal from the special reserve for the items referred to in Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs". The FSC issued Rule No. 1090150022 on March 31, 2021, and Rule No. 1010012865 and No. 1010047490 will repeal on December 31, 2021 and March 31, 2021, respectively.

The appropriations of earnings for 2020 and 2019 approved in the shareholders' regular meetings on August 18, 2021 and June 22, 2020, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2020	**2019**
Legal reserve	$ 183,510	$ 176,052
Cash dividends	$ 1,079,560	$ 771,781
Cash dividends per share (NT$)	$ 1.4	$ 1.0

The appropriation of earnings for 2021 is expected to be proposed by the board of directors in May 2022 and will be resolved by the shareholders in their meeting to be held on June 14, 2022.

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

d. Special reserve

If a special reserve appropriated on the first-time adoption of IFRSs relates to investment properties other than land, the special reserve may be reversed continuously over the period of use or may be reversed upon the disposal or reclassification of the related assets. The special reserve related to land may be reversed on the disposal or reclassification of the land.

In addition to the special reserve that the Company can voluntarily appropriate according to the Articles, the Company may also appropriate or reverse special reserve under the Rule No. 1010012865 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs". If there is subsequent reversal of debits to other equity items, the Company may distribute the reversed debit amounts as dividends. The FSC issued Rule No. 1090150022 on March 31, 2021, and Rule No. 1010012865 will repeal on December 31, 2021.

The special reserves recognized as of December 31, 2021 and 2020 were as follows:

	December 31	
	2021	**2020**
Appropriation in respect of the Article of Incorporation of the Company	$ 295,756	$ 295,756
First application of Rule No. 1010012865 issued by the FSC		
Revaluation of investment properties (Note)	1,793,450	1,811,158
Exchange differences on the translation of the financial statements of foreign operations	168,790	168,790

Balance at December 31	$ 2,257,996	$ 2,275,704

Note: In the first half of 2021 and the forth quarter of 2020, the Group reversed $17,708 thousand and $70,347 thousand of revaluation of investment properties originated from the first application of rule issued by the FSC due to the completion of subsequent disposal transactions, respectively.

e. Other equity items

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

	For the Year Ended December 31	
	2021	2020
Balance at January 1	$ (404,225)	$ (343,071)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	(536,868)	(75,104)
Shares from associates accounted for using the equity method	(4,289)	(3,907)
Related income tax	145,146	17,857
Other comprehensive income recognized for the year	(396,011)	(61,154)
Balance at December 31	$ (800,236)	$ (404,225)

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

	For the Year Ended December 31	
	2021	2020
Balance at January 1	$ 5,343,439	$ 4,997,339
Recognized for the year		
Unrealized gain (loss) - financial instrument at FVTOCI	1,383,859	391,103
Unrealized gain (loss) on financial assets at FVTOCI held by associates accounted for using the equity method	52,056	(45,003)
Other comprehensive income recognized for the year	1,435,915	346,100
Balance at December 31	$ 6,779,354	$ 5,343,439

f. Non-controlling interests

	For the Year Ended December 31	
	2021	2020
Balance at January 1	$ 835,202	$ 862,783
Share in profit for the year	89,687	73,628
Other comprehensive income during the year		
Exchange differences on translating the financial statements of foreign entities	(17,716)	(4,239)
Related income tax	2,324	486
Unrealized gain (loss) on financial assets at FVTOCI	57,597	17,576
Unrealized gain (loss) on financial assets at FVTOCI held by associates accounted for using the equity method	457	(753)
Remeasurement on defined benefit plans	6	73

(Continued)

	For the Year Ended December 31	
	2021	2020
Income tax relating to defined benefit plans	$ (1)	$ (15)
Non-controlling interests arising from acquisition of subsidiaries	-	(19,858)
Adjustments of capital surplus due to transactions with non-controlling interests	-	(69)
Adjustments of capital surplus due to dividend paid to subsidiaries and second-tier subsidiaries	412	-
Adjustments of capital surplus due to unclaimed dividends extinguished by prescription	29	59
Cash dividends	(83,132)	(94,469)
Balance at December 31	$ 884,865	$ 835,202

(Concluded)

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, 2020	3,000	127,371	130,371
Increase during the year	1,435	-	1,435
Decrease during the year	-	-	-
Number of shares at December 31, 2020	4,435	127,371	131,806
Number of shares at January 1, 2021	4,435	127,371	131,806
Increase during the year	-	-	-
Decrease during the year	(3,000)	-	(3,000)
Number of shares at December 31, 2021	1,435	127,371	128,806

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

In the board of directors’ meeting No. 429, the Company planned to repurchase 7,000 thousand of its own shares from the centralized securities exchange market during the period from March 26, 2020 to May 24, 2020 at the price ranging from $11 to $16, with a maximum total amount of $112,000 thousand.

The abovementioned repurchase plan is for the purpose of transferring treasury shares to the Company’s employees. As of December 31, 2020, the Company had already repurchased 1,435 thousand shares, with a total amount of $22,240 thousand.

As of December 31, 2021, the Company transferred 3,000 thousand treasury shares to its employees at the price of $13.7 per share; the treasury shares were repurchased in 2018 under the first repurchase plan. The Company recognized $20,587 thousand of compensation costs on the grant date, and recognized a deduction of $96 thousand from capital surplus - treasury shares transaction on the shares settlement date.

Refer to Note 31 for information on share-based payment arrangements.

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

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
December 31, 2021			
By direct investment			
Tong Yang Chia Hsin International Corporation	127,371	$ 1,055,710	$ 2,304,110
December 31, 2020			
By direct investment			
Tong Yang Chia Hsin International Corporation	127,371	$ 1,055,710	$ 2,115,340

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

27. REVENUE

	For the Year Ended December 31	
	2021	2020
Revenue from contracts with customers		
Revenue from the sale of goods	$ 1,070,147	$ 1,010,996
Revenue the rent	258,643	268,889
Revenue from rendering services	715,803	648,222
Revenue from catering and hospitality	175,661	130,310
	$ 2,220,254	$ 2,058,417

a. Contract information

Revenue from the sale of goods

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

Revenue from the rent

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

Revenue from rendering of services

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

Revenue from catering and hospitality

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, 2021	**December 31, 2020**	**January 1, 2020**
Notes receivable and trade receivables from unrelated parties (Note 9)	$ 215,745	$ 256,134	$ 226,422
Trade receivables from related parties (Note 37)	$ 10,864	$ 4,041	$ 2,680
Contract liabilities - current	$ 23,704	$ 13,154	$ 9,479

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, 2021 and 2020 was $13,154 thousand and $9,479 thousand, respectively.

c. Disaggregation of revenue

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

28. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations was attributable to:

a. Other operating income and expenses

	For the Year Ended December 31	
	2021	**2020**
Gain on disposal of investment properties (Note 37)	$ -	$ 1,569,463

b. Interest income

	For the Year Ended December 31	
	2021	2020
Bank deposits	$ 52,820	$ 88,118
Loans to related parties (Note 37)	112	710
Less: Discontinued operations (Note 13)	-	(3,967)
	$ 52,932	$ 84,861

c. Other income

	For the Year Ended December 31	
	2021	2020
Rental income	$ 31,779	$ 29,605
Dividends (Note 37)	1,128,413	807,947
Government grants (Note 32)	47,155	23,737
Remuneration of directors (Note 37)	26,476	25,368
Others	28,213	40,911
	$ 1,262,036	$ 927,568

d. Other gains and losses

	For the Year Ended December 31	
	2021	2020
(Loss) gain on disposal of property, plant and equipment	$ (143)	$ 64,356
Gain on disposal of non-current assets held for sale (Note 13)	-	335,919
Net foreign exchange loss (i)	(84,026)	(60,175)
Gain on fair value changes of financial assets at FVTPL	102,103	1,682
Gain on disposal of subsidiaries (Note 15)	291,167	92,073
Loss on disposal of joint ventures (Note 16)	-	(5,202)
Gain (loss) on disposal of associates (Note 16)	3,245	(620)
Impairment loss on property, plant and equipment (Note 17)	-	(24,292)
Impairment loss on right-of-use assets (Note 18)	-	(32,688)
Others	(979)	(1,506)
Less: Discontinued operations (Note 13)	-	2,468
	$ 311,367	$ 372,015

e. Finance costs

	For the Year Ended December 31	
	2021	2020
Interest on bank loans	$ 126,623	$ 131,571
Interest on lease liabilities	37,321	36,739
Less: Capitalized interest amount	(4,042)	(4,730)
	$ 159,902	$ 163,580

Information about capitalized interest is as follows:

	For the Year Ended December 31	
	2021	2020
Capitalized interest amount	$ 4,042	$ 4,730
Capitalization rate	0.84%-1.29%	1.28%

f. Depreciation and amortization

	For the Year Ended December 31	
	2021	2020
Property, plant and equipment	$ 380,119	$ 429,069
Investment properties	8,816	8,899
Right-of-use assets	135,899	132,358
Other intangible assets	2,629	2,508
	$ 527,463	$ 572,834
An analysis of depreciation by function		
Operating costs	$ 418,915	$ 454,541
Operating expenses	105,919	115,785
	$ 524,834	$ 570,326
An analysis of amortization by function		
Operating expenses	$ 2,629	$ 2,508

g. Employee benefits expense

	For the Year Ended December 31	
	2021	2020
Short-term benefits	$ 475,890	$ 479,735
Post-employment benefits (Note 25)		
Defined contribution plans	12,671	11,327
Defined benefit plans	2,279	2,311
Share-based payments		
Equity settled	20,587	-
Other employee benefits	16,004	14,973
	$ 527,431	$ 508,346
An analysis of employee benefits expense by function		
Operating costs	$ 179,371	$ 194,472
Operating expenses	348,060	313,874
	$ 527,431	$ 508,346

h. Compensation of employees and remuneration of directors

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

The compensation of employees and remuneration of directors and supervisors for the years ended December 31, 2021 and 2020, which were approved by the Company’s board of directors on March 22, 2022 and March 29, 2021, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2021	2020
Compensation of employees	1.39%	0.39%
Remuneration of directors	1.39%	0.98%

Amount

	For the Year Ended December 31			
	2021		2020	
	Cash	Shares	Cash	Shares
Compensation of employees	$ 9,660	$ -	$ 7,200	$ -
Remuneration of directors	9,660	-	18,000	-

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

There is no difference between the 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, 2020 and 2019.

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.

i. Gains and losses on foreign currency exchange

	For the Year Ended December 31	
	2021	2020
Foreign exchange gains	$ 57,081	$ 76,459
Foreign exchange losses	(141,107)	(136,634)
Net foreign exchange (losses) gains	$ (84,026)	$ (60,175)

29. INCOME TAXES RELATING TO CONTINUING OPERATIONS

According to regulations stipulated by Ruling Letter No. 910458039 dated February 12, 2003, “Principles and regulations of profit-seeking businesses filing joint tax returns in accordance with Article 49 of the Financial Holding Company Law and Article 40 of Enterprise Merger Law”, when a financial holding company holds more than 90% of the shares of a domestic subsidiary, the financial holding company and the subsidiary can file a joint tax return once the financial holding company has held more than 90% of the subsidiary for 12 months during a taxable year.

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

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2021	2020
Current tax		
In respect of the current year	$ 17,122	$ 102,457
Income tax on unappropriated earnings	25,084	40,656
Adjustments for prior years	113	(5,041)
Land value increment tax	16,911	80,030
	59,230	218,102
Deferred tax		
In respect of the current year	41,669	81,496
Land value increment tax	(28,914)	(30,051)
Income tax expense recognized in profit or loss	$ 71,985	$ 269,547

A reconciliation of accounting profit and income tax expenses/average effective tax rate is as follows:

	For the Year Ended December 31	
	2021	2020
Profit before tax from continuing operations	$ 819,520	$ 2,106,042
Income tax expense calculated at the statutory rate	$ 163,904	$ 421,208
Nondeductible expenses in determining taxable income	7,055	7,355
Income in determining taxable income	37,303	-
Tax-exempt income	(290,543)	(493,603)
Difference in payable of basic tax	-	4,088
Income tax on unappropriated earnings	25,084	40,656
Unrecognized loss carryforwards	18,423	19,198
Loss carryforwards utilized in the current year	(4,017)	(11,527)
Unrecognized deductible temporary differences	217,522	321,206
Effect of different tax rates of group entities in the Group operating in other jurisdictions	(90,856)	(83,972)
Land value increment tax	(12,003)	49,979
Adjustments for prior years' income tax	113	(5,041)
Income tax expense recognized in profit or loss	$ 71,985	$ 269,547

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2021	2020
Deferred tax		
In respect of the current year		
Translation of foreign operations	$ 147,470	$ 18,343
Remeasurement of defined benefit plans	(1,155)	(429)
Total income tax recognized in other comprehensive income	$ 146,315	$ 17,914

c. Current tax assets and liabilities

	December 31	
	2021	2020
Current tax assets		
Tax refund receivable	$ 467	$ 1,197
Current tax liabilities		
Income tax payable	$ 121,492	$ 137,173

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Impairment of inventory	$ 1,898	$ (425)	$ -	$ 1,473
Fair value changes of financial assets at FVTPL	52	(26)	-	26
Loss on investments accounted for using the equity method	674	(674)	-	-
Expense capitalization	5	-	-	5
Unrealized gain or loss on foreign exchange	9,365	12,036	-	21,401
Allowance for impairment loss	1,000	(27)	-	973
Exchange differences on translating the financial statements of foreign operations	93,119	-	147,470	240,589
Retirement benefit over statutory limit	57,211	(13)	-	57,198
Payables for annual leave	527	34	-	561
Defined benefit obligations	10,741	-	(1,146)	9,595
Right-of-use assets	-	-	-	-
Others	391	865	-	1,256
	$ 174,983	$ 11,770	$ 146,324	$ 333,077
Deferred tax liabilities				
Temporary differences				
Gain on investments accounted for using the equity method	$ 369,765	$ 53,553	$ -	$ 423,318
Fair value changes of financial assets at FVTPL	5,839	(108)	-	5,731
Exchange differences on translating the financial statements of foreign operations	229	-	-	229
Provision for land value increment tax	1,179,734	(28,914)	-	1,150,820
Defined benefit obligations	3,730	-	9	3,739
Others	66	(6)	-	60
	$ 1,559,363	$ 24,525	$ 9	$ 1,583,897

For the year ended December 31, 2020

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Impairment of inventory	$ 1,825	$ 73	$ -	$ 1,898
Fair value changes of financial assets at FVTPL	-	52	-	52
Loss on investments accounted for using the equity method	2,130	(1,456)	-	674
Expense capitalization	5	-	-	5
Unrealized gain or loss on foreign exchange	11,232	(1,867)	-	9,365
Allowance for impairment loss	1,026	(26)	-	1,000
Exchange differences on translating the financial statements of foreign operations	74,776	-	18,343	93,119
Retirement benefit over statutory limit	57,222	(11)	-	57,211
Payables for annual leave	507	20	-	527
Defined benefit obligations	11,056	-	(315)	10,741
Right-of-use assets	117	(117)	-	-
Others	739	(348)	-	391
	$ 160,635	$ (3,680)	$ 18,028	$ 174,983
Deferred tax liabilities				
Temporary differences				
Gain on investments accounted for using the equity method	$ 294,429	$ 75,336	$ -	$ 369,765
Fair value changes of financial assets at FVTPL	3,377	2,462	-	5,839
Exchange differences on translating the financial statements of foreign operations	229	-	-	229
Provision for land value increment tax	1,209,785	(30,051)	-	1,179,734
Defined benefit obligations	3,616	-	114	3,730
Others	48	18	-	66
	$ 1,511,484	$ 47,765	$ 114	$ 1,559,363

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

	December 31 2021	2020
Loss carryforwards		
Expiry in 2022	$ 1,843	$ 1,852
Expiry in 2023	8,218	8,479
Expiry in 2024	9,021	9,310
Expiry in 2025	10,043	10,681
Expiry in 2026	40,944	39,348
Expiry in 2027	39,221	40,833
Expiry in 2028	235,353	257,671
Expiry in 2029	494,839	554,100
Expiry in 2030	407,197	65,676
Expiry in 2031	47,326	-
	$ 1,294,005	$ 987,950

(Continued)

	December 31	
	2021	2020
Deductible temporary differences		
Impairment loss on non-financial assets	$ 1,911	$ 1,922
Gain or loss on investments in subsidiaries and associates accounted for using the equity method	3,127,887	2,185,575
Impairment loss on property, plant and equipment	22,892	24,292
Credit loss allowance	8,046	8,090
Impairment loss on right-of-use	30,554	32,688
Book-tax difference arising from amortized cost	2,874	2,064
Others	192	192
	$ 3,194,356	$ 2,254,823

(Concluded)

f. Income tax assessments

1) The income tax returns of the Company and its subsidiaries, Chia Hsin Property Management & Development Corporation, through 2018 have been assessed by the tax authorities. The income tax returns of Tong Yang Chia Hsin International Corporation, Chia Pei International Corporation, Chia Sheng Construction Corp., and Jaho Life Plus+ Management Corp., Ltd. through 2019 have been assessed by the tax authorities. The income tax returns of BlueSky. Co., Ltd. and YJ International Corporation through 2020 have been assessed by the tax authorities. Except for the abovementioned issues, the Company and the abovementioned subsidiaries do not involve in material pending action in regard of taxation.

2) Other overseas group entities in the Group do not involve in any material pending action in regard of taxation.

30. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2021	2020
Basic earnings per share		
From continuing operations	$ 1.02	$ 2.74
From discontinued operations	-	-
Total basic earnings per share	$ 1.02	$ 2.74
Diluted earnings per share		
From continuing operations	$ 1.02	$ 2.74
From discontinued operations	-	-
Total diluted earnings per share	$ 1.02	$ 2.74

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

Net Profit for the Year

	For the Year Ended December 31	
	2021	**2020**
Profit for the year attributable to owners of the Company	$ 657,848	$ 1,764,366
Less: Profit for the year from discontinued operations used in the computation of basic earnings per share from discontinued operations	-	1,499
Earnings used in the computation of basic earnings per share from continuing operations	657,848	1,762,867
Effect of potentially dilutive ordinary shares		
Compensation of employees	-	-
Earnings used in the computation of diluted earnings per share from continuing operations	$ 657,848	$ 1,762,867

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

	For the Year Ended December 31	
	2021	**2020**
Weighted average number of ordinary shares used in the computation of basic earnings per share	644,540	643,427
Effect of potentially dilutive ordinary shares:		
Compensation of employees	556	630
Weighted average number of ordinary shares used in the computation of diluted earnings per share	645,096	644,057

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.

31. SHARE-BASED PAYMENT ARRANGEMENTS

Transaction of Treasury Shares Granted to Employees

In order to encourage the employees to achieve better work quality and improve the competitiveness of the Company, in the first and second quarter of 2021, the Group registered to transfer to its employees who met specific criteria a total of 769,000 and 2,231,000 shares; the shares were repurchased in 2018 under the first repurchase plan. The related information was as follows:

	May 7, 2021		January 19, 2021	
Treasury Shares Granted to Employees	**Number of Shares (In Thousands of Shares)**	**Weighted-average Exercise Price ($)**	**Number of Shares (In Thousands of Shares)**	**Weighted-average Exercise Price ($)**
Balance at January 1	-		-	
Shares granted	2,231	$ 13.7	769	$ 13.7
Shares exercised	(2,231)		(769)	
Shares expired	-		-	
Balance at December 31	-		-	
Shares exercisable, end of the period	-		-	
Weighted-average fair value of shares granted ($)	$ 8.69		$ 1.56	

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

	May 7, 2021	January 19, 2021
Exercise price ($)	$13.7	$13.7
Fair value ($)	$8.69	$1.56
Expected rate of volatility	28.78%	22.12%
Duration	85 days	39 days
Risk-free rate of interest	0.12%	0.17%

For the year ended December 31, 2021, the Group recognized $15,428 thousand and $5,159 thousand of compensation costs, respectively. And recognized a deduction of $96 thousand from capital surplus - treasury shares transaction on the share settlement date.

32. 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, 2021 and 2020, the amount of deferred revenue was JPY1,527,779 thousand and JPY1,582,228 thousand, respectively (equivalent to $367,431 thousand and

$437,169 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, 2021 and 2020, a total of JPY54,449 thousand and JPY44,439 thousand (equivalent to $13,884 thousand and $12,310 thousand) was recognized under other income, respectively.

b. The Group received short-time compensation from Ministry of Health, Labor and Welfare in Japan. For the years ended December 31, 2021 and 2020, the Group has recognized JPY112,079 thousand and JPY41,252 thousand (equivalent to $28,580 thousand and $11,427 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, 2021, the Group has recognized JPY18,398 thousand (equivalent to $4,691 thousand) under other income.

33. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

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

The above transactions were accounted for as equity transactions, since the Group did not cease to have control over these subsidiaries.

	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.
Consideration paid	$ 22,231
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to (from) non-controlling interests	(19,927)
Differences recognized from equity transactions	$ 2,304
Line items adjusted for equity transactions	
Capital surplus - difference between consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition	$ (538)
Retained earnings	(1,766)
	$ (2,304)

34. CASH FLOW INFORMATION

a. Non-cash transactions

For the years ended December 31, 2021 and 2020, 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, 2021 and 2020, the payables for equipment - property, plant and equipment were $235 thousand and $1,041 thousand, respectively.

2) The Group purchased the shares of associates in 2020. The related contingent consideration of $50,000 thousand has not yet been paid and was recognized under other payables.

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2021

	Opening Balance	Cash Flows	Non-cash Changes: New Leases	Non-cash Changes: Amortization of Interest Expense	Non-cash Changes: Lease Modifications	Non-cash Changes: Change in Exchange Rate	Others	Closing Balance
Short-term borrowings	$ 1,564,000	$ (650,000)	$ -	$ -	$ -	$ -	$ -	$ 914,000
Short-term bills payable	136,773	(2,000)	-	69	-	-	-	134,842
Long-term borrowings	9,300,008	59,729	-	35,205	-	(538,156)	-	8,856,786
Guarantee deposits received	113,843	4,749	-	-	-	(46)	-	118,546
Lease liabilities	1,847,940	(117,847)	1,589	37,321	3,380	(3,348)	(37,321)	1,731,714
	$ 12,962,564	$ (705,369)	$ 1,589	$ 72,595	$ 3,380	$ (541,550)	$ (37,321)	$ 11,755,888

For the year ended December 31, 2020

	Opening Balance	Cash Flows	Non-cash Changes: New Leases	Non-cash Changes: Amortization of Interest Expense	Non-cash Changes: Lease Modifications	Non-cash Changes: Change in Exchange Rate	Others	Closing Balance
Short-term borrowings	$ 800,600	$ 762,800	$ -	$ -	$ -	$ 600	$ -	$ 1,564,000
Short-term bills payable	269,758	(133,000)	-	15	-	-	-	136,773
Long-term borrowings	8,537,272	727,583	-	34,007	-	1,146	-	9,300,008
Guarantee deposits received	121,906	(8,117)	-	-	-	54	-	113,843
Lease liabilities	1,844,460	(106,734)	106,233	36,739	(333)	4,314	(36,739)	1,847,940
	$ 11,573,996	$ 1,242,532	$ 106,233	$ 70,761	$ (333)	$ 6,114	$ (36,739)	$ 12,962,564

35. CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remained unchanged in both 2021 and 2020.

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

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

36. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments 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, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares in domestic market	$ 1,023,941	$ -	$ -	$ 1,023,941
Listed shares in foreign market	50,340	-	-	50,340
Mutual funds	61,766	251,261	-	313,027
	$ 1,136,047	$ 251,261	$ -	$ 1,387,308
Financial assets at FVTOCI				
Listed shares in domestic market	$ 14,740,532	$ -	$ -	$ 14,740,532
Unlisted shares in domestic market	-	-	394,326	394,326
	$ 14,740,532	$ -	$ 394,326	$ 15,134,858

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares in domestic market	$ 922,018	$ -	$ -	$ 922,018
Listed shares in foreign market	64,909	-	-	64,909
Mutual funds	-	104,150	-	104,150
	$ 986,927	$ 104,150	$ -	$ 1,091,077
Financial assets at FVTOCI				
Listed shares in domestic market	$ 13,295,500	$ -	$ -	$ 13,295,500
Unlisted shares in domestic market	-	-	312,923	312,923
	$ 13,295,500	$ -	$ 312,293	$ 13,608,423

There were no transfers between Levels 1 and 2 in 2021 and 2020.

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

For the year ended December 31, 2021

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2021	$ 312,923
Purchase	90,000
Recognized in other comprehensive income	(8,597)
Balance at December 31, 2021	$ 394,326

For the year ended December 31, 2020

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2020	$ 353,301
Purchase	10,000
Recognized in other comprehensive income	(50,378)
Balance at December 31, 2020	$ 312,923

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

The Group holds unlisted shares. The significant unobservable input in the measurement of such investments is liquidity discount. The fair value of unlisted shares is determined using market approach where the fair value of the shares of similar or peer companies is used as reference. As of December 31, 2021 and 2020, the both ranges of liquidity discount used were 20.00%-30.00%.

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

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

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

c. Categories of financial instrument

	December 31	
	2021	**2020**
<u>Financial assets</u>		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	$ 1,387,308	$ 1,091,077
Financial assets measured at amortized cost (1)	6,636,531	7,810,650
Financial assets at FVTOCI		
Equity instruments	15,134,858	13,608,423
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (2)	10,316,693	11,315,936
Contingent consideration of acquisition of associates (3)	-	50,000

1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalent, notes receivable and trade receivables from unrelated parties and related parties, other receivables from unrelated parties (excluding VAT refund receivables) and related parties, financial assets at amortized costs, and refundable deposits.

2) The balances include financial liabilities measured at amortized cost, which comprise short-term loans, short-term bills payable, notes payable to unrelated parties, trade payables to unrelated and related parties, other payables to unrelated parties (excluding payable for salaries and bonus, tax payable, payable for insurance, and payable for contingent consideration), other payables to related parties. current portion of long-term borrowings, long-term borrowings and guarantee deposits.

3) Refer to Note 16 for information about contingent consideration of acquisition of associates.

d. Financial risk management objectives and policies

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

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

1) Market risk

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

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

a) Foreign currency risk

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

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

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

Sensitivity analysis

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

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

	USD Impact		**RMB Impact**	
	For the Year Ended December 31		**For the Year Ended December 31**	
	2021	**2020**	**2021**	**2020**
Profit or loss	$ 52,935 (i)	$ 95,899 (i)	$ 9,787 (ii)	$ 16,636 (ii)

	EUR Impact		**JPY Impact**	
	For the Year Ended December 31		**For the Year Ended December 31**	
	2021	**2020**	**2021**	**2020**
Profit or loss	$ 8,573 (iii)	$ 9,619 (iii)	$ 34,928 (iv)	$ 2,288 (iv)

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

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

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

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

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

b) Interest rate risk

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

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

	December 31	
	2021	**2020**
Fair value interest rate risk		
Financial assets	$ 4,714,030	$ 6,026,450
Financial liabilities	4,451,458	5,575,345
Cash flow interest rate risk		
Financial assets	1,559,205	1,380,280
Financial liabilities	7,185,884	7,273,376

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, 2021 and 2020 would have decreased/increased by $14,067 thousand and $14,733 thousand, respectively. The Group's sensitivity to interest rates decreased during the current period mainly due to the decrease in floating rate liabilities.

For the year ended December 31, 2021, 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 prices (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, 2021 would have increased/decreased by $3,634 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, 2021 would have increased/decreased by $5,996 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, 2021 would have increased/decreased by $10,239 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, 2021 would have increased/decreased by $145,353 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If equity prices (except for equity securities of Taiwan Cement Corporation) had been 1% higher/lower, the pre-tax profit or loss for the year ended December 31, 2020 would have increased/decreased by $1,695 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, 2020 would have increased/decreased by $5,267 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, 2020 would have increased/decreased by $9,215 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, 2020 would have increased/decreased by $130,818 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 as a result of the changes in fair value of financial assets at FVTPL increased due to the increase in the amount of such equity securities; the Group’s sensitivity to equity price as a result of the changes in fair value of financial assets at FVTOCI increased due to the increase in the amount of such equity securities.

The Group’s sensitivity to equity price of Taiwan Cement Corporation increased due to the increase in the price of such equity securities.

2) Credit risk

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

The Group adopted a policy of only dealing with creditworthy counterparties and 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, 2021 and 2020, trade receivables from the top 10 customers were 67% and 71%, respectively, of total trade receivables.

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

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

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2021 and 2020, the Group had available unutilized bank loan facilities set out in (b) below.

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

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

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

December 31, 2021

	On Demand or Less than 1 Month	1 Month to 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	$ 168,085	$ 139,529	$ 14,900	$ 34,857	$ 53,694
Fixed interest rate liabilities	414,603	135,000	125,019	511,045	1,878,845
Lease liabilities	27,164	8,141	120,980	530,319	1,374,601
Variable interest rate liabilities	508,396	13,437	883,781	5,547,758	462,358
	$ 1,118,248	$ 296,107	$ 1,144,680	$ 6,623,979	$ 3,769,498

Additional information about the maturity analysis of lease liabilities:

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

December 31, 2020

	On Demand or Less than 1 Month	1 Month to 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	$ 151,216	$ 52,135	$ 17,730	$ 43,008	$ 51,066
Fixed interest rate liabilities	1,064,899	137,000	72,389	584,389	2,304,881
Lease liabilities	27,313	8,678	126,522	583,467	1,474,383
Variable interest rate liabilities	508,594	13,793	516,920	5,918,465	584,879
	$ 1,752,022	$ 211,606	$ 733,561	$ 7,129,329	$ 4,415,209

Additional information about the maturity analysis of lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 162,513	$ 583,467	$ 461,070	$ 388,849	$ 335,526	$ 288,938

b) Financing facilities

	December 31	
	2021	2020
Unsecured bank overdraft facilities, reviewed annually and payable on demand:		
Amount used	$ 2,334,900	$ 2,814,090
Amount unused	4,176,700	3,739,260
	$ 6,511,600	$ 6,553,350
Secured bank overdraft facilities:		
Amount used	$ 7,863,674	$ 8,561,436
Amount unused	831,000	665,000
	$ 8,694,674	$ 9,226,436

37. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed as follows.

a. Related party name and category

Related Party Name	Related Party Category
Taiwan Cement Corporation	The Company acts as a member of the board of directors (B.O.D.)
International Chia Hsin Corporation	Associate
Chia Hsin Construction & Development Corp.	Associate
LDC ROME HOTELS S.R.L.	Associate

(Continued)

Related Party Name	Related Party Category
Shanghai Chang Hsin Shipping Co., Ltd. (1)	Associate
FDC International Hotels Corporation (2)	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
Zhenjiang Chia Hsin Transportation Co., Ltd.	The Company acts as a member of the B.O.D. of its ultimate parent company

(Concluded)

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

2) In December 2020, the Group acquired the shares of L'Hotel De Chine Corporation, the parent company of FDC International Hotels Corporation, and had significant influence over the group acquired. The group was therefore considered as associates, and details of related party transactions have been disclosed since December 1, 2020.

b. Revenue

Line Item	Related Party Category/Name	For the Year Ended December 31 2021	2020
Rental revenue	Associates	$ 8,353	$ 4,231
	The Company acts as a member of the B.O.D. of its ultimate parent company	2,443	2,423
	The Company acts as a member of the B.O.D.	-	4,412
	Substantive related parties	7,646	505
		$ 18,442	$ 11,571
Service revenue	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	$ 36,615	$ 30,387

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

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

c. Cost of goods sold

Line Item	Related Party Category/Name	For the Year Ended December 31 2021	2020
Purchases of goods	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	$ 696,400	$ 453,720
	Substantive related parties	589	-
		$ 696,989	$ 453,720

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 2021	December 31 2020
Trade receivables	Associates		
	FDC International Hotels Corporation	$ 780	$ 1,336
	Others	15	15
	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	10,064	2,686
	Substantive related parties	5	4
		$ 10,864	$ 4,041
Other receivables	Associates		
	Others	$ 317	$ 594

The outstanding trade and other receivables from related parties are unsecured. For the years ended December 31, 2021 and 2020, 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 2021	December 31 2020
Trade payables	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	$ 123,932	$ 73,132
	Substantive related parties	78	-
		$ 124,010	$ 73,132
Other payables	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	$ -	$ 89
	Substantive related parties	72	-
		$ 72	$ 89

The outstanding trade payables to related parties are unsecured.

f. Lease arrangements

The Group is lessor under operating leases

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

Future lease payment receivables are as follows:

Related Party Category/Name	December 31 2021	December 31 2020
Associates	$ 1,000	$ 1,000
Substantive related parties	11,776	528
The Company acts as a member of the B.O.D. of its ultimate parent company	6,619	9,102
	$ 19,395	$ 10,630

g. Loans to related parties

Line Item	Related Party Category/Name	December 31 2021	December 31 2020
Other receivables	Associates LDC ROME HOTELS S.R.L.	$ -	$ 18,677
Other receivables - interest receivables	Associates LDC ROME HOTELS S.R.L.	$ -	$ 164

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

As of December 31, 2021 and 2020, the abovementioned loans to related party were not secured. The related party paid off the principal and interest in full on May 31, 2021.

For the years ended December 31, 2021 and 2020, the interest income from the loans was $112 thousand and $710 thousand, respectively.

h. Disposal of investment properties

	Proceeds For the Year Ended December 31		Gain (Loss) on Disposal For the Year Ended December 31	
Related Party Category/Name	2021	2020	2021	2020
The Company acts as a member of the B.O.D. Taiwan Cement Corporation	$ -	$ 1,686,299	$ -	$ 1,569,463

The Group disposed its land located in Luzhu District, Taoyuan to Taiwan Cement Corporation, and the proceeds of disposal were $1,686,299 thousand. In December 2020, total proceeds have been collected and the transfer of right has been completed. The Group recognized $1,569,463 thousand of gain on disposal of land under other operating income and expenses during the period.

i. Others

1)

Line Item	Related Party Category/Name	December 31 2021	December 31 2020
Refundable deposits	Substantive related parties	$ 168	$ 168
	Associates	971	971
	The Company acts as a member of the B.O.D. of its ultimate parent company	423	423
	The Company acts as a member of the B.O.D.	-	880
		$ 1,562	$ 2,442
Dividend revenue	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	$ 1,091,779	$ 772,028

2) The Group served as director of related parties. The details of recognition and receipt of remuneration of directors and supervisors were as follows:

Line Item	Related Party Category/Name	December 31 2021	December 31 2020
Other income	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	$ 25,696	$ 24,543
	Associates	472	718
		$ 26,168	$ 25,261

3)

Line Item	Related Party Category/Name	December 31 2021	December 31 2020
General and administrative expenses	Substantive related parties	$ 8,453	$ -

j. Endorsements and guarantees

Endorsements and guarantees provided by the Group

	December 31 2021 Amount Utilized	December 31 2021 Amount Endorsed	December 31 2020 Amount Utilized	December 31 2020 Amount Endorsed
Associates				
LDC ROME HOTELS S.R.L.	$ 300,672	$ 340,000	$ 357,204	$ 447,600

k. Remuneration of key management personnel

The remuneration of key management personnel are as follows:

	For the Year Ended December 31	
	2021	**2020**
Short-term employee benefits	$ 51,268	$ 59,070
Share-based payment	6,684	-
	$ 57,952	$ 59,070

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

38. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	December 31	
	2021	**2020**
Financial assets at amortized cost - non-current	$ 25,856	$ 25,794
Carrying amount of property, plant and equipment	3,019,056	3,535,179
Land	909,174	1,044,511
Buildings	2,109,882	2,490,668
Carrying amount of investment properties	3,197,494	3,255,272
Land - after revaluation	3,157,098	3,210,331
Buildings - after revaluation	40,396	44,941
	$ 6,242,406	$ 6,816,245

39. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

a. As of December 31, 2021 and 2020, the Group had bank guarantees of both $153,034 thousand issued under its name for the operations in the ports.

b. Unrecognized commitments were as follows:

	December 31	
	2021	**2020**
Property under construction	$ 194,447	$ 279,838
Purchase intangible assets	100	-
	$ 194,547	$ 279,838

As of December 31, 2021 and 2020, the abovementioned unrecognized commitments also include contractual commitments signed by CHC Ryukyu Development GK for Tomigusuku development project in the amounts of $159,358 thousand and $211,257 thousand, respectively.

c. The East Wharf No. 15 in the Port of Taipei collapsed on January 21, 2019, then Port of Keelung, Taiwan International Ports Corporation Ltd. ("Ports Corporation") repaired the wharf which was completed on November 12, 2020. Ports Corporation claimed against Chia Hsin Cement Corporation compensation for the related repair expenses in the amount of $116,791 thousand. According to the legal advice to the Company, the management expects an unfavorable outcome of the litigation to be less likely to occur.

40. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Group completed the dissolution registration of subsidiary Yonica Pte Ltd. on February 2, 2022.

41. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2021

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
Financial assets			
Monetary items			
USD	$ 34,793	27.68 (USD:NTD)	$ 963,057
USD	3,455	1.3490 (USD:SGD)	95,642
EUR	5,474	31.32 (EUR:NTD)	171,459
JPY	2,904,639	0.2405 (JPY:NTD)	698,566
RMB	45,085	0.1568 (RMB:USD)	195,737
Non-monetary items			
Investments accounted for using the equity method			
EUR	9,232	31.32 (EUR:NTD)	289,131
Financial assets at FVTPL			
USD	11,309	27.68 (USD:NTD)	313,027
HKD	14,178	3.5506 (HKD:NTD)	50,340

December 31, 2020

		Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
Financial assets				
Monetary items				
USD	$	50,142	28.48 (USD:NTD)	$ 1,428,041
USD		17,046	1.3205 (USD:SGD)	485,468
USD		157,277	103.0763 (USD:JPY)	4,479
HKD		785	3.6730 (HKD:NTD)	2,883
HKD		134	0.1290 (HKD:USD)	494
EUR		5,493	35.02 (EUR:NTD)	192,378
JPY		165,606	0.2763 (JPY:NTD)	45,757
RMB		76,228	0.2024 (RMB:SGD)	332,724
Non-monetary items				
Investments accounted for using the equity method				
EUR		10,489	35.02 (EUR:NTD)	367,335
RMB		15,611	0.2024 (RMB:SGD)	68,137
Financial assets at FVTPL				
USD		3,657	28.48 (USD:NTD)	104,150
HKD		17,672	3.6730 (HKD:NTD)	64,909

For the years ended December 31, 2021 and 2020, realized and unrealized net foreign exchange losses were $84,206 thousand and $60,175 thousand, respectively. It is impractical to disclose net foreign exchange gains or losses by each significant foreign currency due to the variety of functional currencies of the entities in the Group.

42. OTHERS

Important contracts

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

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

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

c. In order to satisfy the demand for cement in Taichung and its surrounding area, the Group leased, from Taichung Harbor Bureau, Taiwan International Ports Corporation Ltd, the land, cement warehouses and facilities at Wharf No. 27, Port of Taichung through its subsidiary, Tong Yang Chia Hsin International Corporation to operate the business of loading and unloading, transporting and storing cement. The lease period started from December 1, 2014 to December 31, 2024 and the Group has priority to lease the property when the lease contract has expired. In addition, during the lease period, the Group should pay the land use and administrative fees (based on actual loading amount at $25.84 dollars per ton) monthly, which will be adjusted according to the adjustment of loading fee in the Port.

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

e. Affected by the global COVID-19 pandemic, various epidemic prevention procedures implemented successively by various counties have a slight impact on the Group's business. Although the domestic epidemic has slowed down and government policies have been loosened, the global economic outlook remains uncertain. The Group has adopted relevant actions to reduce the impact on the Group's operations. In addition to maintaining close contact with customers and manufacturers, it is also committed to strengthening employee health management. However, the actual extent of the impact on the Group will be determined on the subsequent development of the epidemic. In terms of financing strategy, as of December 31, 2021, the unutilized bank financing line of the Group is NT$5,007,700 thousand, and the Group has no concern about financing difficulties. As the epidemic slows down and policies loosen, the Group expects operations will return to normal gradually. The Group will continue to monitor the progress of the pandemic and adjust relevant tactics as needed. Based on the aforementioned assessment, the epidemic did not have a material impact on the impairment of assets or the continuing operations of the Group.

43. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and b. investees:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital (None)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital (None)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital (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 4)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 5)

9) Trading in derivative instruments (None)

10) Other: Business relationships and inter-company transactions between the parent company and the subsidiaries (Table 7)

b. Information about 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 8)

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 9)

e. The disclosure of related information on affiliated companies as follows:

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

No.	Items	Description
1	Subsidiaries' company names, relationships to the controlling company, nature of business, and the controlling company's shareholding or capital proportion.	Refer to Note 15
2	Variation of subsidiaries which are included in the current consolidated financial statements.	Refer to Note 15
3	Subsidiaries' company names, shareholding or capital proportion and the reasons that they are not listed on the consolidated financial statements.	None
4	The adjustments and the ways to manage when the controlling company and a subsidiary have different fiscal year start/end dates.	None
5	The adjustments when the controlling company and a subsidiary have different accounting policies.	None
6	Operating risk such as exchange risk for an overseas subsidiary.	Refer to Note 15
7	Retained earnings allocation of each subsidiary restricted by regulations or contracts.	Refer to Note 26
8	Consolidated amortization methods and expirations.	None
9	Others.	None

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

No.	Items	Description
1	Elimination transactions between the controlling company and subsidiaries and between subsidiaries.	Refer to Table 7
2	Information about accommodations of funds or endorsements.	Refer to Tables 1 and 2
3	Information about derivative instrument transactions.	None
4	Significant contingencies.	None
5	Significant events after the reporting period.	Refer to Note 40
6	Names, quantities, costs, market prices (if not available, disclose net worth per share), capital proportions and the highest shareholding situation of the securities.	Refer to Tables 3, 6 and 8
7	Others.	None

f. The subsidiaries holding the parent company's shares should list clearly the Company's name, number of shares held, the total amounts and the related reasons: Refer to Note 26.

44. SEGMENT INFORMATION

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

Cement segment - cement production, manufacture and sale.

Real estate segment - real estate trading and leasing.

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

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

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

a. These operating segments have similar long-term gross profit margins.

b. The nature of the products and production processes are similar.

c. The methods used to distribute the products to the customers are the same.

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

a. Segment revenue and results

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

	Segment Revenue For the Year Ended December 31		Segment Profit or Loss For the Year Ended December 31	
	2021	**2020**	**2021**	**2020**
Cement segment	$ 1,069,131	$ 1,008,790	$ (31,023)	$ (36,876)
Real estate segment	250,926	259,243	125,840	1,700,450
Warehousing and storage segment	656,017	605,847	47,097	48,110
Hospitality and catering services segment	244,180	184,537	(427,669)	(671,179)
Other segment	-	-	(22,669)	(19,522)
Revenue from continuing operation	$ 2,220,254	$ 2,058,417		
Interest income			52,932	84,861
Other income			1,262,036	927,568
Other gains and losses			311,367	372,015

(Continued)

	Segment Revenue For the Year Ended December 31		Segment Profit or Loss For the Year Ended December 31	
	2021	2020	2021	2020
Finance costs			$ (159,902)	$ (163,580)
Share of profit or loss of associates and joint ventures accounted for using the equity method			(121,277)	62,611
General and administrative expenses and remuneration of director			(217,212)	(198,416)
Profit before income tax from continuing operation			$ 819,520	$ 2,106,042

(Concluded)

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, 2021 and 2020 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	
	2021	2020
Revenue from the sale of goods	$ 1,070,147	$ 1,010,996
Revenue from the rent	258,643	268,889
Revenue from rendering of services	715,803	648,222
Revenue from catering and hospitality	175,661	130,310
	$ 2,220,254	$ 2,058,417

d. Geographical information

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

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

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2021	2020	2021	2020
Taiwan	$ 2,049,858	$ 1,929,563	$ 7,941,577	$ 8,141,724
China	15,836	12,369	426,177	397,454
Japan	154,560	116,485	4,730,196	5,622,961
	$ 2,220,254	$ 2,058,417	$ 13,097,950	$ 14,162,139

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

e. Information about major customers

Included in revenue of $2,220,254 thousand and $2,058,417 thousand in 2021 and 2020, respectively, is revenue of $303,782 thousand and $253,197 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	
	2021	2020
Customer A (Note 1)	$ 303,782	$ 253,197
Customer B (Note 1)	226,197	NA (Note 2)
	$ 529,979	$ 253,197

Note 1: Revenue from sales of cement.

Note 2: The amount is less than 10% of the Group's revenue.

TABLE 1

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
0	Chia Hsin Cement Corporation (Note 1)	LDC ROME HOTELS S.R.L.	Other receivables from related parties	Yes	$ 49,028	$ -	$ -	1.5 (Note 3)	Short-term financing	$ -	The need for financing operating capital	$ -	-	$ -	$ 3,753,805	$ 10,010,147

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

Note 2: The highest balance for the period and ending balance presented above are listed in New Taiwan dollars (NTD). The highest balance denominated in foreign currency is translated using the prevailing exchange rate; and the ending balance is translated into NTD using the exchange rate as of December 31, 2021.

Note 3: Total interest is $112 thousand in the period.

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee Name	Endorsee/Guarantee Relationship (Note 5)	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
0	Chia Hsin Cement Corporation (Notes 2 and 6)	Chia Hsin Property Management & Development Corporation	b.	$ 7,747,805 (Paid-in capital)	$ 1,480,000	$ -	$ -	$ -	-	$ 25,025,368	Yes	No	No
	Chia Hsin Cement Corporation (Note 2)	LDC ROME HOTELS S.R.L.	f.	7,747,805 (Paid-in capital)	787,600	340,000	300,672	-	1.36%	25,025,368	No	No	No
	Chia Hsin Cement Corporation (Notes 2 and 6)	CHC Ryukyu Development GK	b.	7,747,805 (Paid-in capital)	958,230	408,850	192,400	-	1.63%	25,025,368	Yes	No	No
	Chia Hsin Cement Corporation (Notes 2 and 6)	CHC Ryukyu COLLECTIVE KK	b.	7,747,805 (Paid-in capital)	2,825,550	1,322,750	1,202,500	-	5.29%	25,025,368	Yes	No	No
1	Chia Hsin Property Management & Development Corporation (Notes 3 and 6)	Chia Hsin Cement Corporation	c.	25,025,368	6,640,000	6,640,000	5,052,750	6,640,000	26.53%	25,025,368	No	Yes	No
2	Jaho Life Plus+ Management Corp., Ltd. (Note 4)	Gemcare Maternity Center	a.	200,000	1,000	1,000	1,000	1,000	-	400,000	No	No	No
	Jaho Life Plus+ Management Corp., Ltd. (Note 4)	Gemcare Dunhua Maternity Center	a.	200,000	1,000	1,000	1,000	1,000	-	400,000	No	No	No

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

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

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

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

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

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

Note 6: The listed amounts were eliminated upon consolidation.

TABLE 3

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2021
(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, 2021				The Highest Number of Shares Held During the Period	Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value		
Chia Hsin Cement Corporation	Shares								
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTPL - current	7,740,307	$ 371,535	0.12	$ 371,535	7,740,307	
	Asia Cement Corporation		Financial assets at FVTPL - current	71	3	-	3	71	
	Foreign shares								
	Anhui Conch Cement Co., Ltd.		Financial assets at FVTPL - current	364,000	50,340	0.01	50,340	364,000	
	Foreign fund								
	Greenwoods Golden China Fund - Unrestricted Class A (0518)		Financial assets at FVTPL - current	3,340	38,724	-	38,724	3,340	
	JPMorgan Funds - Russia		Financial assets at FVTPL - current	81,593	38,439	-	38,439	81,593	
	JPMorgan Funds - ASEAN Fund		Financial assets at FVTPL - current	2,697	11,277	-	11,277	2,697	
	JPMorgan Funds - Pacific Technology Fund		Financial assets at FVTPL - current	3,769	12,050	-	12,050	3,769	
	The Partners Fund - Class N-N (Series 27)		Financial assets at FVTPL - current	2,453	91,882	-	91,882	2,453	
	Blackstone Real Estate Income Trust iCapital Offshore Access Fund SPC-Class A ACC- (Series 14)		Financial assets at FVTPL - current	1,420	55,987	-	55,987	1,420	
	Haitong Freedom Multi-Tranche Bond Fund - P3M		Financial assets at FVTPL - current	11,572	32,334	-	32,334	11,572	
	Shares								
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - current	25,400,783	1,219,238	0.40	1,219,238	25,400,783	
	CHC Resources Corporation		Financial assets at FVTOCI - current	4,285,694	194,356	1.72	194,356	4,285,694	
	Chien Kuo Construction Co., Ltd.		Financial assets at FVTOCI - current	771,256	10,875	0.30	10,875	771,256	
	Shares								
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	184,718,366	8,866,481	2.92	8,866,481	184,718,366	
	Shares								
	B Current Impact Investment Fund 3		Financial assets at FVTOCI - non-current	1,000,000	10,000	10.00	10,000	1,000,000	
	Pan Asian (Engineers & Constructors) Corporation		Financial assets at FVTOCI - non-current	2,718,217	23,975	2.38	23,975	2,718,217	
	Chia Hsin Ready-Mixed Concrete Corporation		Financial assets at FVTOCI - non-current	12,718,440	249,027	13.71	249,027	12,718,440	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				The Highest Number of Shares Held During the Period	Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value		
	Overseas Investment & Development Corp.		Financial assets at FVTOCI - non-current	2,000,000	$ 14,000	2.22	$ 14,000	$ 2,000,000	
	Smart Ageing Tech Co., Ltd.		Financial assets at FVTOCI - non-current	3,600,000	90,000	11.17	90,000	3,600,000	
	Asia Pacific Gongshanglian Corporation Limited		Financial assets at FVTOCI - non-current	21,090	-	0.03	-	21,090	
	Chia Hsin Livestock Corp.		Financial assets at FVTOCI - non-current	6,600,000	-	1.17	-	6,600,000	
	Huatung Heping River Mining Industry Development Co., Ltd.		Financial assets at FVTOCI - non-current	9,350	-	1.87	-	9,350	
Tong Yang Chia Hsin International Corporation	Shares								
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTPL - current	13,591,719	652,403	0.21	652,403	13,591,719	
	Foreign fund								
	Haitong Freedom Multi-Tranche Bond Fund - P3M		Financial assets at FVTPL - current	11,572	32,334	-	32,334	11,572	
	Shares								
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - current	32,457,173	1,557,944	0.51	1,557,944	32,457,173	
	Chia Hsin Cement Corporation	Parent company	Financial assets at FVTOCI - non-current	127,370,320	2,642,934	16.44	2,642,934	127,370,320	Has been eliminated through consolidation
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	60,242,447	2,891,638	0.95	2,891,638	60,242,447	
	IBT Second Venture Capital Co., Ltd.		Financial assets at FVTOCI - non-current	725,493	4,353	2.30	4,353	725,493	
	Kaohsiung Tug and Port Service Corp.		Financial assets at FVTOCI - non-current	350,000	2,971	0.88	2,971	350,000	

Note 1: For the information about subsidiaries, associates and joint ventures, refer to Table 6 and Table 8.

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

(Concluded)

TABLE 4

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, 2021
(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	$ 696,400	69	60 days from the purchase day	N/A (equal to the price for other clients)	N/A (same as the term for other clients)	$ (123,932)	(55)	

TABLE 5

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, 2021
(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	$ 1,285,566 (Notes 1 and 3)	-	$ -	-	$ 14,361	$ -

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

Note 2: The amount received in subsequent period as of March 22, 2022.

Note 3: The transaction has been eliminated upon consolidation.

TABLE 6

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2021
(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, 2021			Net Income/(Loss) of the Investee	Share of Profit/(Loss) of Investee	Remark
				December 31, 2021	December 31, 2020	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	43.87	$ 1,870,402	$ 114,794	$ 50,360	(Note 4)
	Tong Yang Chia Hsin International Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	General international trade	1,600,159	1,600,159	257,073,050	87.18	6,725,581	663,321	578,288	Subsidiary (Note 3)
	Chia Hsin Property Management & Development Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Wholesale and retail business of machinery; warehousing; residence, factory buildings and office buildings leasing and selling; PPE leasing and selling	1,000,000	1,000,000	100,000,000	100.00	3,963,806	138,355	138,355	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	220,413	22,721	22,721	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	84,072	608	608	Subsidiary (Note 3)
	Chia Hsin Pacific Limited	Cayman Islands	Holding company	969,104	969,104	19,186,070	74.16	2,279,077	279,890	207,552	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	886,562	(366,475)	(366,475)	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	188,142	(36,903)	(36,903)	Subsidiary (Note 3)
	LDC ROME HOTELS S.R.L.	Rome, Italy	Hospitality industry	NT$ 534,653 (EUR 17,070,667)	NT$ 534,653 (EUR 17,070,667)	-	40.00	289,131	(104,258)	(41,703)	(Note 4)
	L'Hotel De Chine Corporation	11F, No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Hotel and tourism	1,157,340	1,157,340	67,998,915	23.10	1,032,448	(603,476)	(134,533)	(Note 4)
	International Chia Hsin Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	International trade; general investment	69,341	69,341	5,800,000	19.33	118,091	13,023	2,517	
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	251,494	4,857	4,857	Second-tier subsidiary (Note 3)
YJ International Corporation	CHC Ryukyu Development GK	2 Chome-1-12 Matsuyama, Naha, Okinawa, Japan	Real estate rental and leasing; management consulting service	NT$ 235,588 (JPY 979,575,335)	NT$ 235,588 (JPY 979,575,335)	-	100.00	135,129	(4,863)	(4,863)	Second-tier subsidiary (Note 3)
	CHC Ryukyu COLLECTIVE KK	2 Chome-1-12 Matsuyama, Naha, Okinawa, Japan	Hospitality industry	NT$ 1,688,412 (JPY 7,020,424,665)	NT$ 1,688,412 (JPY 7,020,424,665)	-	100.00	680,488	(357,102)	(357,102)	Second-tier subsidiary (Note 3)
Chia Hsin Pacific Limited	Yonica Pte Ltd.	Singapore	Investment and holding company	NT$ - (US$ -)	NT$ 1,842,138 (US$ 66,551,243)	-	-	NT$ - (US$ -)	NT$ 27,500 (US$ 981,827)	NT$ 27,500 (US$ 981,827)	Second-tier subsidiary (Notes 3 and 5)
	Effervesce Investment Pte. Ltd.	Singapore	Investment and holding company	NT$ 860,257 (US$ 31,078,656)	NT$ 860,257 (US$ 31,078,656)	53,274,892	100.00	NT$ 1,370,996 (US$ 49,530,200)	NT$ (36,601) (US$ -1,306,764)	NT$ (36,601) (US$ -1,306,764)	Second-tier subsidiary (Note 3)
	Sparksview Pte. Ltd.	Singapore	Investment and holding company	NT$ 79,506 (US$ 2,872,328)	NT$ 79,506 (US$ 2,872,328)	3,763,350	100.00	NT$ 174,239 (US$ 6,294,747)	NT$ 2,467 (US$ 88,067)	NT$ 2,467 (US$ 88,067)	Second-tier subsidiary (Note 3)
Tong Yang Chia Hsin International Corporation	International Chia Hsin Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	International trade; general investment	36,642	36,642	6,052,636	20.18	135,218	13,023	2,629	
	Tong Yang Chia Hsin Marine Corp.	Panama	Shipping service	NT$ 74,736 (US$ 2,700,000)	NT$ 74,736 (US$ 2,700,000)	2,700	100.00	448,046	1,786	1,786	Second-tier subsidiary (Note 3)
	Chia Hsin Pacific Limited	Cayman Islands	Holding company	626,119	626,119	6,257,179	24.18	743,278	279,890	67,689	Subsidiary (Note 3)

Note 1: For information on investments in mainland China, refer to Table 8.

Note 2: The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of December 31, 2021: US$1=NT$27.680, JPY1=NT$0.2405, EUR1=NT$31.32; net income items denominated in foreign currencies are translated using the average exchange rate of 2021: US$1=NT$28.009, JPY1=NT$0.2550, EUR1=NT$33.157.

Note 3: The investment has been eliminated upon consolidation.

Note 4: Material associates.

Note 5: The liquidation of the Company was resolved by the board of directors on April 20, 2021, and the dissolution registration was completed on February 2, 2022.

Note 6: Except for Yonica Pte Ltd., of which the highest number of shares is 104,908,690 during the period, the highest number of shares held of each investee during the period is the same as those held at the end of the period, and all the shares held are not pledged as collateral.

TABLE 7

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
	For the year ended December 31, 2021						
0	Chia Hsin Cement Corporation	Chia Pei International Corporation	a.	Warehousing and storage service revenue	$ 93,615	The fee is billed monthly and paid quarterly with receipts issued in the same month when the fee is billed.	4.22
		Chia Pei International Corporation	a.	Interest income from sublease	20,132		0.91
		Chia Pei International Corporation	a.	Finance lease receivables	1,285,566		3.19
		CHC Ryukyu Development GK	a.	Endorsement or guarantee	408,850		1.02
		CHC Ryukyu COLLECTIVE KK	a.	Endorsement or guarantee	1,322,750		3.29
		Chia Hsin Property Management & Development Corporation	a.	Investment accounted for using the equity method	1,455,000	Cash dividends	3.62
		Chia Hsin Property Management & Development Corporation	a.	Other receivables	35,512	Every May (Linked tax payments)	0.09
		Tong Yang Chia Hsin International Corporation	a.	Investment accounted for using the equity method	1,055,710	Treasury shares	2.62
		Tong Yang Chia Hsin International Corporation	a.	Investment accounted for using the equity method	565,561	Cash dividends	1.41
1	Chia Pei International Corporation	Chia Hsin Cement Corporation	b.	Service revenue	18,634		0.84
2	Tong Yang Chia Hsin International Corporation	Chia Hsin Cement Corporation	b.	Service revenue	69,045	The fee is billed monthly and paid in the next month.	3.11
		Chia Hsin Cement Corporation	b.	Dividend income	155,010	Cash dividends	6.98
3	Chia Hsin Property Management & Development Corporation	Chia Hsin Cement Corporation	b.	Endorsement or guarantee	6,640,000		16.50
		Chia Hsin Cement Corporation	b.	Other income	19,698	Transaction fee arising from endorsement or guarantee	0.89
		Chia Hsin Cement Corporation	b.	Other receivables	20,683	Transaction fee arising from endorsement or guarantee	0.05
		Jaho Life Plus+ Management Corp., Ltd.	c.	Rental revenue	12,295		0.55
4	Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	c.	Investment accounted for using the equity method	52,098	Cash injection	0.13
5	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd.	c.	Investment accounted for using the equity method	60,781	Cash injection	0.15
		Jiapeng Gemcare Maternity (Suzhou) Co., Ltd.	c.	Investment accounted for using the equity method	17,366	Cash injection	0.04

(Continued)

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

Note 1: The Company and 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, 2021: US$1=NT$27.680, JPY1=NT$0.2405, RMB1=NT$4.341493; net income items denominated in foreign currencies are translated using the average exchange rate of 2021: US$1=NT$28.009, JPY1= NT$0.2550, RMB1=NT$4.341679.

Note 5: The transactions have been eliminated upon consolidation.

(Concluded)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021
(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, 2021 (Note 1 (a.))	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021 (Note 1 (a.))	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1 (a.) and Note 9)	Carrying Amount as of December 31, 2021 (Note 1 (a.))	Accumulated Repatriation of Investment Income as of December 31, 2021	Note
					Outward (Note 1 (a.))	Inward (Note 1 (a.))							
Shanghai Jia Huan Concrete Co., Ltd.	Processing, manufacturing and selling of cement, concrete and other related products	$ 234,173 (US$ 8,460)	b. and d.	$ 352,145 (US$ 12,722)	$ - (US$ -)	$ - (US$ -)	$ 352,145 (US$ 12,722)	$ 8,167 (US$ 292)	95.23	$ 8,167 (US$ 292)	$ 520,945 (US$ 18,820)	$ - (US$ -)	Note 1 (b.) (2) and Note 7
Shanghai Chia Hsin Ganghui Co., Ltd.	Warehousing and packing bulk cement and formulating and delivering high-strength cement	290,640 (US$ 10,500)	b.	444,707 (US$ 16,066)	- (US$ -)	- (US$ -)	444,707 (US$ 16,066)	7,995 (US$ 285)	95.23	7,995 (US$ 285)	430,062 (US$ 15,537)	- (US$ -)	Note 1 (b.) (2) and Note 7
Shanghai Chang Hsin Shipping Co., Ltd. (Note 5)	Delivering cement	- (US$ -)	b.	84,839 (US$ 3,065)	- (US$ -)	- (US$ -)	84,839 (US$ 3,065)	(1,368) (US$ -49)	-	(547) (US$ -20)	- (US$ -)	- (US$ -)	Note 1 (b.) (2) and Note 8
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Consulting for developing information system for business and finance purpose	479,141 (US$ 17,310)	b.	733,437 (US$ 26,497)	- (US$ -)	- (US$ -)	733,437 (US$ 26,497)	(56,264) (US$ -2,009)	95.23	(55,623) (US$ -1,986)	493,540 (US$ 17,830)	- (US$ -)	Note 1 (b.) (2) and Note 7
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Consulting for management of healthcare and hospitality business	251,807 (RMB 58,000)	f. Investor: Chia Hsin Business Consulting (Shanghai) Co., Ltd.	- (US$ -)	- (US$ -)	- (US$ -)	- (US$ -)	(57,102) (US$ -2,039)	95.23	(57,102) (US$ -2,039)	137,911 (US$ 4,982)	- (US$ -)	Note 1 (b.) (2) and Note 7
Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd.	Providing healthcare service to mothers in pregnancy, parturition and postpartum period	182,343 (RMB 42,000)	f. Investor: Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	- (US$ -)	- (US$ -)	- (US$ -)	- (US$ -)	(21,886) (US$ -781)	95.23	(21,886) (US$ -781)	127,997 (US$ 4,624)	- (US$ -)	Note 1 (b.) (2) and Note 7
Jiapeng Gemcare Maternity (Suzhou) Co., Ltd.	Providing healthcare service to mothers in pregnancy, parturition and postpartum period	43,415 (RMB 10,000)	f. Investor: Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	- (US$ -)	- (US$ -)	- (US$ -)	- (US$ -)	(31,751) (US$ -1,134)	95.23	(31,751) (US$ -1,134)	3,736 (US$ 135)	- (US$ -)	Note 1 (b.) (2) and Note 7
Jiangsu Union Mining Industry Ltd. (Note 6)	Processing, manufacturing and delivering of limestone and other related products	- (RMB -)	c.	137,570 (US$ 4,970)	- (US$ -)	- (US$ -)	137,570 (US$ 4,970)	- (US$ -)	-	- (US$ -)	- (US$ -)	- (US$ -)	

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1 (a.))	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021 (Note 1 (a.))	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021 (Note 1 (a.))	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1 (a.))	Carrying Amount as of December 31, 2021 (Note 1 (a.))	Accumulated Repatriation of Investment Income as of December 31, 2021	Note
					Outward (Note 1 (a.))	Inward (Note 1 (a.))							
Jiangsu Jiaguo Construction Material Storage Co., Ltd.	Engaging in overland delivery of ordinary goods and the processing, manufacturing and selling of cement and other construction material	$ 365,376 (US$ 13,200)	e.	$ 383,285 (US$ 13,847)	$ - (US$ -)	$ - (US$ -)	$ 383,285 (US$ 13,847)	$ 4,649 (US$ 166)	87.18	$ 4,649 (US$ 166)	$ 441,630 (US$ 15,955)	$ - (US$ -)	Note 1 (b.) (2) and Note 7
Jiangsu Jiaxin Property Limited Company	Developing and selling real estate and providing property management service	86,830 (RMB 20,000)	f. Investor: Jiangsu Jiaguo Construction Material Storage Co., Ltd.	- (US$ -)	- (US$ -)	- (US$ -)	- (US$ -)	353 (US$ 13)	87.18	353 (US$ 13)	94,065 (US$ 3,398)	- (US$ -)	Note 1 (b.) (2) and Note 7

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

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2021	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (Notes 3 and 4)
$ 6,357,210 (US$ 229,668)	$ 6,425,192 (US$ 232,124)	$ 15,546,140

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, 2021: US$1=$27.680, RMB1=$4.341493; net income items denominated in foreign currencies are translated using the average exchange rate of 2021: US$1=$28.009, RMB1=$4.341679.

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 Yonica Pte. Ltd., the company that invests in mainland China.

d. Indirect investment in mainland China through companies registered in a third region. The Company and Tong Yang Chia Hsin International Corporation invest in Chia Hsin Pacific Limited, which then invests in Sparksview Pte. Ltd., the company that invests in mainland China.

e. Indirect investment in mainland China through companies registered in a third region. The Company and Tong Yang Chia Hsin International Corporation invest in Tong Yang Chia Hsin Marine Corp., which then invests in mainland China.

f. Other method.

Note 3: 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 share-for-share transaction with Taiwan Cement Corporation to get rid of the investment via TCC International Holdings Ltd. in mainland China. The result of the share-for-share transaction will be a decrease in investment in mainland China. On May 17, 2018, the aforementioned write-off of the amount and the ratio of investment was approved by the Investment Commission, Ministry of Economic Affairs.

Note 5: On May 17, 2021 the dissolution of Shanghai Chang Hsin Shipping Co., Ltd. has been completed. On August 20, 2021, the write-off of the investment in China was approved by the Investment Commission, Ministry of Economic Affairs.

(Continued)

Note 6: On December 29, 2020, the dissolution of Jiangsu Union Mining Co., Ltd. has been completed. On January 25, 2021, the write-off of the investment in China was approved by the Investment Commission, Ministry of Economic Affairs.

Note 7: The transaction has been eliminated upon consolidation.

Note 8: The investment in associates accounted for using the equity method.

Note 9: Including the gains and losses recognized by using the equity method and the gains and losses on internal unrealized transactions.

Note 10: The highest number of shares held of each investee during the period is the same as those held at the end of the period, and all the shares held are not pledged as collateral.

(Concluded)

TABLE 9

CHIA HSIN CEMENT CORPORATION

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2021

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Tong Yang Chia Hsin International Corporation	127,370,320	16.43
Sung Ju Investment Corp.	68,780,239	8.87
Yung-Ping Chang	41,748,178	5.38

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

Deloitte.

勤業眾信

勤業眾信聯合會計師事務所
11073台北市信義區松仁路100號20樓

Deloitte & Touche
20F, Taipei Nan Shan Plaza
No. 100, Songren Rd.,
Xinyi Dist., Taipei 11073, Taiwan

Tel :+886 (2) 2725-9988
Fax:+886 (2) 4051-6888
www.deloitte.com.tw

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Chia Hsin Cement Corporation

Opinion

We have audited the accompanying financial statements of Chia Hsin Cement Corporation (the "Company"), which comprise the balance sheets as of December 31, 2021 and 2020, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Company's financial statements for the year ended December 31, 2021 are stated as follows:

Key Audit Matter 1: Sales of Cement to the Main Clients

The operating revenue of the Company mainly comes from the sales of cement. For the year ended December 31, 2021, the amount of revenue from the sales of cement was $1,062,850 thousand, which accounted for 85% of the total operating revenue. Due to the concentration of sales to target clients in the Company' cement business and the materiality of the transactions, we considered the transactions with such clients as key audit matter.

For the relevant explanation of accounting policies and notes to the financial statements, refer to Notes 4 and 25.

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

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

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

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

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

Key Audit Matter 2: Impairment of Investment in Subsidiaries Accounted for Using the Equity Method

As of December 31, 2021, the net carrying amount of property, plant and equipment of CHC Ryukyu COLLECTIVE KK was NT$4,181,457 thousand, which was material to the financial statements. Due to the impact of the COVID-19 on the overall economic trend of the industry, the actual operating performance was lower than expected, which in turn affected the management's assessment of impairment of property, plant, and equipment. Since the information used in the assessment was subject to management’s judgment and involved a high level of uncertainty, it will affect the Company’s recognition of the share of investment accounted for using the equity method; therefore, we identified the impairment of property, plant and equipment of the investment in subsidiaries accounted for using the equity method as a key audit matter.

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

We obtained from the management an impairment assessment report issued by an external expert, 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, and we assessed the reasonableness of management’s adoption of such assumptions and data.

2. We assessed the appropriateness of the discount rates used by the external specialists in their valuation report.

3. We recalculated the value in use of the assets and verified that the calculation in the valuation report was accurate.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors’ Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chiang Hsun Chen and Keng Hsi Chang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 22, 2022

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

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

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

CHIA HSIN CEMENT CORPORATION

BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021		2020	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 1,039,240	3	$ 593,591	2
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 32)	702,571	2	471,782	1
Financial assets at fair value through other comprehensive income - current (Notes 4, 8 and 32)	1,424,469	5	1,311,043	4
Financial assets at amortized cost - current (Notes 4 and 13)	887,458	3	1,177,666	4
Notes receivable from unrelated parties (Notes 4, 9 and 25)	136,134	1	145,545	1
Trade receivables from unrelated parties(Notes 4, 9 and 25)	20,536	-	33,999	-
Trade receivables from related parties (Notes 4, 25 and 33)	16,795	-	11,880	-
Finance lease receivables - current (Notes 4, 11 and 33)	58,825	-	44,236	-
Other receivables from unrelated parties(Notes 4 and 10)	585	-	2,543	-
Other receivables from related parties (Notes 4 and 33)	43,974	-	66,034	-
Current tax assets	395	-	1,045	-
Inventories (Notes 4 and 12)	47,024	-	52,848	-
Prepayments (Note 19)	45,472	-	3,202	-
Total current assets	4,423,478	14	3,915,414	12
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 32)	9,253,483	28	8,284,734	25
Financial assets at amortized cost - non-current (Notes 4, 13 and 34)	9,476	-	9,476	-
Investments accounted for using the equity method (Notes 4, 14 and 33)	16,602,015	50	18,259,550	55
Property, plant and equipment (Notes 4, 5 and 15)	724,113	2	820,507	3
Right-of-use assets (Notes 4 and 16)	10,289	-	13,205	-
Investment properties (Notes 4 and 17)	266,420	1	267,656	1
Intangible assets (Notes 4 and 18)	169	-	-	-
Deferred tax assets (Notes 4 and 27)	242,361	1	132,252	-
Refundable deposits (Notes 4 and 19)	7,006	-	7,006	-
Finance lease receivables - non-current (Notes 4, 11 and 33)	1,226,741	4	1,267,206	4
Other non-current assets (Note 19)	1,859	-	2,010	-
Total non-current assets	28,343,932	86	29,063,602	88
TOTAL	$ 32,767,410	100	$ 32,979,016	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4, 20 and 33)	$ 804,000	3	$ 1,419,000	4
Short-term bills payable (Notes 4 and 20)	134,842	1	136,773	1
Contract liabilities (Notes 4 and 25)	12,278	-	4,924	-
Notes payable to unrelated parties (Note 21)	3,351	-	3,011	-
Trade payables to unrelated parties (Note 21)	91,987	-	49,638	-
Trade payables to related parties (Note 33)	129,596	-	79,615	-
Other payables to unrelated parties (Note 22)	49,643	-	120,052	-
Other payables to related parties (Note 33)	20,899	-	19,580	-
Current tax liabilities (Notes 4 and 27)	25,084	-	40,634	-
Lease liabilities - current (Notes 4 and 16)	63,370	-	48,189	-
Current portion of long-term borrowings (Notes 4, 20 and 33)	577,500	2	457,500	2
Guarantee deposits - current	2,660	-	380	-
Total current liabilities	1,915,210	6	2,379,296	7
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 4, 20 and 33)	4,266,250	13	4,843,750	15
Deferred tax liabilities (Notes 4 and 27)	296,290	1	256,746	1
Lease liabilities - non-current (Notes 4 and 16)	1,232,677	4	1,276,621	4
Net defined benefit liabilities - non-current (Notes 4 and 23)	10,528	-	16,266	-
Guarantee deposits - non-current	21,087	-	24,190	-
Total non-current liabilities	5,826,832	18	6,417,573	20
Total liabilities	7,742,042	24	8,796,869	27
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)				
Share capital				
Ordinary shares	7,747,805	24	7,747,805	23
Capital surplus	1,139,296	3	960,402	3
Retained earnings				
Legal reserve	2,503,173	7	2,319,663	7
Special reserve	2,257,996	7	2,275,704	7
Unappropriated earnings	6,475,930	20	7,058,382	21
Total retained earnings	11,237,099	34	11,653,749	35
Other equity	5,979,118	18	4,939,214	15
Treasury shares	(1,077,950)	(3)	(1,119,023)	(3)
Total equity attributable to owners of the Company	25,025,368	76	24,182,147	73
Total equity	25,025,368	76	24,182,147	73
TOTAL	$ 32,767,410	100	$ 32,979,016	100

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

CHIA HSIN CEMENT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 25 and 33)				
Sales	$ 1,062,850	85	$ 1,002,463	85
Rental revenue	4,695	-	4,578	-
Service revenue	22,174	2	23,519	2
Other operating revenue	159,212	13	156,315	13
Total operating revenue	1,248,931	100	1,186,875	100
OPERATING COSTS (Notes 12, 26 and 33)				
Cost of goods sold	(1,073,360)	(86)	(1,016,459)	(86)
Rental costs	(1,684)	-	(1,761)	-
Service costs	(20,180)	(2)	(21,902)	(2)
Other operating costs	(138,140)	(11)	(167,429)	(14)
Total operating costs	(1,233,364)	(99)	(1,207,551)	(102)
GROSS PROFIT (LOSS)	15,567	1	(20,676)	(2)
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Note 4)	(72)	-	(14)	-
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Note 4)	895	-	895	-
REALIZED GROSS PROFIT (LOSS)	16,390	1	(19,795)	(2)
OPERATING EXPENSES (Notes 26 and 33)				
Selling and marketing expenses	(11,753)	(1)	(12,760)	(1)
General and administrative expenses	(226,728)	(18)	(204,895)	(17)
Expected credit gain (Note 9)	231	-	150	-
Total operating expenses	(238,250)	(19)	(217,505)	(18)
LOSS FROM OPERATIONS	(221,860)	(18)	(237,300)	(20)
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 4 and 26 and 33)	23,187	2	43,532	4
Other income (Notes 4, 26 and 33)	785,507	63	567,593	48
Other gains and losses (Notes 4, 26 and 33)	(88,705)	(7)	(79,255)	(7)

(Continued)

CHIA HSIN CEMENT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	**%**	**Amount**	**%**
Finance costs (Notes 4 and 26)	$ (89,277)	(7)	$ (93,356)	(8)
Share of profit or loss of subsidiary, associates and joint ventures (Note 4)	265,777	21	1,618,271	136
Total non-operating income and expenses	896,489	72	2,056,785	173
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	674,629	54	1,819,485	153
INCOME TAX EXPENSE (Notes 4 and 27)	(16,781)	(1)	(55,119)	(4)
NET PROFIT FROM CONTINUING OPERATIONS	657,848	53	1,764,366	149
OTHER COMPREHENSIVE INCOME (Notes 4, 23, 24 and 27)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	5,730	-	1,571	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	992,174	79	271,582	23
Share of the other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	444,219	36	75,416	6
Income tax relating to items that will not be reclassified subsequently to profit or loss	(1,146)	-	(314)	-
	1,440,977	115	348,255	29
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(306,820)	(25)	(63,048)	(5)
Share of the other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	(188,194)	(15)	(13,395)	(1)
Income tax relating to items that may be reclassified subsequently to profit or loss	99,003	8	15,289	1
	(396,011)	(32)	(61,154)	(5)
Other comprehensive income for the year, net of income tax	1,044,966	83	287,101	24
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 1,702,814	136	$ 2,051,467	173

(Continued)

CHIA HSIN CEMENT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	**%**	**Amount**	**%**
EARNINGS PER SHARE (Note 28)				
From continuing operations				
Basic	$ 1.02		$ 2.74	
Diluted	$ 1.02		$ 2.74	

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

CHIA HSIN CEMENT CORPORATION

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

			Retained Earnings			Other Equity			
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Total Equity
BALANCE, JANUARY 1, 2020	$ 7,747,805	$ 847,377	$ 2,143,611	$ 2,346,051	$ 6,171,113	$ (343,071)	$ 4,997,339	$ (1,096,783)	$ 22,813,442
Appropriation of 2019 earnings (Note 24)									
Legal reserve	-	-	176,052	-	(176,052)	-	-	-	-
Cash dividends	-	-	-	-	(771,781)	-	-	-	(771,781)
Reverse of special reserve	-	-	-	(70,347)	70,347	-	-	-	-
Total comprehensive income for the year ended December 31, 2020									
Net profit for the year ended December 31, 2020	-	-	-	-	1,764,366	-	-	-	1,764,366
Other comprehensive income (loss) for the year ended December 31, 2020 (Note 24)	-	-	-	-	2,155	(61,154)	346,100	-	287,101
	-	-	-	-	1,766,521	(61,154)	346,100	-	2,051,467
Buy-back of ordinary shares (Note 24)	-	-	-	-	-	-	-	(22,240)	(22,240)
Change in capital surplus due to cash dividends of the Company paid to subsidiary (Notes 14 and 24)	-	111,248	-	-	-	-	-	-	111,248
Changes in percentage of ownership interests in subsidiaries (Note 24)	-	(538)	-	-	(1,766)	-	-	-	(2,304)
Unclaimed dividends extinguished by prescription (Note 24)	-	2,315	-	-	-	-	-	-	2,315
BALANCE, DECEMBER 31, 2020	7,747,805	960,402	2,319,663	2,275,704	7,058,382	(404,225)	5,343,439	(1,119,023)	24,182,147
Appropriation of 2020 earnings (Note 24)									
Legal reserve	-	-	183,510	-	(183,510)	-	-	-	-
Cash dividends	-	-	-	-	(1,079,560)	-	-	-	(1,079,560)
Reverse of special reserve	-	-	-	(17,708)	17,708	-	-	-	-
Changes in equity of associates accounted for using the equity method (Note 24)	-	8,406	-	-	-	-	-	-	8,406
Total comprehensive income for the year ended December 31, 2021									
Net profit for the year ended December 31, 2021	-	-	-	-	657,848	-	-	-	657,848
Other comprehensive income (loss) for the year ended December 31, 2021 (Note 24)	-	-	-	-	5,062	(396,011)	1,435,915	-	1,044,966
	-	-	-	-	662,910	(396,011)	1,435,915	-	1,702,814
Change in capital surplus due to cash dividends of the Company paid to subsidiary (Notes 14 and 24)	-	155,010	-	-	-	-	-	-	155,010
Share-based payment (Notes 24 and 29)	-	15,428	-	-	-	-	-	-	15,428
Reissuance of treasury shares (Note 24)	-	(96)	-	-	-	-	-	41,073	40,977
Unclaimed dividends extinguished by prescription (Note 24)	-	146	-	-	-	-	-	-	146
BALANCE, DECEMBER 31, 2021	$ 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

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

CHIA HSIN CEMENT CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 674,629	$ 1,819,485
Adjustments for:		
Depreciation expense	109,860	144,956
Amortization expense	15	-
Expected credit gain	(231)	(150)
Net (gain) loss on fair value changes of financial assets at fair value through profit or loss	(36,661)	11,939
Finance costs	89,277	93,356
Interest income	(23,187)	(43,532)
Dividend income	(747,616)	(530,595)
Compensation costs arising from share-based payment	15,428	-
Share of profit of subsidiaries, associates and joint ventures	(265,777)	(1,618,271)
Gain on disposal of property, plant and equipment	(29)	-
Gain on modification of lease	-	(27)
Loss on liquidation of associates accounted for using the equity method	-	620
Write-down of inventories	-	2,531
Unrealized gain on transactions with subsidiaries, associates and joint ventures	72	14
Realized gain on transactions with subsidiaries, associates and joint ventures	(895)	(895)
Net loss on foreign currency exchange	106,243	48,192
Changes in operating assets and liabilities:		
Financial assets mandatorily classified as at fair value through profit or loss	(194,128)	300,446
Notes receivable from unrelated parties	9,506	17,329
Trade receivables from unrelated parties	13,599	(2,390)
Trade receivables from related parties	(4,915)	(6,097)
Other receivables from unrelated parties	11	29
Other receivables from related parties	57	610
Inventories	5,824	(17,744)
Prepayments	(42,270)	(24)
Contract liabilities	7,354	(72)
Notes payable to unrelated parties	340	105
Trade payables to unrelated parties	42,349	(42,693)
Trade payables to related parties	49,981	(10,709)
Other payables to unrelated parties	(19,553)	(8,828)
Other payables to related parties	1,319	(7,114)
Net defined benefit liabilities	(8)	1
Cash (used in) generated from operations	(209,406)	150,472
Interest paid	(90,064)	(92,729)
Income tax paid	(2,961)	(5,160)
Net cash (used in) generated from operating activities	(302,431)	52,583

(Continued)

CHIA HSIN CEMENT CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	$ (90,000)	$ (10,000)
Purchase of financial assets at amortized cost	-	(337,034)
Proceeds from sale of financial assets at amortized cost	290,208	-
Acquisition of investments accounted for using the equity method	(50,000)	(1,244,460)
Cash returns from liquidation of investees accounted for using the equity method	-	25,071
Payments for property, plant and equipment	(7,725)	(210)
Proceeds from disposal of property, plant and equipment	29	-
Decrease in refundable deposits paid	-	130
Decrease in other receivables from related parties	20,575	97,788
Payments for intangible assets	(184)	-
Decrease in finance lease receivables	41,039	34,141
Decrease (increase) in other non-current assets	151	(81)
Interest received	25,134	45,565
Dividends received from subsidiaries, associates and joint ventures	2,036,756	791,892
Other dividends received	747,616	530,595
Net cash generated from (used in) investing activities	3,013,599	(66,603)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayments of) proceeds from short-term borrowings	(615,000)	879,000
Repayment of short-term bills payable	(2,000)	(133,000)
(Repayments of) proceeds of long-term loans	(457,500)	376,322
Refund of guarantee deposits received	(823)	(822)
Repayment of the principal portion of lease liabilities	(45,515)	(38,813)
Payments for buy-back of ordinary shares	-	(22,240)
Proceeds from reissuance of treasury shares	40,977	-
Cash dividends paid	(1,079,560)	(771,781)
Return of unclaimed dividends extinguished by prescription	146	1,895
Net cash (used in) generated from financing activities	(2,159,275)	290,561
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(106,244)	(46,263)
NET INCREASE IN CASH AND CASH EQUIVALENTS	445,649	230,278
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	593,591	363,313
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,039,240	$ 593,591

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

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

1. GENERAL INFORMATION

Chia Hsin Cement Corporation (the "Company") was incorporated in the Republic of China (ROC) with capital of $24,000 thousand in December 1954. Over the years, the Company has increased its capital through capital contributions in cash, undistributed earnings, and asset revaluation increments. As of December 31, 2021, the Company has authorized capital of $15,000,000 thousand and paid-in capital of $7,747,805 thousand. The Company's business activities include cement manufacturing, wholesale of building materials, retail sale of building materials, non-metallic mining, mixed-concrete products manufacturing, international trade, construction and development of residences and buildings, lease, construction and development of industrial factory buildings, real estate commerce, real estate rental and leasing, reconstruction within the renewal area and warehousing and storage.

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Company's board of directors on March 22, 2022.

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

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

   The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Company's accounting policies.

b. The IFRSs endorsed by the FSC for application starting from 2022

New IFRSs	Effective Date Announced by IASB
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 1)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 2)
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 3)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 4)

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

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

As of the date the financial statements were authorized for issue, the Company has assessed that the abovementioned application of other standards and interpretations did not have a material impact on the Company's financial position and financial performance.

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

New IFRSs	Effective Date Announced by IASB (Note 1)
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 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 4)

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

Note 2: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuer.

b. Basis of preparation

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

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

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

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

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

When preparing these parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries, associates and joint ventures. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same as the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries, associates and joint ventures, the share of other comprehensive income of subsidiaries, associates and joint ventures and the related equity items, as appropriate, in these parent company only financial statements.

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

Current assets include:

1) Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and

3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

d. Foreign currencies

In preparing the Company's financial statements, transactions in currencies other than the Company's functional currency (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 financial statements, the financial statements of the Company's foreign operations (including subsidiaries, associates, joint ventures and branches in other countries) that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e., a disposal involving the loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

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

e. Inventories

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

f. Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries attributable to the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further loss, if any.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business over the cost of acquisition is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Company directly disposed of the related assets or liabilities.

Profit or loss resulting from downstream transactions is eliminated in full only in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

g. Investments in associates

An associate is an entity over which the Company has significant influence and which is neither a subsidiary nor an interest in a joint venture. The Company uses the equity method to account for its investments in associates.

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

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

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

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

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

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

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

h. Property, plant and equipment

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

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

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

i. Investment properties

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

Investment properties are 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.

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 Company 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 Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

l. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such 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 and interest earned are recognized in other income and interest income, respectively; remeasurement gains or losses on such financial assets are recognized in other gains and losses. Fair value is determined in the manner described in Note 32.

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, other receivables from related parties, time deposits with original maturities over 3 months, and refundable deposits are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

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

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

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

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

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

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

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

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

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 Company has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss 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 Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and 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 Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from the sale of goods

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

2) Revenue from the rendering of services

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

3) Other income

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

n. Leases

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

1) The Company as lessor

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

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

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

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

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

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

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for 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 Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

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. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

q. Share-based payment arrangements

Equity-settled share-based payment arrangements granted to employees

The fair value at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately.

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

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

2) Deferred tax

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

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

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint arrangements, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and 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 Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes for the year

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

4) The linked-tax system

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The Company considers the possible impact of the recent development of the COVID-19 in Taiwan and its economic environment implications when making its critical accounting estimates on cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Key Sources of Estimation Uncertainty

Impairment of property, plant and equipment

Impairment of equipment is 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. Furthermore, the estimates of the cash flow projections, growth rate and discount rate are subject to higher degree of estimation uncertainties in the current year due to uncertainty on the impact arising from potential disruptions of the Company's operations and volatility in financial markets due to the evolution of COVID-19 pandemic.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2021	**2020**
Cash on hand	$ 579	$ 884
Checking accounts and demand deposits	899,900	266,456
Cash equivalents		
Commercial papers	-	14,998
Time deposits with original maturities of 3 months or less	111,073	218,192
Repurchase agreements collateralized by bonds	27,688	93,061
	$ 1,039,240	$ 593,591

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

	December 31	
	2021	**2020**
Commercial papers	-	0.19%
Bank balance	0.001%-0.38%	0.001%-0.38%
Repurchase agreements collateralized by bonds	0.33%	0.50%-0.60%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2021	**2020**
Financial assets mandatorily classified as at fair value through profit or loss (FVTPL) - current		
Non-derivative financial assets		
Domestic listed shares	$ 371,538	$ 334,856
Overseas listed shares	50,340	64,909
Overseas mutual funds - beneficiary certificates	280,693	72,017
	$ 702,571	$ 471,782

The Company has investments in shares of Taiwan Cement Corporation. As of December 31, 2021, the Company held 7,740,307 shares (carrying amount of $371,535 thousand) accounted for as financial assets at fair value through profit or loss, and 210,119,149 shares (carrying amount of $10,085,719 thousand) accounted for as financial assets at fair value through other comprehensive income. Information for other price risks and sensitivity analysis are provided in Note 32.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2021	2020
Investments in equity instruments - current		
Domestic investments		
Listed shares and emerging market shares	$ 1,424,469	$ 1,311,043
Investments in equity instruments - non-current		
Domestic investments		
Listed shares and emerging market shares	$ 8,866,481	$ 7,979,833
Unlisted shares	387,002	304,901
	$ 9,253,483	$ 8,284,734

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 Company's strategy of holding these investments for long-term purposes.

The Company purchased preference shares B of Smart Ageing Tech Co., Ltd. and ordinary shares of B Current Impact Investment Fund 3 with the amount of $90,000 thousand in July 2021 and $10,000 thousand in March 2020, respectively. The investment is held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI.

9. NOTES RECEIVABLE AND TRADE RECEIVABLES

	December 31	
	2021	2020
Notes receivable		
At amortized cost		
Gross carrying amount	$ 137,509	$ 147,015
Less: Allowance for impairment loss	(1,375)	(1,470)
	$ 136,134	$ 145,545
Trade receivables		
At amortized cost		
Gross carrying amount	$ 20,743	$ 34,342
Less: Allowance for impairment loss	(207)	(343)
	$ 20,536	$ 33,999

Notes Receivable

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

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

Trade Receivables

The average credit period of the sales of goods was 60 to 90 days, and no interest was charged on overdue trade receivables. In determining the recoverability of the trade receivables, the Company considered any change in the credit quality of the trade receivables since the date credit was initially granted to the end of the reporting period. From historical experience, most of the receivables were recovered.

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

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

The Company writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

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

December 31, 2021

	Not overdue	Overdue within 90 Days	Overdue 91 - 360 Days	Overdue 1 Year or More	Total
Expected credit loss rate	0%-1%	-	-	100%	
Gross carrying amount	$ 175,047	$ -	$ -	$ -	$ 175,047
Loss allowance (Lifetime ECLs)	(1,582)	-	-	-	(1,582)
Amortized cost	$ 173,465	$ -	$ -	$ -	$ 173,465

December 31, 2020

	Not overdue	Overdue within 90 Days	Overdue 91 - 360 Days	Overdue 1 Year or More	Total
Expected credit loss rate	0%-1%	-	-	100%	
Gross carrying amount	$ 193,237	$ -	$ -	$ -	$ 193,237
Loss allowance (Lifetime ECLs)	(1,813)	-	-	-	(1,813)
Amortized cost	$ 191,424	$ -	$ -	$ -	$ 191,424

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

	For the Year Ended December 31	
	2021	2020
Balance at January 1	$ 1,813	$ 1,963
Add: Net remeasurement of loss allowance	-	23
Less: Net remeasurement of loss allowance reversed	(231)	(173)
Balance at December 31	$ 1,582	$ 1,813

10. OTHER RECEIVABLES

	December 31	
	2021	2020
Interest receivables	$ 473	$ 2,420
Others	112	123
	$ 585	$ 2,543

Other receivables were mainly interest. The Company only transacts with counterparts who have good credit ratings. The Company continues to monitor the conditions of the receivables and refers to the past default experience of the debtor and the analysis of the debtor’s current financial position in determining whether the credit risk of the other receivables increased significantly since the initial recognition as well as in measuring the expected credit losses. As of December 31, 2021 and 2020, the Company assessed the expected credit loss rate of other receivables as 0%.

11. FINANCE LEASE RECEIVABLES

	December 31	
	2021	2020
Undiscounted lease payments		
Year 1	$ 78,400	$ 64,441
Year 2	65,003	63,664
Year 3	65,003	63,664
Year 4	65,003	63,664
Year 5	65,003	63,664
Year 6 onwards	1,192,700	1,258,650
	1,531,112	1,577,747
Less: Unearned finance income	(245,546)	(266,305)
Lease payments receivable	1,285,566	1,311,442
Net investment in leases presented as finance lease receivables	$ 1,285,566	$ 1,311,442
Lease payments receivable		
Not more than 1 year	$ 58,825	$ 44,236
More than 1 year and not more than 5 years	189,047	184,086
More than 5 years	1,037,694	1,083,120
	$ 1,285,566	$ 1,311,442

Since December 2009, the Company has been subleasing the land, facilities and equipment located in the Taipei Port Container Terminal to its subsidiary - Chia Pei International Corporation. As the Company's main lease is a finance lease and the sublease of the abovementioned items is for all the remaining lease term of the main lease, the sublease contract is classified as a finance lease.

The interest rates inherent in the leases are fixed at the contract dates for the entire term of the lease. As of December 31, 2021 and 2020, the interest rate inherent in the finance leases was approximately 1.58% per annum.

To reduce the residual asset risk related to the leased land and machineries and equipment at the end of the relevant lease, the lease contract includes general risk management strategy of the Company.

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

12. INVENTORIES

	December 31	
	2021	2020
Finished goods	$ 46,049	$ 51,701
Raw materials	975	1,147
	$ 47,024	$ 52,848

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

	For the Year Ended December 31	
	2021	2020
Cost of inventories sold	$ 1,073,060	$ 1,013,928
Inventory write-downs	-	2,531
	$ 1,073,060	$ 1,016,459

13. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2021	2020
Current		
Time deposits with original maturities of more than 3 months	$ 887,458	$ 1,177,666
Non-current		
Restricted deposits	$ 9,476	$ 9,476

a. The Company has tasked its credit management committee to develop a credit risk grading framework to determine whether the credit risk of the financial assets at amortized cost increases significantly since the last period to the reporting date as well as to measure the expected credit losses. The credit rating information may be obtained from independent rating agencies where available and, if not available, the credit management committee uses other publicly available financial information to rate the debtors. In the consideration of an analysis of the debtor's current financial position and the forecasted direction of economic conditions in the industry, the Company forecasts both 12-month expected credit losses and lifetime expected credit losses of financial assets at amortized cost. As of December 31, 2021 and 2020, the Company assessed the expected credit loss rate as 0%.

b. Refer to Note 34 for the carrying amounts of financial assets pledged by the Company to secure obligations.

	December 31	
	2021	2020
Interest rate range		
Time deposits with original maturities of more than 3 months	0.12%-0.30%	0.28%-0.60%
Restricted deposits	0.52%-0.815%	0.52%-1.045%

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2021	2020
Investments in subsidiaries	$ 13,291,943	$ 14,823,114
Investments in associates	3,310,072	3,436,436
	$ 16,602,015	$ 18,259,550

a. Investments in subsidiaries

	December 31	
	2021	2020
Unlisted Companies		
Tong Yang Chia Hsin International Corporation	$ 6,725,581	$ 6,378,276
Chia Hsin Property Management & Development Corporation	3,963,806	5,279,930
Jaho Life Plus+ Management Corp., Ltd.	188,142	224,254
Chia Pei International Corporation	220,413	197,301
YJ International Corporation	886,562	1,373,289
BlueSky. Co., Ltd.	84,072	83,930
Chia Hsin Pacific Limited	2,279,077	2,341,844
	14,347,653	15,878,824
Less: reclassified to treasury stocks (Note 24)	(1,055,710)	(1,055,710)
	$ 13,291,943	$ 14,823,114

	Proportion of Ownership and Voting Rights December 31	
	2021	2020
Tong Yang Chia Hsin International Corporation	87.18%	87.18%
Chia Hsin Property Management & Development Corporation	100.00%	100.00%
Jaho Life Plus+ Management Corp., Ltd. (Note 1)	100.00%	100.00%
Chia Pei International Corporation	100.00%	100.00%
YJ International Corporation	100.00%	100.00%
BlueSky. Co., Ltd.	100.00%	100.00%
Chia Hsin Pacific Limited	74.16%	74.16%

Note 1: On January 16 and October 6, 2020, the Company increased its investment by $100,000 thousand in total.

Note 2: The Company received $2,021,027 thousand and $744,703 thousand of cash dividends from its subsidiaries in 2021 and 2020, respectively.

Note 3: The Company’s cash dividend to subsidiaries in 2021 and 2020 was written off against investments in subsidiaries, associates and joint ventures accounted for using the equity method, and adjusted the carrying amount of capital surplus - treasury share of $155,010 thousand and $111,248 thousand, respectively.

Note 4: For the years ended December 31, 2021 and 2020, the amounts recognized in share of profit or loss of subsidiaries accounted for using the equity method and share of the other comprehensive income of subsidiaries accounted for using the equity method were based on the audited financial statements.

b. Investments in associates

	December 31	
	2021	2020
Material associates		
LDC ROME HOTELS S.R.L.	$ 289,131	$ 367,335
L'Hotel De Chine Corporation	1,032,448	1,164,251
Chia Hsin Construction & Development Corp.	1,870,402	1,792,694
	3,191,981	3,324,280
Associates that are not individually material	118,091	112,156
	$ 3,310,072	$ 3,436,436

1) Material associates

	Proportion of Ownership and Voting Rights	
	December 31	
	2021	2020
LDC ROME HOTELS S.R.L.	40.00%	40.00%
Chia Hsin Construction & Development Corp.	43.87%	43.87%
L'Hotel De Chine Corporation	23.10%	23.10%

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

All the associates were accounted for using the equity method.

The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRSs adjusted by the Company for equity accounting purpose.

LDC ROME HOTELS S.R.L.

	December 31	
	2021	2020
Current assets	$ 200,036	$ 311,500
Non-current assets	1,560,215	1,824,143
Current liabilities	(134,259)	(102,503)
Non-current liabilities	(903,164)	(1,114,803)
Equity	$ 722,828	$ 918,337
Proportion of the Company's ownership	40.00%	40.00%
Equity attributable to the Company	$ 289,131	367,335
Carrying amount		
	$ 289,131	$ 367,335

	For the Year Ended December 31	
	2021	2020
Operating revenue	$ 235,128	$ 147,972
Net loss for the year	(104,258)	(188,754)
Other comprehensive income	-	-
Total comprehensive loss for the year	$ (104,258)	$ (188,754)

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

Chia Hsin Construction & Development Corp.

	December 31	
	2021	2020
Current assets	$ 2,006,649	$ 2,041,258
Non-current assets	2,628,645	2,410,159
Current liabilities	(296,726)	(381,994)
Non-current liabilities	(104,405)	(12,394)
Equity	$ 4,234,163	$ 4,057,029
Proportion of the Company's ownership	43.87%	43.87%
Equity attributable to the Company	$ 1,857,527	$ 1,779,819
Premium representing the difference between fair value and carrying amount of remaining equity investments	12,875	12,875
Carrying amount	$ 1,870,402	$ 1,792,694

	For the Year Ended December 31	
	2021	2020
Operating revenue	$ 343,344	$ 328,189
Net profit for the year	114,794	208,159
Other comprehensive income (loss)	97,836	(79,389)
Total comprehensive income for the year	$ 212,630	$ 128,770
Dividends received from China Hsin Construction & Development Corp.	$ 15,729	$ 47,189

L’Hotel De Chine Corporation

	December 31	
	2021	2020
Current assets	$ 598,400	$ 2,179,633
Non-current assets	7,065,130	6,118,487
Current liabilities	(1,555,061)	(1,525,195)
Non-current liabilities	(1,638,997)	(1,732,880)
Equity	$ 4,469,472	$ 5,040,045
Proportion of the Company’s ownership	23.10%	23.10%
Equity attributable to the Company	$ 1,032,448	$ 1,164,251
Carrying amount	$ 1,032,448	$ 1,164,251

	For the Year Ended December 31	
	2021	2020
Operating revenue	$ 919,740	$ 1,163,999
Net loss for the year	(603,476)	(86,528)
Other comprehensive (loss) income	(34,626)	32,992
Total comprehensive loss for the year	$ (638,102)	$ (53,536)

Acquisition of associates

On December 1, 2020, the Company acquired 67,998,915 shares of L’Hotel De Chine Corporation for $1,107,340 thousand in cash and $50,000 thousand of contingent consideration agreement, which represented a shareholding of 23.10%. The Company has identified the difference between the cost of acquisition and the net fair value of the identifiable assets and liabilities of its associate in November, 2021.

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

Note: According to the contingent consideration agreement, if the earnings per share of L’Hotel De Chine Corporation in 2020 did not meet the contractual agreement, the Company is not obligated to pay the contingent consideration. The earnings per share in 2020 has met the contractual agreement and, therefore, the Company has paid the contingent consideration on May 31, 2021.

2) Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2021	2020
The Company's share of:		
Profit from continuing operations	$ 2,517	$ 3,958
Other comprehensive income (loss)	3,418	(5,618)
Total comprehensive income (loss) for the year	$ 5,935	$ (1,660)

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

For the years ended December 31, 2021 and 2020, investments in associates were accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on financial statements which have been audited.

15. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2021	2020
Assets used by the Company	$ 67,943	$ 84,654
Assets leased under operating leases	656,170	735,853
	$ 724,113	$ 820,507

a. Assets used by the Company

	Land	Machinery and Equipment	Transportation Equipment	Leasehold Improvement	Other Equipment	Total
Cost						
Balance at January 1, 2020	$ 4,669	$ 41,336	$ 3,821	$ 547,385	$ 14,020	$ 611,231
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance at December 31, 2020	$ 4,669	$ 41,336	$ 3,821	$ 547,385	$ 14,020	$ 611,231
Revaluation						
Balance at January 1, 2020	$ -	$ 15,807	$ -	$ -	$ -	$ 15,807
Disposals	-	-	-	-	-	-
Balance at December 31, 2020	$ -	$ 15,807	$ -	$ -	$ -	$ 15,807

(Continued)

	Land	Machinery and Equipment	Transportation Equipment	Leasehold Improvement	Other Equipment	Total
Accumulated depreciation and impairment						
Balance at January 1, 2020	$ -	$ 57,143	$ 3,088	$ 454,937	$ 3,699	$ 518,867
Depreciation expense	-	-	175	20,627	2,715	23,517
Disposals	-	-	-	-	-	-
Balance at December 31, 2020	$ -	$ 57,143	$ 3,263	$ 475,564	$ 6,414	$ 542,384
Carrying amount at December 31, 2020	$ 4,669	$ -	$ 558	$ 71,821	$ 7,606	$ 84,654
Cost						
Balance at January 1, 2021	$ 4,669	$ 41,336	$ 3,821	$ 547,385	$ 14,020	$ 611,231
Additions	-	-	-	-	7,725	7,725
Disposals	-	-	(855)	-	-	(855)
Balance at December 31, 2021	$ 4,669	$ 41,336	$ 2,966	$ 547,385	$ 21,745	$ 618,101
Revaluation						
Balance at January 1, 2021	$ -	$ 15,807	$ -	$ -	$ -	$ 15,807
Disposals	-	-	-	-	-	-
Balance at December 31, 2021	$ -	$ 15,807	$ -	$ -	$ -	$ 15,807
Accumulated depreciation and impairment						
Balance at January 1, 2021	$ -	$ 57,143	$ 3,263	$ 475,564	$ 6,414	$ 542,384
Depreciation expense	-	-	168	20,531	3,737	24,436
Disposals	-	-	(855)	-	-	(855)
Balance at December 31, 2021	$ -	$ 57,143	$ 2,576	$ 496,095	$ 10,151	$ 565,965
Carrying amount at December 31, 2021	$ 4,669	$ -	$ 390	$ 51,290	$ 11,594	$ 67,943

(Concluded)

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

Machinery and equipment	15 years
Transportation equipment	2-5 years
Other equipment	3-8 years
Leasehold improvement	
Office building	24 years
Plant	7-24 years
Others	3-24 years

b. Assets leased under operating leases

	Machinery and Equipment	Leasehold Improvements	Total
Cost			
Balance at January 1, 2020	$ 429,490	$ 2,131,443	$ 2,560,933
Additions	-	-	-
Disposals	-	-	-
Balance at December 31, 2020	$ 429,490	$ 2,131,443	$ 2,560,933
Accumulated depreciation and impairment			
Balance at January 1, 2020	$ 414,909	$ 1,294,725	$ 1,709,634
Depreciation expense	14,581	100,865	115,446
Disposals	-	-	-
Balance at December 31, 2020	$ 429,490	$ 1,395,590	$ 1,825,080
Carrying amount at December 31, 2020	$ -	$ 735,853	$ 735,853
Cost			
Balance at January 1, 2021	$ 429,490	$ 2,131,443	$ 2,560,933
Additions	-	-	-
Disposals	-	-	-
Balance at December 31, 2021	$ 429,490	$ 2,131,443	$ 2,560,933
Accumulated depreciation and impairment			
Balance at January 1, 2021	$ 429,490	$ 1,395,590	$ 1,825,080
Depreciation expense	-	79,683	79,683
Disposals	-	-	-
Balance at December 31, 2021	$ 429,490	$ 1,475,273	$ 1,904,763
Carrying amount at December 31, 2021	$ -	$ 656,170	$ 656,170

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

Machinery and equipment	8 years
Leasehold improvement	
Office building	8-20 years
Plant	8-20 years
Others	10-20 years

In 2021 and 2020, the Company leased machinery and leasehold improvements under operating leases. According to the contract, lease payments receivable under operating lease is based on the amount of usage. The fee is settled monthly and paid quarterly.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2021	2020
Carrying amount		
Buildings	$ 1,060	$ -
Land improvements	8,004	11,206
Transportation equipment	1,225	1,999
	$ 10,289	$ 13,205

	For the Year Ended December 31	
	2021	2020
Additions to right-of-use assets	$ 1,589	$ 4,001
Depreciation charge for right-of-use assets		
Buildings	$ 529	$ 1,046
Land improvements	3,202	3,202
Transportation equipment	774	509
	$ 4,505	$ 4,757

b. Lease liabilities

	December 31	
	2021	2020
Carrying amount		
Current	$ 63,370	$ 48,189
Non-current	$ 1,232,677	$ 1,276,621

Range of discount rates for lease liabilities was as follows:

	December 31	
	2021	2020
Buildings	1.30%	-
Land improvement	1.38%-1.58%	1.38%-1.58%
Transportation equipment	2.30%	2.30%

c. Material lease-in activities and terms

Warehousing and storage service at the wharves

In order to operate in cargo loading, unloading, storage and transit business, the Company signed as lessee lease contracts with Port of Keelung, Taiwan International Ports Co., Ltd. for the leasing of facilities and lands in (a) wharf No. 33 in the west port of Keelung (“Port of Keelung”) and (b) No. 1 general cargo terminal in port of Taipei (“Port of Taipei”). The period of the lease of the Port of Keelung is 23 years and 9 months which started on October 7, 2000. The period of the lease of the Port of Taipei is 35 years and 5 months which started on December 10, 2009. The rentals for lands are calculated on the basis of the regional average rental and the annual rental rate per square meter announced by the government. The land rental rates are adjusted in line with the regional rental rate and the market rate announced publicly. The rentals for buildings are adjusted in accordance with annual Construction Cost Index published by the Directorate General of Budget, Accounting and Statistics (DGBAS) of the Executive Yuan of the ROC. In addition, the Company is prohibited from subleasing or transferring all or any portion of the underlying assets in the leases mentioned above without the lessor’s consent. The Company may renew the lease contract at the end of the lease term by signing a new one.

d. Other leasing information

The Company’s leases as lessor of property, plant and equipment and investment properties under operating leases are set out in Notes 15 and 17, respectively; finance leases of assets are set out in Note 11.

	For the Year Ended December 31	
	2021	2020
Expenses relating to short-term leases	$ 9,509	$ 9,035
Total cash outflow for leases	$ (75,338)	$ (68,797)

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

17. INVESTMENT PROPERTIES

	For the Year Ended December 31	
	2021	2020
Cost		
Balance at January 1	$ 277,135	$ 277,135
Additions	-	-
Balance at December 31	$ 277,135	$ 277,135

(Continued)

	For the Year Ended December 31	
	2021	2020
Accumulated depreciation		
Balance at January 1	$ 9,479	$ 8,243
Depreciation expense	1,236	1,236
Balance at December 31	$ 10,715	$ 9,479
Carrying amount		
Carrying amount at January 1	$ 267,656	$ 268,892
Carrying amount at December 31	$ 266,420	$ 267,656

(Concluded)

The abovementioned investment properties are depreciated on a straight-line basis over their estimated useful lives as follows:

Building	
Office building	14-15 years

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

	December 31	
	2021	2020
The fair value of investment properties	$ 337,378	$ 371,751
Discount rate	6.85%	6.46%

The investment properties were leased out for 1 to 5 years, with an option to extend for additional years. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties as of December 31, 2021 and 2020 is as follows:

	December 31	
	2021	2020
Year 1	$ 4,513	$ 4,044
Year 2	4,331	3,553
Year 3	4,367	3,589
Year 4	743	3,625
Year 5	310	-
	$ 14,264	$ 14,811

18. INTANGIBLE ASSETS

	Computer Software
Cost	
Balance at January 1, 2021	$ -
Additions	184
Balance at December 31, 2021	$ 184
Accumulated amortization	
Balance at January 1, 2021	$ -
Amortization expense	15
Balance at December 31, 2021	$ 15
Carrying amount	
Carrying amount at January 1, 2021	$ -
Carrying amount at December 31, 2021	$ 169

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

Computer software	5 years

	For the Year Ended December 31, 2021
An analysis of amortization by function	
General and administrative expenses	$ 15

19. OTHER ASSETS

	December 31	
	2021	2020
Current		
Prepayments		
Prepayments for investments	$ 41,520	$ -
Others	3,952	3,202
	$ 45,472	$ 3,202
Non-current		
Refundable deposits	$ 7,006	$ 7,006
Other non-current assets		
Others	$ 1,859	$ 2,010

20. BORROWINGS

a. Short-term borrowings

	December 31 2021	December 31 2020
Secured borrowings	$ 209,000	$ 75,000
Unsecured borrowings	595,000	1,344,000
	$ 804,000	$ 1,419,000

The range of interest rates on bank loans was 0.86%-0.90% and 0.86%-0.95% per annum as of December 31, 2021 and 2020, respectively.

b. Short-term bills payable

	December 31 2021	December 31 2020
Commercial paper	$ 135,000	$ 137,000
Less: Unamortized discounts on bills payable	(158)	(227)
	$ 134,842	$ 136,773

Outstanding short-term bills payable were as follows:

December 31, 2021

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

December 31, 2020

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral
Commercial paper					
International Bills	$ 60,000	$ (88)	$ 59,912	0.958%	None
Mega Bills	50,000	(75)	49,925	0.968%	None
China Development Bills	27,000	(64)	26,936	0.988%	None
	$ 137,000	$ (227)	$ 136,773		

c. Long-term borrowings

	December 31 2021	December 31 2020
Bank loans		
Secured borrowings	$ 4,743,750	$ 5,301,250
Unsecured borrowings	100,000	-
	4,843,750	5,301,250
Less: Current portion	(577,500)	(457,500)
Long-term borrowings	$ 4,266,250	$ 4,843,750

1) The Company 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 agreement. The facilities allow drawdowns on a revolving basis. As of December 31, 2021 and 2020, the Company has taken new bank loans in the amounts of $0 thousand and $1,600,000 thousand, with annual interest rates of 1.05%-1.24% and 1.05%-1.23%, respectively. The loan is repayable in 5 to 7 years, and the final maturity date of the loan is May 28, 2027.

2) Refer to Note 33 for the secured loans guaranteed by related parties or collaterals by related parties.

21. NOTES PAYABLE AND TRADE PAYABLES

	December 31 2021	December 31 2020
Notes payable		
Operating	$ 3,351	$ 3,011
Trade payables		
Operating	$ 91,987	$ 49,638

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

22. OTHER LIABILITIES

	December 31	
	2021	2020
Current		
Other payables		
Payables for salaries and bonuses	$ 41,942	$ 60,644
Payable for contingent consideration (Note 14)	-	50,000
Payables for interests	1,077	1,933
Payable for insurance	1,454	1,055
Payables for professional fees	1,452	2,229
Payables for VAT	432	1,775
Others	3,286	2,416
	$ 49,643	$ 120,052

23. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

b. Defined benefit plan

The defined benefit plan adopted by the Company in accordance with the Labor Standards 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 Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company's defined benefit plan are as follows:

	December 31	
	2021	2020
Present value of defined benefit obligation	$ (87,927)	$ (98,338)
Fair value of plan assets	77,399	82,072
Deficit	(10,528)	(16,266)
Net defined benefit liabilities	$ (10,528)	$ (16,266)

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2020	$ 97,888	$ (80,052)	$ 17,836
Service cost			
Current service cost	2,246	-	2,246
Net interest expense (income)	735	(609)	126
Recognized in profit or loss	2,981	(609)	2,372
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(2,612)	(2,612)
Actuarial loss			
Changes in demographic assumptions	15	-	15
Changes in financial assumptions	2,296	-	2,296
Experience adjustments	(1,270)	-	(1,270)
Recognized in other comprehensive income	1,041	(2,612)	(1,571)
Benefits paid	(3,572)	3,572	-
Contributions from the employer	-	(2,371)	(2,371)
Balance at December 31, 2020	98,338	(82,072)	16,266
Service cost			
Current service cost	2,261	-	2,261
Net interest expense (income)	492	(417)	75
Recognized in profit or loss	2,753	(417)	2,336
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,065)	(1,065)
Actuarial loss			
Changes in demographic assumptions	1,861	-	1,861
Changes in financial assumptions	(1,017)	-	(1,017)
Experience adjustments	(5,509)	-	(5,509)
Recognized in other comprehensive income	(4,665)	(1,065)	(5,730)
Benefits paid	(8,499)	8,499	-
Contributions from the employer	-	(2,344)	(2,344)
Balance at December 31, 2021	$ 87,927	$ (77,399)	$ 10,528

Through the defined benefit plan under the Labor Standards Act, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated 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	
	2021	2020
Discount rate(s)	0.625%	0.50%
Expected rate(s) 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	
	2021	2020
Discount rate(s)		
0.25% increase	$ (2,021)	$ (2,296)
0.25% decrease	$ 2,088	$ 2,376
Expected rate(s) of salary increase		
0.25% increase	$ 2,026	$ 2,302
0.25% decrease	$ (1,971)	$ (2,237)

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	
	2021	2020
Expected contributions to the plan for the next year	$ 2,377	$ 2,464
Average duration of the defined benefit obligation	9.9 years	10.2 years

24. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2021	2020
Shares authorized (in thousands of shares)	1,500,000	1,500,000
Amount of shares authorized	$ 15,000,000	$ 15,000,000
Shares issued and fully paid (in thousands of shares)	774,781	774,781
Amount of shares issued and fully paid	$ 7,747,805	$ 7,747,805

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

b. Capital surplus

	December 31	
	2021	**2020**
May only be used to offset a deficit (Note 1)		
Treasury share transactions	$ 367,772	$ 367,772
Unclaimed dividends extinguished by prescription	12,054	11,908
Unclaimed dividends extinguished by prescription of subsidiaries	198	-
Changes in equity of associates accounted for using the equity method	3,461	-
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 2)		
Treasury share transactions		
Dividends paid to subsidiaries	710,800	555,790
Disposal of treasury shares	24,829	24,925
Share-based payments	15,428	-
Share-based payments of subsidiaries and second-tier subsidiaries	4,747	-
Difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	7	7
	$ 1,139,296	$ 960,402

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

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

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the 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 26(g).

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

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

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

The Company is required to make appropriation to or reversal from the special reserve for the items referred to in Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs". The FSC issued Rule No. 1090150022 on March 31, 2021, and Rule No. 1010012865 and No. 1010047490 will repeal on December 31, 2021 and March 31, 2021, respectively.

The appropriations of earnings for 2020 and 2019 approved in the shareholders' regular meetings on August 18, 2021 and June 22, 2020, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2020	**2019**
Legal reserve	$ 183,510	$ 176,052
Cash dividends	1,079,560	771,781
Cash dividends per share (NT$)	1.4	1.0

The appropriation of earnings for 2021 is expected to be proposed by the board of directors in May 2022 and will be resolved by the shareholders in their meeting to be held on June 14, 2022.

d. Special reserve

If a special reserve appropriated on the first-time adoption of IFRSs relates to investment properties other than land, the special reserve may be reversed continuously over the period of use or may be reversed upon the disposal or reclassification of the related assets. The special reserve related to land may be reversed on the disposal or reclassification of the land.

In addition to the special reserve that the Company can voluntarily appropriate according to the Articles, the Company may also appropriate or reverse special reserve under Rule No. 1010012865 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs". If there is subsequent reversal of debits to other equity items, the Company may distribute the reversed debit amounts as dividends. The FSC issued Rule No. 1090150022 on March 31, 2021, and Rule No. 1010012865 will repeal on December 31, 2021.

The special reserves recognized as of December 31, 2021 and 2020 were as follows:

	December 31	
	2021	**2020**
Appropriation in respect of the Articles of Incorporation of the Company	$ 295,756	$ 295,756
First application of Rule No. 1010012865 issued by the FSC		
Revaluation of investment properties (Note)	1,793,450	1,811,158
Exchange differences on the translation of the financial statements of foreign operations	168,790	168,790
	$ 2,257,996	$ 2,275,704

Note: In the first half of 2021 and the second half of 2020, the Company reversed $17,708 thousand and $70,347 thousand of revaluation of investment properties originated from the first application of rule issued by the FSC due to the completion of subsequent disposal transactions, respectively.

e. Other equity items

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

	For the Year Ended December 31	
	2021	2020
Balance at January 1	$ (404,225)	$ (343,071)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	(306,820)	(63,048)
Share of other comprehensive income of subsidiaries and associates accounted for using the equity method	(188,194)	(13,395)
Related income tax	99,003	15,289
Other comprehensive income recognized for the year	(396,011)	(61,154)
Balance at December 31	$ (800,236)	$ (404,225)

2) Unrealized valuation gain on financial assets at FVTOCI

	For the Year Ended December 31	
	2021	2020
Balance at January 1	$ 5,343,439	$ 4,997,339
Recognized for the year		
Unrealized gain - financial instrument at FVTOCI	992,174	271,582
Share from associates accounted for using the equity method	443,741	74,518
Other comprehensive income recognized for the year	1,435,915	346,100
Balance at December 31	$ 6,779,354	$ 5,343,439

f. Treasury shares

Purpose of Buy-back	Shares Transferred to Employees (In Thousands of Shares)	Shares Held by Subsidiaries (In Thousands of Shares)	Total (In Thousands of Shares)
Number of shares at January 1, 2020	3,000	127,371	130,371
Increase during the year	1,435	-	1,435
Decrease during the year	-	-	-
Number of shares at December 31, 2020	4,435	127,371	131,806
Number of shares at January 1, 2021	4,435	127,371	131,806
Increase during the year	-	-	-
Decrease during the year	(3,000)	-	(3,000)
Number of shares at December 31, 2021	1,435	127,371	128,806

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

In the board of directors' meeting No. 429, the Company planned to repurchase 7,000 thousand of its own shares from the centralized securities exchange market during the period from March 26, 2020 to May 24, 2020 at the price ranging from $11 to $16, with a maximum total amount of $112,000 thousand.

The abovementioned repurchase plan is for the purpose of transferring treasury shares to the Company's employees. As of December 31, 2020, the Company had already repurchased 1,435 thousand shares, with a total amount of $22,240 thousand.

As of December 31, 2021, the Company transferred 3,000 thousand treasury shares to its employees at the price of $13.7 per share; the treasury shares were repurchased in 2018 under the first repurchase plan. The Company recognized $15,428 thousand of compensation costs on the grant date, and recognized a deduction of $96 thousand from capital surplus - treasury shares transaction on the shares settlement date.

Refer to Note 29 for information on share-based payment arrangements.

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

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
December 31, 2021			
By direct investment			
Tong Yang Chia Hsin International Corporation	127,371	$ 1,055,710	$ 2,304,110
December 31, 2020			
By direct investment			
Tong Yang Chia Hsin International Corporation	127,371	$ 1,055,710	$ 2,115,340

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

25. REVENUE

a. Contract information

Revenue from the sale of goods

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

Revenue from rent

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

Revenue from rendering of services

The Company renders management service to its subsidiaries. The Company charges the subsidiaries upon finishing the services according to the signed management contracts.

Other revenue - warehousing and storage services

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

b. Contract balances

	December 31, 2021	December 31, 2020	January 1, 2020
Notes receivable and trade receivables (Note 9)	$ 156,670	$ 179,544	$ 194,333
Trade receivables from related parties (Note 33)	$ 16,795	$ 11,880	$ 5,783
Contract liabilities - current			
Sale of goods	$ 12,278	$ 4,924	$ 4,996

Revenue recognized in the current reporting period that was included in the contract liability balance at the beginning of the period for the years ended December 31, 2021 and 2020 was $4,924 thousand and $4,996 thousand, respectively.

c. Disaggregation of revenue

	For the Year Ended December 31	
	2021	2020
Type of goods or services		
Sale of goods	$ 1,062,850	$ 1,002,463
Rental income	4,695	4,578
Rendering of service	22,174	23,519
Other revenue		
Revenue from warehousing and storage service	159,212	156,315
	$ 1,248,931	$ 1,186,875

26. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations was attributable to:

a. Interest income

	For the Year Ended December 31 2021	2020
Bank deposits	$ 2,943	$ 22,085
Loans to related party (Note 33)	112	710
Net investments in leases (Note 33)	20,132	20,737
	$ 23,187	$ 43,532

b. Other income

	For the Year Ended December 31 2021	2020
Dividends (Note 33)	$ 747,616	$ 530,595
Remuneration of director (Note 33)	34,560	33,205
Others (Note 33)	3,331	3,793
	$ 785,507	$ 567,593

c. Other gains and losses

	For the Year Ended December 31 2021	2020
Gain on disposal of property, plant and equipment	$ 29	$ -
Loss on disposal of associates	-	(620)
Net foreign exchange losses (h)	(105,687)	(48,103)
Gain (loss) on fair value changes of financial assets mandatorily classified as at FVTPL	36,661	(11,939)
Service fee arising from endorsement guarantee (Note 33)	(19,698)	(18,619)
Others	(10)	26
	$ (88,705)	$ (79,255)

d. Finance costs

	For the Year Ended December 31 2021	2020
Interest on bank loans	$ 68,963	$ 72,407
Interest on lease liabilities	20,314	20,949
	$ 89,277	$ 93,356

e. Depreciation and amortization

	For the Year Ended December 31	
	2021	2020
Property, plant and equipment	$ 104,119	$ 138,963
Investment properties	1,236	1,236
Right-of-use assets	4,505	4,757
Intangible assets	15	-
	$ 109,875	$ 144,956
An analysis of depreciation by function		
Operating costs	$ 104,819	$ 140,686
Operating expenses	5,041	4,270
	$ 109,860	$ 144,956
An analysis of amortization by function		
Operating expenses	$ 15	$ -

f. Employee benefits expense

	For the Year Ended December 31	
	2021	2020
Short-term benefits	$ 169,001	$ 164,995
Post-employment benefits (Note 23)		
Defined contribution plan	3,458	3,200
Defined benefit plan	2,336	2,372
Share-based payments		
Equity-settled	15,428	-
Other employee benefits	5,782	5,223
	$ 196,005	$ 175,790
An analysis of employee benefits expense by function		
Operating costs	$ 14,444	$ 15,225
Operating expenses	181,561	160,565
	$ 196,005	$ 175,790

g. Compensation of employees and remuneration of directors

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

The compensation of employees and the remuneration of directors for the years ended December 31, 2021 and 2020, which were approved by the Company's board of directors on March 22, 2022 and March 29, 2021, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2021	2020
Compensation of employees	1.39%	0.39%
Remuneration of directors	1.39%	0.98%

Amount

	For the Year Ended December 31			
	2021		2020	
	Cash	Shares	Cash	Shares
Compensation of employees	$ 9,660	$ -	$ 7,200	$ -
Remuneration of directors	9,660	-	18,000	-

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

There is no difference between the 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, 2020 and 2019.

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	
	2021	2020
Foreign exchange gains	$ 23,056	$ 40,218
Foreign exchange losses	(128,743)	(88,321)
Net foreign exchange losses	$ (105,687)	$ (48,103)

27. INCOME TAXES RELATING TO CONTINUING OPERATIONS

According to regulations stipulated by Ruling Letter No. 910458039 dated February 12, 2003, "Principles and regulations of profit-seeking businesses filing joint tax returns in accordance with Article 49 of the Financial Holding Company Law and Article 40 of Enterprise Merger Law", when a financial holding company holds more than 90% of the shares of a domestic subsidiary, the financial holding company and the subsidiary can file a joint tax return once the financial holding company has held more than 90% of the subsidiary for 12 months during a taxable year.

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

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2021	2020
Current tax		
In respect of the current year	$ (35,639)	$ (36,955)
Income tax on unappropriated earnings	25,084	40,634
Adjustments for prior years	44	(5,482)
	(10,511)	(1,803)
Deferred tax		
In respect of the current year	27,292	56,922
Income tax expense recognized in profit or loss	$ 16,781	$ 55,119

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2021	2020
Profit before tax from continuing operations	$ 674,629	$ 1,819,485
Income tax expense calculated at the statutory rate	$ 134,926	$ 363,897
Nondeductible expenses in determining taxable income	331	457
Tax-exempt income	(283,881)	(525,582)
Income tax on unappropriated earnings	25,084	40,634
Unrecognized deductible temporary differences	140,277	181,195
Adjustments for prior years' income tax	44	(5,482)
Income tax expense recognized in profit or loss	$ 16,781	$ 55,119

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2021	2020
Deferred tax		
In respect of the current year		
Translation of foreign operations	$ (99,003)	$ (15,289)
Remeasurement of defined benefit plan	1,146	314
Total income tax recognized in other comprehensive income	$ (97,857)	$ (14,975)

c. Current tax liabilities

	December 31	
	2021	2020
Current tax liabilities		
Income tax payable	$ 25,084	$ 40,634

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, 2021

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen-sive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Retirement pension	$ 51,625	$ (2)	$ -	$ 51,623
Defined benefit obligations	10,316	-	(1,146)	9,170
Payables for annual leave	473	32	-	505
Deferred expense	27	(27)	-	-
Unrealized gain or loss on foreign exchange	9,336	11,913	-	21,249
Exchange differences on the translation of the financial statements of foreign operations	59,553	-	99,003	158,556
Inventories write-downs	506	(506)	-	-
Others	416	842	-	1,258
	$ 132,252	$ 12,252	$ 97,857	$ 242,361
Deferred tax liabilities				
Temporary differences				
Fair value changes of financial assets at FVTPL	$ 5,838	$ (108)	$ -	$ 5,730
Net gain on investment accounted for using the equity method	250,840	39,658	-	290,498
Deferred revenue	6	(6)	-	-
Others	62	-	-	62
	$ 256,746	$ 39,544	$ -	$ 296,290

For the year ended December 31, 2020

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen-sive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Retirement pension	$ 51,624	$ 1	$ -	$ 51,625
Defined benefit obligations	10,630	-	(314)	10,316
Payables for annual leave	468	5	-	473
Deferred expense	53	(26)	-	27
Unrealized gain or loss on foreign exchange	8,645	691	-	9,336
Exchange differences on the translation of the financial statements of foreign operations	44,264	-	15,289	59,553
Inventories write-downs	-	506	-	506
Others	613	(197)	-	416
	$ 116,297	$ 980	$ 14,975	$ 132,252
Deferred tax liabilities				
Temporary differences				
Fair value changes of financial assets at FVTPL	$ 3,376	$ 2,462	$ -	$ 5,838
Net gain on investment accounted for using the equity method	195,420	55,420	-	250,840
Deferred revenue	2	4	-	6
Others	46	16	-	62
	$ 198,844	$ 57,902	$ -	$ 256,746

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

	December 31	
	2021	2020
Deductible temporary differences		
Gain or loss on investment in subsidiaries and associates accounted for using the equity method	$ 1,878,312	$ 1,307,964

f. Income tax assessments

The income tax returns through 2018 have been assessed by the tax authorities.

28. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2021	**2020**
Basic earnings per share	$ 1.02	$ 2.74
Diluted earnings per share	$ 1.02	$ 2.74

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

Net Profit for the Year

	For the Year Ended December 31	
	2021	**2020**
Profit for the year	$ 657,848	$ 1,764,366
Effect of potentially dilutive ordinary shares		
Compensation of employees	-	-
Earnings used in the computation of diluted earnings per share	$ 657,848	$ 1,764,366

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

	For the Year Ended December 31	
	2021	**2020**
Weighted average number of ordinary shares used in the computation of basic earnings per share (deducted treasury shares)	644,540	643,427
Effect of potentially dilutive ordinary shares		
Compensation of employees	556	630
Weighted average number of ordinary shares used in the computation of diluted earnings per share	645,096	644,057

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

29. SHARE-BASED PAYMENT ARRANGEMENTS

Transaction of Treasury Shares Granted to Employees

In order to encourage the employees to achieve better work quality and improve the competitiveness of the Company, in the first and second quarter of 2021, the Company registered to transfer to its employees who met specific criteria a total of 769,000 and 2,231,000 shares; the shares were repurchased in 2018 under the first repurchase plan. The related information was as follows:

	For the Year Ended December 31, 2021			
	May 7, 2021		January 19, 2021	
Treasury Shares Granted to Employees	Number of Shares (In Thousands of Shares)	Weighted-average Exercise Price ($)	Number of Shares (In Thousands of Shares)	Weighted-average Exercise Price ($)
Balance at January 1	-		-	
Shares granted	2,231	$ 13.7	769	$ 13.7
Shares exercised	(2,231)		(769)	
Shares expired	-		-	
Balance at December 31	-		-	
Shares exercisable, end of the period	-		-	
Weighted-average fair value of shares granted ($)	$ 8.69		$ 1.56	

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

	May 7, 2021	January 19, 2021
Exercise price ($)	$13.7	$13.7
Fair value ($)	$8.69	$1.56
Expected rate of volatility	28.78%	22.12%
Duration	85 days	39 days
Risk-free rate of interest	0.12%	0.17%

For the year ended December 31, 2021, the Company recognized $15,428 thousand of compensation costs on the grant date, and recognized a deduction of $96 thousand from capital surplus - treasury shares transaction on the shares settlement date.

30. CASH FLOW INFORMATION

a. Non-cash transactions

In 2020, the Company purchased the shares of associates. The related contingent consideration of $50,000 has not yet been paid and was recognized under other payables.

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2021

	Opening Balance	Cash Flows	Non-cash Changes: Remeasurement	Non-cash Changes: New Leases	Non-cash Changes: Amortization of Interest Expense	Others	Closing Balance
Short-term borrowings	$ 1,419,000	$ (615,000)	$ -	$ -	$ -	$ -	$ 804,000
Short-term bills payable	136,773	(2,000)	-	-	69	-	134,842
Long-term borrowings	5,301,250	(457,500)	-	-	-	-	4,843,750
Guarantee deposits received	24,570	(823)	-	-	-	-	23,747
Lease liabilities	1,324,810	(45,515)	15,163	1,589	20,314	(20,314)	1,296,047
	$ 8,206,403	$ (1,120,838)	$ 15,163	$ 1,589	$ 20,383	$ (20,314)	$ 7,102,386

For the year ended December 31, 2020

	Opening Balance	Cash Flows	Non-cash Changes: Remeasurement	Non-cash Changes: New Leases	Non-cash Changes: Amortization of Interest Expense	Others	Closing Balance
Short-term borrowings	$ 540,000	$ 879,000	$ -	$ -	$ -	$ -	$ 1,419,000
Short-term bills payable	269,758	(133,000)	-	-	15	-	136,773
Long-term borrowings	4,924,928	376,322	-	-	-	-	5,301,250
Guarantee deposits received	25,392	(822)	-	-	-	-	24,570
Lease liabilities	1,347,770	(38,813)	11,852	4,001	20,949	(20,949)	1,324,810
	$ 7,107,848	$ 1,082,687	$ 11,852	$ 4,001	$ 20,964	$ (20,949)	$ 8,206,403

31. CAPITAL MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Company’s overall strategy remained unchanged in both 2021 and 2020.

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

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

32. FINANCIAL INSTRUMENTS

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

The Company’s management believes that the carrying amount of financial assets and financial liabilities recognized in the financial statements which are not measured at fair value approximates their fair value or 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, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares in domestic market	$ 371,538	$ -	$ -	$ 371,538
Listed shares in foreign market	50,340	-	-	50,340
Mutual funds	61,766	218,927	-	280,693
	$ 483,644	$ 218,927	$ -	$ 702,571
Financial assets at FVTOCI				
Listed shares in domestic market	$ 10,290,950	$ -	$ -	$ 10,290,950
Unlisted shares in domestic market	-	-	387,002	387,002
	$ 10,290,950	$ -	$ 387,002	$ 10,677,952

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares in domestic market	$ 334,856	$ -	$ -	$ 334,856
Listed shares in foreign market	64,909	-	-	64,909
Mutual funds	-	72,017	-	72,017
	$ 399,765	$ 72,017	$ -	$ 471,782
Financial assets at FVTOCI				
Listed shares in domestic market	$ 9,290,876	$ -	$ -	$ 9,290,876
Unlisted shares in domestic market	-	-	304,901	304,901
	$ 9,290,876	$ -	$ 304,901	$ 9,595,777

There were no transfers between Levels 1 and 2 in 2021 and 2020.

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

For the year ended December 31, 2021

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2021	$ 304,901
Purchase	90,000
Recognized in other comprehensive income	(7,899)
Balance at December 31, 2021	$ 387,002

For the year ended December 31, 2020

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2020	$ 345,511
Purchase	10,000
Recognized in other comprehensive income	(50,610)
Balance at December 31, 2020	$ 304,901

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

The Company holds unlisted shares. The significant unobservable input in the measurement of such investments is liquidity discount. The fair value of unlisted shares is determined using market approach where the fair value of the shares of similar or peer companies is used as reference. As of December 31, 2021 and 2020, the ranges of liquidity discount used were 20.86%-30.00% and 25.95%-30.00%, respectively.

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

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

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

c. Categories of financial instruments

	December 31			
	2021		2020	
Financial assets				
Financial assets at FVTPL				
Mandatorily classified as at FVTPL	$	702,571	$	471,782
Financial assets measured at amortized cost (1)		2,161,204		2,047,740
Financial assets at FVTOCI				
Equity instruments		10,677,952		9,595,777
Financial liabilities				
Financial liabilities at amortized cost (2)		6,057,987		7,040,015
Contingent consideration of acquisition of associates (3)		-		50,000

1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalent, notes receivable and trade receivables from unrelated parties and related parties, other receivables from unrelated parties and related parties, financial assets at amortized costs, and refundable deposits.

2) The balances include financial liabilities measured at amortized cost, which comprise short-term loans, short-term bills payable, notes payable to unrelated parties, trade payables to unrelated and related parties, other payables to unrelated parties excluding payable for salaries and bonus, tax payable, payable for insurance, and payable for contingent consideration, other payables to related parties. current portion of long-term borrowings, long-term borrowings and guarantee deposits.

3) Refer to Note 14 for information about contingent consideration of acquisition of associates.

d. Financial risk management objectives and policies

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

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

1) Market risk

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

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

a) Foreign currency risk

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

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

The carrying amounts of the Company's foreign-currency-denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 37.

Sensitivity analysis

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

The following table details the Company's sensitivity to a 5% increase and decrease in the New Taiwan dollar (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		**HKD Impact**	
	For the Year Ended December 31		**For the Year Ended December 31**	
	2021	**2020**	**2021**	**2020**
Profit or loss	$ 46,558 (i)	$ 69,801 (i)	$ 4 (ii)	$ 144 (ii)

	EUR Impact		**JPY Impact**	
	For the Year Ended December 31		**For the Year Ended December 31**	
	2021	**2020**	**2021**	**2020**
Profit or loss	$ 8,573 (iii)	$ 9,619 (iii)	$ 34,683 (iv)	$ 2,094 (iv)

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

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

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

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

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

b) Interest rate risk

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

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

	December 31	
	2021	**2020**
Fair value interest rate risk		
Financial assets	$ 2,320,992	$ 2,843,242
Financial liabilities	1,834,889	2,480,583
Cash flow interest rate risk		
Financial assets	872,341	225,048
Financial liabilities	5,243,750	5,701,250

Sensitivity analysis

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

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2021 and 2020 would have decreased/increased by $10,929 thousand and $13,690 thousand, respectively.

For the year ended December 31, 2021, the Company's sensitivity to interest rates decreased during the current period mainly due to the decrease in floating rate liabilities.

c) Other price risk

The Company 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 Company 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 prices (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, 2021 would have increased/decreased by $3,310 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, 2021 would have increased/decreased by $5,922 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, 2021 would have increased/decreased by $3,715 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, 2021 would have increased/decreased by $100,857 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If equity prices (except for equity securities of Taiwan Cement Corporation) had been 1% higher/lower, the pre-tax profit or loss for the year ended December 31, 2020 would have increased/decreased by $1,374 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, 2020 would have increased/decreased by $5,186 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, 2020 would have increased/decreased by $3,344 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, 2020 would have increased/decreased by $90,771 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

Except for equity securities of Taiwan Cement Corporation, the Company's sensitivity to equity price as a result of the changes in fair value of financial assets at FVTPL increased due to the increase in the amount of such equity securities; the Company's sensitivity to equity price as a result of the changes in fair value of financial assets at FVTOCI increased due to the increase in the amount of such equity securities.

The Company's sensitivity to equity price of Taiwan Cement Corporation increased due to the increase in the price of such financial assets at FVTOCI.

2) Credit risk

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

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

The credit risk was mainly concentrated on the top 10 customers of the Company. As of December 31, 2021 and 2020, receivables from the top 10 customers accounted for 89% and 84%, respectively, of total receivables.

In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, as of the end of the accounting period, the Company 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 Company'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 Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2021 and 2020, the Company 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 Company's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed 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, 2021

	On Demand or Less than 1 Month	1 Month to 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	$ 125,054	$ 124,069	$ 5,185	$ -	$ 21,087
Fixed interest rate liabilities	404,596	135,000	-	-	-
Lease liabilities	17,192	223	65,643	265,997	1,192,699
Variable interest rate liabilities	405,873	9,433	618,550	3,909,960	462,358
	$ 952,715	$ 268,725	$ 689,378	$ 4,175,957	$ 1,676,144

Additional information about the maturity analysis of lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 83,058	$ 265,997	$ 325,015	$ 325,015	$ 325,015	$ 217,654

December 31, 2020

	On Demand or Less than 1 Month	1 Month to 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	$ 147,905	$ 54,662	$ 6,235	$ 2,280	$ 21,910
Fixed interest rate liabilities	952,789	204,074	-	-	-
Lease liabilities	17,007	133	51,420	267,327	1,255,548
Variable interest rate liabilities	205,633	10,979	703,162	4,427,438	584,879
	$ 1,323,334	$ 269,848	$ 760,817	$ 4,697,045	$ 1,862,337

Additional information about the maturity analysis of lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 68,560	$ 267,327	$ 322,203	$ 322,203	$ 322,203	$ 288,939

b) Financing facilities

	December 31	
	2021	2020
Unsecured bank overdraft facilities, reviewed annually and payable on demand:		
Amount used	$ 830,000	$ 1,481,000
Amount unused	2,880,000	2,129,000
	$ 3,710,000	$ 3,610,000
Secured bank overdraft facilities:		
Amount used	$ 4,952,750	$ 5,376,250
Amount unused	531,000	665,000
	$ 5,483,750	$ 6,041,250

33. TRANSACTIONS WITH RELATED PARTIES

In addition to those disclosed in the other notes, details of transactions between the Company and related parties are as follows.

a. Related party name and category

Related Party Name	Related Party Category
Taiwan Cement Corporation	The Company acts as a member of the board of directors (B.O.D.)
Tong Yang Chia Hsin International Corporation	Subsidiary
Chia Hsin Property Management & Development Corporation	Subsidiary

(Continued)

Related Party Name	Related Party Category
Chia Pei International Corporation	Subsidiary
Jaho Life Plus+ Management Corp., Ltd.	Subsidiary
YJ International Corporation	Subsidiary
CHC Ryukyu Development GK	Subsidiary
CHC Ryukyu COLLECTIVE KK	Subsidiary
Chia Hsin Construction & Development Corp.	Associate
LDC ROME HOTELS S.R.L.	Associate
La Trinite Naturelle Corp.	Substantive related party

(Concluded)

b. Revenue

Line Item	Related Party Category/Name	For the Year Ended December 31 2021	2020
Service revenue	Subsidiaries (1)		
	Chia Hsin Property Management & Development Corporation	$ 6,960	$ 6,960
	Chia Pei International Corporation	2,775	2,775
	Tong Yang Chia Hsin International Corporation	3,036	3,036
	YJ International Corporation	-	360
	CHC Ryukyu COLLECTIVE KK	5,489	7,111
	CHC Ryukyu Development GK	-	157
	Jaho Life Plus+ Management Corp., Ltd.	3,120	3,120
		$ 21,380	$ 23,519
Other revenue	The Company acts as a member of B.O.D.		
	Taiwan Cement Corporation (3)	$ 36,615	$ 30,387
	Subsidiaries		
	Chia Pei International Corporation (2)	93,615	92,387
		$ 130,230	$ 122,774

1) The Company's service revenue comes from the management services provided to the related parties. According to the contract, the service fee is based on the amount of the relevant expenses and the additional 10% charge. The fee is paid monthly and the receipt is issued in current month.

2) To ensure the smooth operation of the wharf in the Port of Taipei and the facilities in the base, the Company signed an agreement with its subsidiaries for logistic and warehouse service and cooperative management in the port. The service fee is determined by taking the Company's investment and remuneration into consideration. Since April 1, 2020, the calculation of fee has been changed to be based on the amount per ton. The fee is settled monthly and paid quarterly. The receipt is issued in the same month when the fee is settled.

3) To ensure the smooth operation of cement silo in wharf No. 33 of the west bank in the Port of Keelung, the Company signed a management agreement with its associates. The fee is settled monthly and the receipt is issued in the next month.

c. Cost of goods sold

Line Item	Related Party Category/Name	For the Year Ended December 31 2021	2020
Purchases of goods	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	$ 696,400	$ 453,720
Other operating cost	Subsidiaries		
	Tong Yang Chia Hsin International Corporation (1)	$ 69,045	$ 71,442
	Chia Pei International Corporation (2)	18,634	13,976
		$ 87,679	$ 85,418

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.

1) To ensure the smooth operation of cement silo in wharf No. 33 of the west bank in the Port of Keelung, the Company signed a management agreement with its subsidiaries. The fee is billed monthly and paid in the next month. In addition, to supply cement to Taichung and its surrounding area, the Company signed an agreement with its subsidiaries in 2003 for the logistic and warehouse service. The stock and distribution center in wharf No. 27 in the Port of Taichung takes charge of such service. The fee is billed at the end of each quarter and paid in the next month.

2) The Company consigned partial warehousing and storage services in Port of Taipei to its subsidiaries. The fee is billed at the end of each quarter and paid in the next month.

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

Line Item	Related Party Category/Name	December 31 2021	2020
Trade receivables	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	$ 10,064	$ 2,686
	Subsidiaries		
	Chia Pei International Corporation	5,085	7,562
	Others	1,646	1,632
		$ 16,795	$ 11,880
Other receivables	Subsidiaries		
	Tong Yang Chia Hsin International Corporation	$ 3,495	$ 2,700
	Chia Hsin Property Management & Development Corporation	4,625	6,960
	Others	25	-
	Associates	317	593
		$ 8,462	$ 10,253

(Continued)

Line Item	Related Party Category/Name	December 31 2021	December 31 2020
Other receivables under linked-tax system (other receivables from related parties)	Subsidiaries		
	Chia Hsin Property Management & Development Corporation	$ 35,512	$ 36,940

(Concluded)

The outstanding trade and other receivables from related parties are unsecured. For the years ended December 31, 2021 and 2020, no impairment loss was recognized on trade and other receivables from related parties.

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

Line Item	Related Party Category/Name	December 31 2021	December 31 2020
Trade payables	Subsidiaries	$ 5,664	$ 6,483
	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	123,932	73,132
		$ 129,596	$ 79,615
Other payables	Subsidiaries		
	Chia Hsin Property Management & Development Corporation	$ 20,715	$ 19,580
	Others	112	-
	Substantive related parties	72	-
		$ 20,899	$ 19,580

The outstanding trade and other payables to related parties are unsecured.

f. Loans to related parties

Line Item	Related Party Category/Name	December 31 2021	December 31 2020
Other receivables	Associates		
	LDC ROME HOTELS S.R.L.	$ -	$ 18,677
Other receivables - interest receivables	Associates		
	LDC ROME HOTELS S.R.L.	$ -	$ 164

The Company provided its associates with unsecured short-term loans at rates comparable to market interest rates. As of December 31, 2021 and 2020, the abovementioned loans to related parties were not secured. The related party paid off the principal and interest in full on May 31, 2021.

For the years ended December 31, 2021 and 2020, the interest income from the loans was $112 thousand and $710 thousand, respectively.

g. Acquisitions of financial assets

For the year ended December 31, 2020

Related Party Category/Name	Line Item	Number of Shares	Underlying Assets	Purchase Price
Subsidiaries				
Jaho Life Plus+ Management Corp., Ltd.	Investments accounted for using the equity method	10,000,000	Jaho Life Plus+ Management Corp., Ltd.	$ 100,000
Associates				
LDC ROME HOTELS S.R.L.	Investments accounted for using the equity method	-	LDC ROME HOTELS S.R.L.	37,120
				$ 137,120

h. Sublease arrangements

Sublease arrangements under finance lease

The Company subleases its right-of-use assets on the wharf and the facilities in the Port of Taipei to its associate - Chia Pei International Corporation with a lease term of 35 years and 5 months, and the net investment in the leases was $1,358,230 thousand at the inception of the lease. For the years ended December 31, 2021 and 2020, no impairment loss was recognized on finance lease receivable from related parties.

Line Item	Related Party Category/Name	December 31 2021	December 31 2020
Finance lease receivables	Subsidiaries		
	Chia Pei International Corporation	$ 1,285,566	$ 1,311,442

Interest income was as follows:

Related Party Category/Name	For the Year Ended December 31 2021	For the Year Ended December 31 2020
Subsidiaries		
Chia Pei International Corporation	$ 20,132	$ 20,737

i. Other related party transactions

1)

Line Item	Related Party Category/Name	For the Year Ended December 31 2021	For the Year Ended December 31 2020
Rental expense	Subsidiaries	$ 9,372	$ 8,572
Operating expense - entertainment	Substantive related parties	$ 950	$ -
The remuneration of directors and supervisors (other income)	Subsidiaries	$ 8,119	$ 7,900
	The Company acts as a member of the B.O.D.	25,696	24,543
	Associates	436	657
		$ 34,251	$ 33,100

The Company leased office from its subsidiaries; and the lease agreements were negotiated by both sides of the parties. The lease payment is due monthly.

The Company served as director of related parties. The remuneration of directors and supervisors is certified and distributed by the B.O.D. in the next year under the Articles of Incorporation of related parties.

2)

Line Item	Related Party Category/Name	For the Year Ended December 31 2021	2020
Dividends (the credit item of investments accounted for using the equity method)	Subsidiaries	$ 2,021,027	$ 744,703
	Associates	15,729	47,189
		$ 2,036,756	$ 791,892
Dividends revenue	The Company acts as a member of the B.O.D.	$ 733,777	$ 518,874

j. Endorsements and guarantees

Endorsements and guarantees provided by the Company

	December 31 2021 Amount Utilized	2021 Amount Endorsed	2020 Amount Utilized	2020 Amount Endorsed
Subsidiaries				
Chia Hsin Property Management & Development Corporation	$ -	$ -	$ -	$ 1,480,000
CHC Ryukyu Development GK	192,400	408,850	138,150	607,860
CHC Ryukyu COLLECTIVE KK	1,202,500	1,322,750	1,049,940	1,657,800
Associates				
LDC ROME HOTELS S.R.L.	300,672	340,000	357,204	447,600
	$ 1,695,572	$ 2,071,600	$ 1,545,294	$ 4,193,260

Endorsements and guarantees given by the subsidiaries

	December 31 2021 Amount Utilized	2021 Amount Endorsed	2020 Amount Utilized	2020 Amount Endorsed
Subsidiaries				
Chia Hsin Property Management & Development Corporation	$ 5,052,750	$ 6,640,000	$ 5,376,250	$ 6,640,000

For the years ended December 31, 2021 and 2020, the service fee on the endorsements and guarantees between the Company and subsidiaries are as follows:

	Endorsements and Guarantees Provided by the Company (Other Income)		Endorsements and Guarantees Provided by Related Parties (Other Gains and Losses)	
	For the Year Ended December 31		For the Year Ended December 31	
	2021	2020	2021	2020
Subsidiaries				
Chia Hsin Property Management & Development Corporation	$ 11	$ 1,675	$ 19,698	$ 18,619

The Company signed short and medium-term guaranteed loan contracts with First Commercial Bank, Cathay United Bank, Bank SinoPac, China Trust Commercial Bank and Taiwan Cooperative Bank. The loans are secured by the land and the buildings of subsidiaries.

k. Remuneration of key management personnel

The Remuneration of key management personnel are as follows:

	For the Year Ended December 31	
	2021	2020
Short-term employee benefits	$ 46,668	$ 52,287
Share-based payment	3,816	-
	$ 50,484	$ 52,287

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.

34. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	December 31	
	2021	2020
Financial assets at amortized cost - non-current	$ 9,476	$ 9,476

35. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

a. Significant commitments

As of December 31, 2021 and 2020, the Company had bank guarantees of both $153,034 thousand issued under its name for the operations in the ports.

b. The East Wharf No. 15 in the Port of Taipei collapsed on January 21, 2019, then Port of Keelung, Taiwan International Ports Corporation Ltd. ("Ports Corporation") repaired the wharf which was completed on November 12, 2020. Ports Corporation claimed against Chia Hsin Cement Corporation compensation for the related repair expenses in the amount of $116,791 thousand. According to the legal advice to the Company, the management expects an unfavorable outcome of the litigation to be less likely to occur.

36. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Company completed the dissolution registration of subsidiary Yonica Pte Ltd. on February 2, 2022.

37. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2021

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
Financial assets			
Monetary items			
USD	$ 33,640	27.68 (USD:NTD)	$ 931,165
HKD	20	3.5506 (HKD:NTD)	71
EUR	5,474	31.32 (EUR:NTD)	171,459
JPY	2,884,259	0.2405 (JPY:NTD)	693,664
Non-monetary items			
Investments accounted for using the equity method			
EUR	9,232	31.32 (EUR:NTD)	289,131
USD	82,337	27.68 (USD:NTD)	2,279,076
Financial assets at FVTPL			
USD	10,141	27.68 (USD:NTD)	280,693
HKD	14,178	3.5506 (HKD:NTD)	50,340

December 31, 2020

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
Financial assets			
Monetary items			
USD	$ 49,018	28.48 (USD:NTD)	$ 1,396,024
HKD	785	3.6730 (HKD:NTD)	2,883
EUR	5,493	35.02 (EUR:NTD)	192,378
JPY	151,541	0.2763 (JPY:NTD)	41,871

(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
Non-monetary items			
Investments accounted for using the equity method			
EUR	$ 10,489	35.02 (EUR:NTD)	$ 367,335
USD	82,228	28.48 (USD:NTD)	2,341,844
Financial assets at FVTPL			
USD	2,529	28.48 (USD:NTD)	72,017
HKD	17,672	3.6730 (HKD:NTD)	64,909

(Concluded)

For the years ended December 31, 2021 and 2020, realized and unrealized net foreign exchange losses were $105,687 thousand and $48,103 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.

38. OTHERS

a. Important contracts

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

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

b. The Company entered into a contract with CHC Resources Corporation on December 1, 2014 to jointly operate the storage and transport of slag powder and its related products at the Port of Taipei. The contract term is valid until May 10, 2045. Upon expiration of the contract, CHC Resources Corporation will be given priority to negotiate a new contract under the premise that the Company extends its contract with the Harbor Bureau. CHC Resources Corporation pays various fees to the Company in accordance with the contract. Unless otherwise specified in the contract, in the event that any party cannot perform its contractual obligations (e.g., due to a financial crisis, changes in market supply and demand, or other unforeseeable circumstances), the contract may be terminated in advance with the consent of the other party.

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

d. For the Company's business strategy, the Company entered into a name-borrowing contract with its wholly-owned subsidiary Bluesky Co., Ltd. ("Bluesky"), so the Company may purchase real estate registered under the name of Bluesky. The Company retains the right to manage, use and dispose of the real estate, and Bluesky may not transfer the ownership to third party or create an encumbrance on the real estate without prior written consent from the Company. The original ownership certificate, transfer registration documents, and seal used for registration shall be under the custody of the Company or a person designated by the Company. Bluesky shall handle, manage, use or dispose the real estate in accordance with the instructions of the Company. Any income from the use and/or disposal of the real estate shall belong to the Company. The Company may request to return or transfer part of or the entire ownership of the real estate to the Company or third party designated by the Company at any time. Bluesky guarantees that no third party (including but not limited to the creditors of Bluesky) will petition to seize, hold or claim any other rights over the real estate. In the event a third party petitions to seize, hold or claim any other rights over the real estate, Bluesky shall prevent the third party from exercising or claiming the said rights, and protect the Company from sustaining any damages. Bluesky shall be fully liable for any damages the Company sustains, including but not limited to loss and damage due to being unable to return or transfer ownership of the real estate to the Company or a third party designated by the Company, and reasonable attorney's fees.

e. Affected by the global COVID-19 pandemic, various epidemic prevention procedures implemented successively by various counties have a impact on the Company's business. Although the domestic epidemic has slowed down and government policies have been loosened, the global economic outlook remains uncertain. The Company has adopted relevant actions to reduce the impact on the Company's operations. In addition to maintaining close contact with customers and manufacturers, it is also committed to strengthening employee health management. However, the actual extent of the impact on the Company will be determined on the subsequent development of the epidemic.

   In terms of financing strategy, as of December 31, 2021, the unutilized bank financing line of the Company is NT$3,411,000 thousand, and the Company has no concern about financing difficulties. As the epidemic slows down and policies loosen, the Company expects operations will return to normal gradually. The Company will continue to monitor the progress of the pandemic and adjust relevant tactics as needed. Based on the aforementioned assessment, the epidemic did not have a material impact on the impairment of assets or the continuing operations of the Company.

39. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and b. investees:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital (None)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital (None)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital (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 4)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 5)

9) Trading in derivative instruments (None)

10) 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)

TABLE 1

CHIA HSIN CEMENT CORPORATION

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
0	Chia Hsin Cement Corporation (Note 1)	LDC ROME HOTELS S.R.L.	Other receivables from related parties	Yes	$ 49,028	$ -	$ -	1.5 (Note 3)	Short-term financing	$ -	The need for financing operating capital	$ -	-	$ -	$ 3,753,805	$ 10,010,147

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

Note 2: The highest balance for the period and ending balance presented above are listed in New Taiwan dollars (NTD). The highest balance denominated in foreign currency is translated using the prevailing exchange rate; and the ending balance is translated into NTD using the exchange rate as of December 31, 2021.

Note 3: Total interest is $112 thousand in the period.

TABLE 2

CHIA HSIN CEMENT CORPORATION

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2021
(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)	Chia Hsin Property Management & Development Corporation	b.	$ 7,747,805 (Paid-in capital)	$ 1,480,000	$ -	$ -	$ -	-	$ 25,025,368	Yes	No	No
		LDC ROME HOTELS S.R.L.	f.	7,747,805 (Paid-in capital)	787,600	340,000	300,672	-	1.36%	25,025,368	No	No	No
		CHC Ryukyu Development GK	b.	7,747,805 (Paid-in capital)	958,230	408,850	192,400	-	1.63%	25,025,368	Yes	No	No
		CHC Ryukyu COLLECTIVE KK	b.	7,747,805 (Paid-in capital)	2,825,550	1,322,750	1,202,500	-	5.29%	25,025,368	Yes	No	No
1	Chia Hsin Property Management & Development Corporation (Note 3)	Chia Hsin Cement Corporation	c.	25,025,368	6,640,000	6,640,000	5,052,750	6,640,000	26.53%	25,025,368	No	Yes	No
2	Jaho Life Plus+ Management Corp., Ltd. (Note 4)	Gemcare Maternity Center	a.	200,000	1,000	1,000	1,000	1,000	-	400,000	No	No	No
		Gemcare Dunhua Maternity Center	a.	200,000	1,000	1,000	1,000	1,000	-	400,000	No	No	No

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

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

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

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

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

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

TABLE 3

CHIA HSIN CEMENT CORPORATION

MARKETABLE SECURITIES HELD
DECEMBER 31, 2021
(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, 2021				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Chia Hsin Cement Corporation	Shares							
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTPL - current	7,740,307	$ 371,535	0.12	$ 371,535	
	Asia Cement Corporation		Financial assets at FVTPL - current	71	3	-	3	
	Foreign shares							
	Anhui Conch Cement Co., Ltd.		Financial assets at FVTPL - current	364,000	50,340	0.01	50,340	
	Foreign fund							
	Greenwoods Golden China Fund - Unrestricted Class A (0518)		Financial assets at FVTPL - current	3,340	38,724	-	38,724	
	JPMorgan Funds - Russia		Financial assets at FVTPL - current	81,593	38,439	-	38,439	
	JPMorgan Funds - ASEAN Fund		Financial assets at FVTPL - current	2,697	11,277	-	11,277	
	JPMorgan Funds - Pacific Technology Fund		Financial assets at FVTPL - current	3,769	12,050	-	12,050	
	The Partners Fund - Class N-N (Series 27)		Financial assets at FVTPL - current	2,453	91,882	-	91,882	
	Blackstone Real Estate Income Trust iCapital Offshore Access Fund SPC - Class A ACC - (Series 27)		Financial assets at FVTPL - current	1,420	55,987	-	55,987	
	Haitong Freedom Multi-Tranche Bond Fund - P3M		Financial assets at FVTPL - current	11,572	32,334	-	32,334	
	Shares							
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - current	25,400,783	1,219,238	0.40	1,219,238	
	CHC Resources Corporation		Financial assets at FVTOCI - current	4,285,694	194,356	1.72	194,356	
	Chien Kuo Construction Co., Ltd.		Financial assets at FVTOCI - current	771,256	10,875	0.30	10,875	
	Shares							
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	184,718,366	8,866,481	2.92	8,866,481	
	B Current Impact Investment Fund 3		Financial assets at FVTOCI - non-current	1,000,000	10,000	10.00	10,000	
	Pan Asian (Engineers & Constructors) Corporation		Financial assets at FVTOCI - non-current	2,718,217	23,975	2.38	23,975	
	Chia Hsin Ready-Mixed Concrete Corporation		Financial assets at FVTOCI - non-current	12,718,440	249,027	13.71	249,027	
	Overseas Investment & Development Corp.		Financial assets at FVTOCI - non-current	2,000,000	14,000	2.22	14,000	
	Smart Ageing Tech Co., Ltd.		Financial assets at FVTOCI - non-current	3,600,000	90,000	11.17	90,000	
	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	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Tong Yang Chia Hsin International Corporation	Shares							
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTPL - current	13,591,719	652,403	0.21	652,403	
	Foreign fund							
	Haitong Freedom Multi-Tranche Bond Fund - P3M		Financial assets at FVTPL - current	11,572	32,334	-	32,334	
	Shares							
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - current	32,457,173	1,557,944	0.51	1,557,944	
	Chia Hsin Cement Corporation	Parent company	Financial assets at FVTOCI - non-current	127,370,320	2,642,934	16.44	2,642,934	
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	60,242,447	2,891,638	0.95	2,891,638	
	IBT Second Venture Capital Co., Ltd.		Financial assets at FVTOCI - non-current	725,493	4,353	2.30	4,353	
	Kaohsiung Tug and Port Service Corp.		Financial assets at FVTOCI - non-current	350,000	2,971	0.88	2,971	

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)

TABLE 4

CHIA HSIN CEMENT CORPORATION

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(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	$ 696,400	69	60 days from the purchase day	N/A (equal to the price for other clients)	N/A (same as the term for other clients)	$ (123,932)	(55)	

TABLE 5

CHIA HSIN CEMENT CORPORATION

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2021
(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	$ 1,285,566 (Note 1)	-	$ -	-	$ 14,361	$ -

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

Note 2: The amount received in subsequent period as of March 22, 2022.

CHIA HSIN CEMENT CORPORATION

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income/(Loss) of the Investee	Share of Profit/(Loss) of Investee	Remark
				December 31, 2021	December 31, 2020	Number of Shares	%	Carrying Amount			
Chia Hsin Cement Corporation	Chia Hsin Construction & Development Corp.	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Office buildings construction and lease and sale of public housings	$ 656,292	$ 656,292	31,458,920	43.87	$ 1,870,402	$ 114,794	$ 50,360	(Notes 3)
	Tong Yang Chia Hsin International Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	General international trade	1,600,159	1,600,159	257,073,050	87.18	6,725,581	663,321	578,288	Subsidiary
	Chia Hsin Property Management & Development Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Wholesale and retail business of machinery; warehousing; residence, factory buildings and office buildings leasing and selling; PPE leasing and selling	1,000,000	1,000,000	100,000,000	100.00	3,963,806	138,355	138,355	Subsidiary
	Chia Pei International Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Mining; wholesale of building materials; nonmetallic mining; retail sale of building materials; international trade; rental and leasing business; retail sale of other machinery and equipment	120,000	120,000	19,560,000	100.00	220,413	22,721	22,721	Subsidiary
	BlueSky Co., Ltd.	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	International trade; real estate trading; real estate leasing	81,561	81,561	8,300,000	100.00	84,072	608	608	Subsidiary
	Chia Hsin Pacific Limited	Cayman Islands	Holding company	969,104	969,104	19,186,070	74.16	2,279,077	279,890	207,552	Subsidiary
	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	886,562	(366,475)	(366,475)	Subsidiary
	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	188,142	(36,903)	(36,903)	Subsidiary
	LDC ROME HOTELS S.R.L.	Rome, Italy	Hospitality industry	NT$ 534,653 (EUR 17,070,667)	NT$ 534,653 (EUR 17,070,667)	-	40.00	289,131	(104,258)	(41,703)	(Note 3)
	L'Hotel De Chine Corporation	11F, No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Hotel and tourism	1,157,340	1,157,340	67,998,915	23.10	1,032,448	(603,476)	(134,533)	(Note 3)
	International Chia Hsin Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	International trade; general investment	69,341	69,341	5,800,000	19.33	118,091	13,023	2,517	
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	251,494	4,857	4,857	Second-tier subsidiary
YJ International Corporation	CHC Ryukyu Development GK	2 Chome-1-12 Matsuyama, Naha, Okinawa, Japan	Real estate rental and leasing; management consulting service	NT$ 235,588 (JPY 979,575,335)	NT$ 235,588 (JPY 979,575,335)	-	100.00	135,129	(4,863)	(4,863)	Second-tier subsidiary
	CHC Ryukyu COLLECTIVE KK	2 Chome-1-12 Matsuyama, Naha, Okinawa, Japan	Hospitality industry	NT$ 1,688,412 (JPY 7,020,424,665)	NT$ 1,688,412 (JPY 7,020,424,665)	-	100.00	680,488	(357,102)	(357,102)	Second-tier subsidiary
Chia Hsin Pacific Limited	Yonica Pte Ltd.	Singapore	Investment and holding company	NT$ - (US$ -)	NT$ 1,842,138 (US$ 66,551,243)	-	-	NT$ - (US$ -)	NT$ 27,500 (US$ 981,827)	NT$ 27,500 (US$ 981,827)	Second-tier subsidiary (Note 4)
	Effervesce Investment Pte. Ltd.	Singapore	Investment and holding company	NT$ 860,257 (US$ 31,078,656)	NT$ 860,257 (US$ 31,078,656)	53,274,892	100.00	NT$ 1,370,996 (US$ 49,530,200)	NT$ (36,601) (US$ -1,306,764)	NT$ (36,601) (US$ -1,306,764)	Second-tier subsidiary
	Sparksview Pte. Ltd.	Singapore	Investment and holding company	NT$ 79,506 (US$ 2,872,328)	NT$ 79,506 (US$ 2,872,328)	3,763,350	100.00	NT$ 174,239 (US$ 6,294,747)	NT$ 2,467 (US$ 88,067)	NT$ 2,467 (US$ 88,067)	Second-tier subsidiary
Tong Yang Chia Hsin International Corporation	International Chia Hsin Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	International trade; general investment	36,642	36,642	6,052,636	20.18	135,218	13,023	2,629	
	Tong Yang Chia Hsin Marine Corp.	Panama	Shipping service	NT$ 74,736 (US$ 2,700,000)	NT$ 74,736 (US$ 2,700,000)	2,700	100.00	448,046	1,786	1,786	Second-tier subsidiary
	Chia Hsin Pacific Limited	Cayman Islands	Holding company	626,119	626,119	6,257,179	24.18	743,278	279,890	67,689	Subsidiary

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

Note 2: The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of December 31, 2021: US$1=NT$27.680, JPY1=NT$0.2405, EUR1=NT$31.32; net income items denominated in foreign currencies are translated using the average exchange rate of 2021: US$1=NT$28.009, JPY1=NT$0.2550, EUR1=NT$33.157.

Note 3: Material associates.

Note 4: The liquidation of the Company was resolved by the board of directors on April 20, 2021, and the dissolution registration was completed on February 2, 2022.

Note 5: Except for Yonica Pte Ltd., of which the highest number of shares is 104,908,690 during the period, the highest number of shares held of each investee during the period is the same as those held at the end of the period, and all the shares held are not pledged as collateral.

CHIA HSIN CEMENT CORPORATION

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021
(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, 2021 (Note 1 (a.))	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021 (Note 1 (a.))	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1 (a.) and Note 9)	Carrying Amount as of December 31, 2021 (Note 1 (a.))	Accumulated Repatriation of Investment Income as of December 31, 2021	Note
					Outward (Note 1 (a.))	Inward (Note 1 (a.))							
Shanghai Jia Huan Concrete Co., Ltd.	Processing, manufacturing and selling of cement, concrete and other related products	$ 234,173 (US$ 8,460)	b. and d.	$ 352,145 (US$ 12,722)	$ - (US$ -)	$ - (US$ -)	$ 352,145 (US$ 12,722)	$ 8,167 (US$ 292)	95.23	$ 8,167 (US$ 292)	$ 520,945 (US$ 18,820)	$ - (US$ -)	Note 1 (b.) (2)
Shanghai Chia Hsin Ganghui Co., Ltd.	Warehousing and packing bulk cement and formulating and delivering high-strength cement	290,640 (US$ 10,500)	b.	444,707 (US$ 16,066)	- (US$ -)	- (US$ -)	444,707 (US$ 16,066)	7,995 (US$ 285)	95.23	7,995 (US$ 285)	430,062 (US$ 15,537)	- (US$ -)	Note 1 (b.) (2)
Shanghai Chang Hsin Shipping Co., Ltd. (Note 5)	Delivering cement	- (US$ -)	b.	84,839 (US$ 3,065)	- (US$ -)	- (US$ -)	84,839 (US$ 3,065)	(1,368) (US$ -49)	-	(547) (US$ -20)	- (US$ -)	- (US$ -)	Note 1 (b.) (2) and Note 7
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Consulting for developing information system for business and finance purpose	479,141 (US$ 17,310)	b.	733,437 (US$ 26,497)	- (US$ -)	- (US$ -)	733,437 (US$ 26,497)	(56,264) (US$ -2,009)	95.23	(55,623) (US$ -1,986)	493,540 (US$ 17,830)	- (US$ -)	Note 1 (b.) (2)
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Consulting for management of healthcare and hospitality business	251,807 (RMB 58,000)	f. Investor: Chia Hsin Business Consulting (Shanghai) Co., Ltd.	- (US$ -)	- (US$ -)	- (US$ -)	- (US$ -)	(57,102) (US$ -2,039)	95.23	(57,102) (US$ -2,039)	137,911 (US$ 4,982)	- (US$ -)	Note 1 (b.) (2)
Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd.	Providing healthcare service to mothers in pregnancy, parturition and postpartum period	182,343 (RMB 42,000)	f. Investor: Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	- (US$ -)	- (US$ -)	- (US$ -)	- (US$ -)	(21,886) (US$ -781)	95.23	(21,886) (US$ -781)	127,997 (US$ 4,624)	- (US$ -)	Note 1 (b.) (2)
Jiapeng Gemcare Maternity (Suzhou) Co., Ltd.	Providing healthcare service to mothers in pregnancy, parturition and postpartum period	43,415 (RMB 10,000)	f. Investor: Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	- (US$ -)	- (US$ -)	- (US$ -)	- (US$ -)	(31,751) (US$ -1,134)	95.23	(31,751) (US$ -1,134)	3,736 (US$ 135)	- (US$ -)	Note 1 (b.) (2)
Jiangsu Union Mining Industry Ltd. (Note 6)	Processing, manufacturing and delivering of limestone and other related products	- (RMB -)	c.	137,570 (US$ 4,970)	- (US$ -)	- (US$ -)	137,570 (US$ 4,970)	- (US$ -)	-	- (US$ -)	- (US$ -)	- (US$ -)	

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1 (a.))	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021 (Note 1 (a.))	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021 (Note 1 (a.))	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1 (a.))	Carrying Amount as of December 31, 2021 (Note 1 (a.))	Accumulated Repatriation of Investment Income as of December 31, 2021	Note
					Outward (Note 1 (a.))	Inward (Note 1 (a.))							
Jiangsu Jiaguo Construction Material Storage Co., Ltd.	Engaging in overland delivery of ordinary goods and the processing, manufacturing and selling of cement and other construction material	$ 365,376 (US$ 13,200)	e.	$ 383,285 (US$ 13,847)	$ - (US$ -)	$ - (US$ -)	$ 383,285 (US$ 13,847)	$ 4,649 (US$ 166)	87.18	$ 4,649 (US$ 166)	$ 441,630 (US$ 15,955)	$ - (US$ -)	Note 1 (b.) (2)
Jiangsu Jiaxin Property Limited Company	Developing and selling real estate and providing property management service	86,830 (RMB 20,000)	f. Investor: Jiangsu Jiaguo Construction Material Storage Co., Ltd.	- (US$ -)	- (US$ -)	- (US$ -)	- (US$ -)	353 (US$ 13)	87.18	353 (US$ 13)	94,065 (US$ 3,398)	- (US$ -)	Note 1 (b.) (2)

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

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2021	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (Notes 3 and 4)
$ 6,357,210 (US$ 229,668)	$ 6,425,192 (US$ 232,124)	$15,546,140

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

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, 2021: US$1=$27.680, RMB1=$4.341493; net income items denominated in foreign currencies are translated using the average exchange rate of 2021: US$1=$28.009, RMB1=$4.341679.

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 Yonica Pte. Ltd., the company that invests in mainland China.

d. Indirect investment in mainland China through companies registered in a third region. The Company and Tong Yang Chia Hsin International Corporation invest in Chia Hsin Pacific Limited, which then invests in Sparksview Pte. Ltd., the company that invests in mainland China.

e. Indirect investment in mainland China through companies registered in a third region. The Company and Tong Yang Chia Hsin International Corporation invest in Tong Yang Chia Hsin Marine Corp., which then invests in mainland China.

f. Other method.

Note 3: 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 share-for-share transaction with Taiwan Cement Corporation to get rid of the investment via TCC International Holdings Ltd. in mainland China. The result of the share-for-share transaction will be a decrease in investment in mainland China. On May 17, 2018, the aforementioned write-off of the amount and the ratio of investment was approved by the Investment Commission, Ministry of Economic Affairs.

(Continued)

Note 5: On May 17, 2021 the dissolution of Shanghai Chang Hsin Shipping Co., Ltd. has been completed. On August 20, 2021, the write-off of the investment in China was approved by the Investment Commission, Ministry of Economic Affairs.

Note 6: On December 29, 2020, the dissolution of Jiangsu Union Mining Co., Ltd. has been completed. On January 25, 2021, the write-off of the investment in China was approved by the Investment Commission, Ministry of Economic Affairs.

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

Note 8: Including the gains and losses recognized by using the equity method and the gains and losses on internal unrealized transactions.

Note 9: The highest number of shares held of each investee during the period is the same as those held at the end of the period, and all the shares held are not pledged as collateral.

(Concluded)

TABLE 8

CHIA HSIN CEMENT CORPORATION

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2021

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Tong Yang Chia Hsin International Corporation	127,370,320	16.43
Sung Ju Investment Corp.	68,780,239	8.87
Yung-Ping Chang	41,748,178	5.38

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

6.6 Impact on the Company's Financial Position for the Occurrence of Financial Difficulties of the Company and its Affiliates in the Past Year and up to the Publication Date of this Annual Report: None.

7. Review and Analysis of Financial Position, Financial Performance, and Risk Management

7.1 Financial Position

Unit: NTD thousands

Item \ Year	2021	2020	Difference	
			Amount	%
Current Assets	11,156,660	11,726,520	(569,860)	(5)
Property, Plant and Equipment	5,282,102	6,195,433	(913,331)	(15)
Other Assets	23,808,889	22,724,274	1,084,615	5
Total Assets	40,247,651	40,646,227	(398,576)	(1)
Current Liabilities	2,789,328	3,042,465	(253,137)	(8)
Non-current Liabilities	11,548,090	12,586,413	(1,038,323)	(8)
Total Liabilities	14,337,418	15,628,878	(1,291,460)	(8)
Share Capital	7,747,805	7,747,805	-	-
Capital Surplus	1,139,296	960,402	178,894	19
Retained Earnings	11,237,099	11,653,749	(416,650)	(4)
Other Equity	5,979,118	4,939,214	1,039,904	21
Treasury Shares	(1,077,950)	(1,119,023)	41,073	(4)
Total Equity Attributable to Owners of the Company	25,025,368	24,182,147	843,221	3
Non-controlling Interests	884,865	835,202	49,663	6
Total Equity	25,910,233	25,017,349	892,884	4

Analysis of difference ratio reaching 20% or above:

1. Increase of other equity: Mainly due to the increase of unrealized gain on financial assets at fair value through other comprehensive income.

7.2 Financial Performance

Unit：NTD Thousands

Item / Year	2021	2020	Difference	
			Amount	%
Operating Revenue	2,220,254	2,058,417	161,837	8
Operating Cost	2,189,455	2,202,158	(12,703)	(1)
Gross Profit	30,799	(143,741)	174,540	121
Operating Expenses	556,435	603,155	(46,720)	(8)
Net Other Income and Expenses	-	1,569,463	(1,569,463)	(100)
(Loss) Profit from Operations	(525,636)	822,567	(1,348,203)	(164)
Non-Operating Income and Expenses	1,345,156	1,283,475	61,681	5
Profit Before Income Tax from Continuing Operations	819,520	2,106,042	(1,286,522)	(61)
Income Tax Expense	(71,985)	(269,547)	197,562	73
Net Profit from discontinued operations	-	1,499	(1,499)	(100)
Net Profit for the Year	747,535	1,837,994	(1,090,459)	(59)

Analysis of difference ratio reaching 20% or above:

1. Increase of gross profit: Mainly due to the slowed down of Coronavirus in 2021, resulting in increase of revenue of Hotel Collective.
2. Decrease of net other income and expenses, (loss) profit from operations, profit before income tax from continuing operations, income tax expense and net profit for the year: Mainly due to the gains from disposal of investment properties (Luzhu) in 2020 by subsidiary CHPMD.
3. Decrease of net profit from discontinued operations: Mainly due to the completion of liquidation process of Jiangsu Union Cement Co. Ltd in 2020.

7.3 Cash Flow

1. Analysis of Cash Flow Changes for the Past Year

Unit: NTD thousands

Beginning Cash and Cash Equivalents	Annual Net Cash Flow from Operating Activities	Annual Net Cash Flow from Investing and Financing Activities	Cash Surplus (Insufficiency)	Remedial Measures for Cash Insufficiency	
				Investment Plans	Financing Plans
3,375,981	(194,716)	504,082	3,685,347	-	-

1. Analysis of change in cash flow in the current year:
   (1) Operating activities: Mainly due to the increase of fund investment.
   (2) Investment and Financing activities: Mainly due to the increase of cash dividends in the current period.
2. Remedial measures for insufficient cash: NA.

2. Analysis of Cash Flow Changes for the Past Two Years

Item \ Year	2021	2020	Difference (%)
Cash Flow Ratio (%)	0.00%	17.45%	(100)
Cash Flow Adequacy Ratio (%)	10.30%	15.70%	(34)
Cash Reinvestment Ratio (%)	0.00%	0.00%	-

Explanation of difference:

The decrease of cash flow ratio: Mainly due to the operating activity had net cash outflow in 2021.

3. Analysis of Cash Liquidity for the Coming Year

Unit: NTD thousands

Beginning Cash and Cash Equivalent	Estimated Net Cash Flows from Operating Activities	Estimated Cash Flows from Investing and Financing Activities	Cash Surplus (Insufficiency)	Remedial Measures for Cash Insufficiency	
				Investment plans	Financing plans
3,685,347	48,845	(595,635)	3,138,557	-	-

Analysis of cash liquidity in the coming year:

Based on the Company’s 2022 internal budget, a stable operating performance is expected and there will be no shortage of capital in the coming year.

7.4 Impact of Major Capital Expenditures on Financial Position and Operation in the Past Year

In 2021, the Company paid of RMB 17 million for the decoration project of the maternal and infant care centers in Yangzhou and Suzhou, China, and paid JPY 310 million of design fees for the Toyosaki, Okinawa project.

7.5 Investment Policies in the Past Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year

The Company's management carries out re-investments based on the Company's operations or strategic goals. Relevant departments provide summarized professional information, and make evaluation recommendations to the responsible supervisors. After the investment proposal is generated, the Company will then evaluate the past and future prospects of the invested company, the market situation, and the governance of the company to serve as the basis for the investment decisions.

In 2021, the net loss for LDC Rome Hotels S.R.L. was NTD 104 million, a decrease of NTD 84.75 million compared with the loss in 2020. The loss reduction mainly resulted from the Italian government's active promotion of vaccination. As the Coronavirus pandemic situation slowed down, the hotel reopened in June 2021, increased 2021's operational days compared to the previous year, and financial loss was improved. However, in Taiwan, due to the pandemic outbreak in the second and third quarter of 2021, occupancy rates and the number of guest visits of LDC Hotels & Resorts declined substantially, resulted in a loss of NTD 603 million in 2021, while Chia Hsin Construction & Development Corp., which the Company holds 43.87% of the shares, made a profit of NTD 115 million, a decrease of 45% compared with that of last year. The decrease was mainly due to the sale of real estate.

Finally, in 2021, Jubo, a domestic startup company which the Company holds 11.17% of the shares, continues its software and user interface development and optimization. Due to the Company's continuous effort in expanding into overseas markets, its annual revenue totaled NTD 15.96 million. Although the revenue grew by 252% compared to that of last year, its net loss was NTD 79.31 million due to the cost incurred from research and development and market expansion.

7.6 Analysis of Risk Management

7.6.1 Impact of Changes in Interest Rates, Exchange Rates and Inflation on Corporate Finance, and Future Response Measures

The main type of financing loan within the Group is long-term loan. The Company closely monitors the financial markets, the Group's overall operation needs and its financial status, as well as the interest rate trend in order to determine on the most effective financial instruments to cope with the interest rate risks.

Since the beginning of 2020, the spread of Coronavirus has become a global pandemic. Countries have implemented economic lockdown restrictions or other control measures for effective epidemic prevention. Nevertheless, this enforcement has seriously deteriorated the real economy worldwide. With the global commitment on COVID-19 vaccine development along with its roll-out success and the accelerating vaccination, the above economic lockdown restrictions are expected to be gradually lifted. In addition, the governments of various countries have started to adopt policies such as coexistence of viruses or zeroing out, and the global economy was expected to grow this year. However, the outbreak of the war between Russia and Ukraine shows that geopolitical changes have a huge impact on the global economy. The impact is due to the inflationary pressure caused by the surge in raw materials and the effect of increasing economic sanctions in Europe and the United States, which may lead to a recession in corporate profits and slower economic growth, and this also deepens the market's concern about entering stagnant inflation, which will have a certain degree of impact on the global economic growth.

Domestic financial environment, driven by the return of investment in Taiwan, Taiwan's economic growth is solid, the financial system is abundant liquidity, bank credit is also relatively stable, the recent global inflation has been climbing, but domestic prices in the government to take various stabilization measures, inflationary pressure is relatively light, but the Central Bank still announced in the first quarter to raise interest rates a code to cope with imported inflationary pressure, is expected to continue to have a small increase in interest rates, although this will increase the financing costs of the Group, but the overall debt ratio is relatively low, the impact is relatively limited.

In summary, the corresponding measures taken by the Company for the changes in interest rates and foreign exchange rates are as follows:

1. To avoid risks derived from the fluctuation of foreign exchange rates, the Company undertakes loans from local banks in the country of operations. The Company also has long-term loans along with capital injection as the primary funding source for its capital expenditures to avoid volatility risks from the interest rate markets.
2. To effectively manage its foreign currency position, the Company constantly focuses on the global foreign exchange market movements and takes appropriate hedging strategies. A diversified foreign currency deposits portfolio is implemented in order to meet with the Company's capital requirements.

   In order to keep abreast of the global economy and financial markets, the Company assigns its employees to attend workshops held by the financial institutions on global economic outlooks, currency hedging instruments, foreign exchange trading and analysis etc. By participating in such sessions, employees will become more sensitive to changes in the financial markets and are equipped to propose valid risk management strategies against the volatilities in both interest rate and foreign exchange rate markets.

.

7.6.2 Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-Risk, High-Leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

The Company does not engage in any high-risk or high-leveraged investment. Whenever engaging in lending or offering endorsement and guarantees to counterparties, the Company acts in compliance with its policies on "Procedures for Acquisition or Disposal of Assets" and "Procedures for Lending, Endorsement and Guarantee".

7.6.3 Future Research & Development Projects and Corresponding Budget: None.

7.6.4 Impact of and Response Measures to Major Changes in Policies and Regulations Relating to Corporate Finance and Operation

Each department of the Company monitors the changes of laws and decrees or any other major policies at home and abroad, alerts matters of attention, and evaluates potential impacts on the Company. Beginning 2019, the Legal Division has issued legal affairs newsletters to announce legal and major policy changes on a regular basis. In addition, Human Resources Division also has published human resources updates through its newsletters since early 2020. Whenever necessary, attorneys, accountants, or other professionals were consulted for their opinions on the relevant impacts on the Company caused by changes in policies and regulations. Based on these above professional evaluations and recommendations, the Company acts predominantly in line with regulation updates and hence minimizes those impacts on its finance and operation.

7.6.5 Impact of and Response Measures to Changes in Technology (including information security risks) and Industry Relating to Corporate Finance and Operation

The Board of Directors and management frequently focus on the changes in both technology and industry, adjust the Company's business models as seen fit, and actively employ countermeasures if needed.

1. In response to the ever-increasing network security risks, the Company has upgraded the anti-virus system to an endpoint protection system with both anti-virus and anti-hacking, increasing the cost by 7 times.

2. In order to maintain the safe environment of the computer room, in addition to the regular replacement of the UPS battery, the air conditioners in the computer room are renewed and an environmental monitoring system is installed.

3. In response to the coronavirus disease (COVID-19) , in order to maintain business continuity, set up a VPN system for employees who are isolated at home to work remotely. Implement multi-factor authentication with credentials and account verification to ensure connection security.

7.6.6 Impact of Changes in Corporate Image on Crisis Management, and the Company's Response Measures

As the Group enters into the hospitality industry and shifts from the traditional industry, the Company has therefore focused on rebuilding and strengthening its new corporate image since 2019. Professionals were engaged to conduct a campaign, including videos, presentations, and press events specifically targeted towards the general public, media, institutional investors, employees, customers, and shareholders. Stepping into consumer sector has made the Company more cautious and aware of corporate identity management. As social media becomes more prominent, a single negative comment may create significant impacts on the Company's reputation and business performance. To this respect, the Company's Business Strategy Division employs designated public relations personnel who manage corporate identity, monitor external reviews and propose crisis management strategies in taking promptly measures to prevent the corporate image from potential damages.

7.6.7 Expected Benefits from, Risks Relating to and Response Measures to Merger and Acquisition Plans: None.

7.6.8 Expected Benefits from, Risks Relating to and Response Measures to Plant

Expansion Plans

The Company does not have any plant expansion in progress currently, but its subsidiaries continue to invest in hotels and postpartum care centers. Prior to any investment, the target cases are carefully reviewed and the professional management teams are recruited to be in charge of the investment projects executed.

7.6.9 Risks Relating to and Response Measures to Purchasing and Sales Concentration:

None.

7.6.10 Impact of, Risks Relating to and Response Measures to Mass Share Transfers or Changes in Shareholdings by Directors or Shareholders with 10% Shareholding or more: None.

7.6.11 Impact of, Risks Relating to and Response Measures to the Changes in Management Rights: None.

7.6.12 Litigation or Non-litigation Matters

A portion of the pier wall at East Wharf 15 of the Taipei Port First Bulk Cargo Center, leased by the Company, collapsed on January 21, 2019 and was detected to be caused by the breakage of the high resistance cable of the sheet pile wharf. Port of Keelung, Taiwan International Ports Co., Ltd. repaired the wharf as the end of 2020 and filed a lawsuit with Keelung District Court in January 2021, claimed against Formosa Petrochemical Co., Ltd., the wharf builder, and the Company, the wharf user, as co-defendant and requested the court to determine the party responsible and pay the related repair costs in the amount of NTD 116,791,000. The case is still at the trial of first instance.

7.6.13 Other Important Risks and Response Measures

1. Risks Relating to and Response Measures to Cyber Security

(1) Cyber Security Risk Management Framework

The information security unit of the Company is the IT division, which has one supervisor and several professional engineers, who are responsible for formulating the Company's information security policy, planning information security measures, and implementing related information security operations.

The audit division is the audit unit for information security supervision. If defects are found in the audit, IT division will be immediately requested to put forward relevant improvement plans and report to the board of directors. The improvement results will be checked regularly to reduce internal information security risks.

The accountant conducts information operations review annually. If deficiencies are found, improvement measures will be requested and improvement results will be tracked.

Based on the importance of information security, the responsible unit reports the Company's information security governance and implementation status to the board of directors annually. The latest report date is November 09, 2021.

(2) Cyber security Policy and Management Plan

The Company administers the following measures to prevent risk and strengthen management of information security, ensure the availability, integrity and confidentiality of information, and avoid intentional and accidental threats internally and externally:

1. Computer equipment security management
   (1) The Company's various application servers and equipment are all set up and located in the dedicated computer room with the access control adopting entrance guard system. Access records are kept for inspection.
   (2) An independent air conditioner is installed inside the computer room so the computer equipment is well maintained and operated under a proper temperature environment. In addition, chemical fire extinguisher is placed to put out fires caused by electrical appliances.
   (3) The computer room is designed with uninterruptible power supply and voltage stabilization equipment connecting to the building's generator power supply system to avoid sudden power failure and to ensure that the operation of the computer application system will not be interrupted during a temporary power failure.
2. Network Security Management
   (1) Install enterprise-level firewalls for network control external network access control to prevent hacking.
   (2) Install site to site encrypted VPN connection between Taichung Storage Center, Keelung Storage Transportation Center and Taipei Headquarters' Office to avoid illegal capture during data transmission.
   (3) Employees who needs to work remotely by accessing the ERP system must apply for a VPN account. They can log in and use in a secure way through VPN, and records on logging are kept for inspection.
   (4) Install internet behavior management hardware and filtering equipment to control internet access, block access to harmful or disallowed URL and contents as well as to ensure network security and prevent bandwidth resources from being improperly occupied.
3. Virus Protection and Management
   (1) Install endpoint protection software system both in the server and the terminal computers. The virus pattern is automatically updated to ensure that the latest virus can be blocked and at the same time, it can detect and prevent the installation of potentially executable files from threatening systems.
   (2) The email server is equipped with email anti-virus and spam filtering mechanism to prevent viruses or spam entering users' PC.
   (3) The anti-virus system will not only isolate or delete the detected or intercepted virus immediately, but also will proactively issue a risk report on the computer that is exposed at risk so that managers can take corresponding actions.
4. System Access Control.
   (1) Employees should use each application system in compliance and through internal authority approval procedure. After approval granted by the responsibility supervisor, IT Division will establish a system account and each system administrator will be authorized in accordance with the authorized

access granted.

(2) Password used to sign on the account should be in appropriate strength and number of characters and must be mixed with alphanumeric characters and special symbols.

(3) At the time when employees go through the internal procedure for resignation (leave), they must notify IT Division to deactivate or delete all accounts.

5. Operation continuity

(1) System backup: Build in a cloud backup system and adopt a daily backup mechanism. In addition to uploading one back up copy of the system and database to the international cloud, the computer room and the bank safe box should each keeps a copy to ensure absolute security.

(2) Disaster recovery drill: Drills for recovery should be conducted once a year. After the base date of restoration date reference is decided, the backup media will be restored to the main system and all users will confirm in writing if the correct data is restored so as to ensure the correctness and effectiveness of the backup media.

(3) Network Redundancy: Two data lines from the telecommunications company. Through the bandwidth management equipment, the two lines are used in parallel as each other's backup to ensure the network communication will not be interrupted.

6. Promoting and Education training

(1) The Company should promote on regular basis that employees are requested to change their passwords from time to time to maintain account security.

(2) The Company should conduct seminars or training courses on regular basis promoting cyber security-related topics.

(3) Join membership of "Taiwan Computer Network Crisis Handling and Coordination Center TWCERT/CC" which provides channels to cyber security incident consultation and access on cyber security information data as materials for training courses

(3) Resources invested in the Cyber security management

In order to implement the six major information security policies, the resources invested are as follows:

1. Network hardware devices such as firewall, email antivirus, spam filtering, online behavior analysis, switching hub with network management, etc. Software systems such as endpoint protection systems, backup management software, VPN authentication and encryption software, etc.
2. Software systems such as endpoint protection systems, backup management software, VPN authentication and encryption software, etc.
3. Telecom services such as multiple lines, cloud backup services, intrusion prevention services, etc.
4. Invested in manpower such as: daily system status check and backup, weekly implementation of backup media offsite, information security courses at least twice a year, annual system disaster recovery drills, annual internal audit of information circulation, accountant audit, etc.

5. Information security manning: One supervisor and two information security engineers, responsible for information security architecture design, information security maintenance and monitoring, information security incident response and investigation, information security policy review and revision, the information security director annually report to the board of directors at least once.

(4) Losses of major information security incidents in the recent year and countermeasures:

No major information security incidents occurred from March 2021 to February 2022.

2. Risks Relating to and Response Measures to Coronavirus Pandemic

On January 30, 2020, the World Health Organization (WHO) announced that the Coronavirus disease (COVID-19) is a public health emergency of international concern. This COVID-19 pandemic has caused unprecedented loss of human lives and economic, political and social turmoil around the world. In order to deal with these impacts on the Company's operation, both home and abroad, the Company has adopted the following risk management measures:

(1) To Set up a Dedicated Unit

A Risk Control Task Force under the corporate governance organization is set up to coordinate matters related to the pandemic.

(2) To Establish a Pandemic Reporting Mechanism

The Group's COVID-19 reporting system is strengthened to obtain the pandemic updates at departmental level by using instant communication software. This ensures that the communication, proposed solution and decision-making for mitigation of the impacts on the Company are instrumental and effective between the executives and the top management.

(3) To Maintain Flexibility in Management Rules and Regulations

The Group has kept track of its employees' health condition, both physical and mental, through regular checkups upon arrival at work during the pandemic. This also enables that their inquiries, anxieties and special needs, if any, will be attended to in time. In addition to social distance as a must for all, the Group has also introduced and implemented work shifts, work from home (WFH) and other quarantine measures as provided by the Central Epidemic Command Center. Furthermore, visits to fellow companies of various businesses and business travels, which are virtually suspended, are scrutinized based on the severity of the pandemic in order to ensure that both our personnel and workplace are safe.

(4) To Set up Practical Guidelines for Disease Prevention

An inventory procurement and control for the Group's epidemic prevention needs, such as hygiene alcohol spray, forehead thermometer, medical masks, etc., is in place. Standard procedures are enforced for medical masks wearing and automated body temperature checkup, with records duly compiled. They are also applied to visitors who get access to the premises, with the attendance of the security and guided route signs are installed. The Risk Control Task Force also keeps up to date with the latest local pandemic news and reports in order to come up with immediate and practical solutions.

(5) To Review Regularly the Impact of the Pandemic as it Evolves

Beginning January 2020, the Group has requested all of its business divisions (including its affiliates) to examine the level of impact of the pandemic on each of them on regular basis. The Risk Control Task Force receives operational reports from each business, follows closely general business trend and provides counsel to specific business division, if needed.

(6) To Adjust Timely the Operational Strategy:
The Group has evaluated specifically the impact of Covid-19 pandemic on both its lodging and healthcare services sectors, and makes suggestions of adjustment in their operational strategies to mitigate the adverse effect in light of the uncertainties and challenges lying ahead.

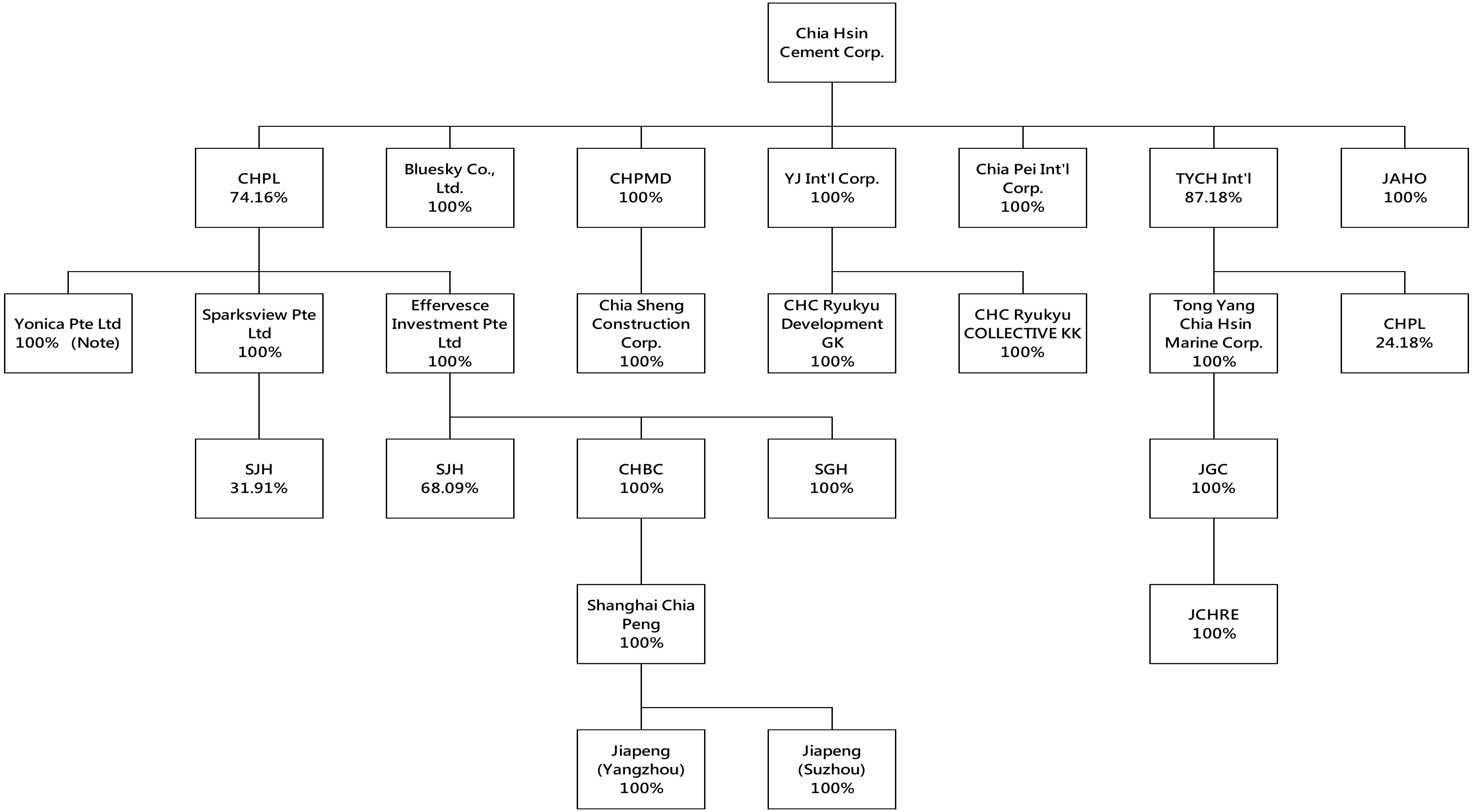
7.7 Other Material Matters: Please refer to the attached tables in 6.4 Consolidated Financial Statement of this Annual Report.

8. Special Disclosures

8.1 Information of Affiliates

(1) Organization Chart of Affiliates

Important Investment Structure of the Company (As of 12/31/2021)



List of Company names:

CHPL:	Chia Hsin Pacific Limited
CHPMD:	Chia Hsin Property Management & Development Corp.
TYCH Int'l:	Tong Yang Chai Hsin International Corp.
JAHO:	Jaho Life Plus+ Management Corp.
SJH:	Shanghai Jia Huan Concrete Co., Ltd.
CHBC:	Chia Hsin Business Consulting (Shanghai) Co., Ltd.
SGH:	Shanghai Chia Hsin Ganghui Co., Ltd.
JGC:	Jiangsu Jiaguo Construction Material & Storage Co., Ltd.
JCHRE:	Jiangsu Chia Hsin Real Estate Co., Ltd.
Shanghai Chia Peng:	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.
Jiapeng (Yangzhou):	Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd.
Jiapeng (Suzhou):	Jiapeng Gemcare Maternity (Suzhou) Co., Ltd.

Note: Yonica Pte Ltd completed dissolution registration on Feb. 2, 2022

(2) Basic Information of Affiliates

12/31/2021
In NTD thousands；
Foreign Currency in Units

Company Name	Date Incorporated	Address	Paid-In Capital	Main Businesses or Production Items
Chia Hsin Cement Corp.	12/13/1954	96 Section 2, Zhongshan N. Road, Taipei, Taiwan	7,747,805	Cement manufacturing; Wholesale of building materials; Retail of building materials; Mining of non-metallic; Manufacture of ready-mix concrete; International trade; Developing, sales, and leasing of residence and building; Developing, sales and leasing of industrial factory; Real estate business; Real estate leasing; Urban renewal and reconstruction, and Warehousing; Health care; Sports training; Beverage, baked and steamed food manufacturing
Chia Hsin Property Management & Development Corp.	12/15/2003	96 Section 2, Zhongshan N. Road, Taipei, Taiwan	1,000,000	Machinery wholesale and retail; Warehousing; Developing, sales and leasing of residence, building and industrial factory; Real estate business and leasing
Chia Pei International Corp.	08/24/2006	96 Section 2, Zhongshan N. Road, Taipei, Taiwan	195,600	Quarrying; Wholesale of building materials; Mining of non-metallic; Retail of building materials; International trade; Leasing business; Retail of machinery and equipment
Bluesky Co., Ltd.	07/11/2012	96 Section 2, Zhongshan N. Road, Taipei, Taiwan	83,000	International trade; Real estate business; Real estate leasing
Tong Yang Chia Hsin International Corp.	12/15/1973	1F, 96 Section 2, Zhongshan N. Road, Taipei, Taiwan	2,948,606	General export-import trade (except those require license)

12/31/2021
In NTD thousands；
Foreign Currency in Units

Company Name	Date Incorporated	Address	Paid-In Capital		Main Businesses or Production Items
Chia Hsin Pacific Ltd.	09/20/1995	Ugland House, P.O. Box 309 George Town, Grand Cayman, Cayman Island, British West Indies	USD	28,543,892	Investment holding company
YJ International Corp.	03/24/2014	96 Section 2, Zhongshan N. Road, Taipei, Taiwan		2,280,000	Real estate holding, leasing management, brokerage, sales and other related businesses
Jaho Life Plus+ Management Corp.	11/13/2015	96 Section 2, Zhongshan N. Road, Taipei, Taiwan		400,000	Management Consulting
Chia Sheng Construction Corp.	05/06/2013	96 Section 2, Zhongshan N. Road, Taipei, Taiwan		250,000	Machinery wholesale; retail of machinery and equipment; warehousing; Developing, leasing and sales of residence and building
CHC Ryukyu Development GK	12/19/2013	2F, Gojinsha Naha Matsuyama Bldg., 2-1-12, Matsuyama, Naha-shi, Okinawa, Japan	JPY	1,000,000,000	Real estate leasing and management consulting
CHC Ryukyu COLLECTIVE KK	07/01/2019	2F, Gojinsha Naha Matsuyama Bldg., 2-1-12, Matsuyama, Naha-shi, Okinawa, Japan	JPY	7,000,000,000	Hotel operation
Tong Yang Chia Hsin Marine Corp.	12/22/1993	Salduba Building, 3rd Floor, 53rd East Street, Urbanization Marbella, P.O. Box 0816-02884 Panama, Rep. of Panama	USD	2,700,000	Marine business
Yonica Pte Ltd	04/03/1996	24 Raffles Place #07-07 Clifford Centre Singapore 048621	SGD	-	Investment holding company

12/31/2021
In NTD thousands；
Foreign Currency in Units

Company Name	Date Incorporated	Address	Paid-In Capital		Main Businesses or Production Items
Effervesce Investment Pte Ltd	07/15/1993	24 Raffles Place #07-07 Clifford Centre Singapore 048621	SGD	53,274,892	Investment holding company
Sparksview Pte Ltd	06/04/1994	24 Raffles Place #07-07 Clifford Centre Singapore 048621	SGD	3,763,350	Investment holding company
Shanghai Chia Hsin Ganghui Co., Ltd.	06/12/1997	4100 Long Wu Road, Shanghai, P.R.C.	RMB	86,949,230	Warehousing and packaging of bulk cement; Processing and marketing of high strength cement
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	12/29/1997	Room 610-1, 1 Jilong Road , Waigaoqiao Tax Free Zone, Shanghai, China	RMB	144,525,600	Business, finance and information system technology development consulting
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	07/14/2017	No. 344 Sanlin Road, Shanghai, P.R.C.	RMB	58,000,000	Health and lodging business management consulting
Shanghai Jia Huan Concrete Co., Ltd.	07/11/1995	2200 Long Wu Road, Shanghai, China	RMB	70,212,577	Manufacture and sales of cement products and ready-mix concrete products
Jiangsu Jiaguo Construction Material & Storage Co., Ltd.	02/18/2004	High-tech Industrial Park, Zhenjiang New Area, Jiangsu, P.R.C	RMB	103,570,860	Land transportation of general cargo; Processing, configuration, packaging, warehousing and sales of cement and other building materials
Jiangsu Chia Hsin Real Estate Co., Ltd.	07/25/2007	5th floor, No. 22, Jiefang Rd., Jingye Building, Zhenjiang, Jiangsu, P.R.C	RMB	20,000,000	Real estate development, operation and property management

12/31/2021

In NTD thousands；

Foreign Currency in Units

Company Name	Date Incorporated	Address	Paid-In Capital	Main Businesses or Production Items
Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd.	12/21/2018	No. 58 West Xingcheng Road, Hanjiang District, Yangzhou, Jiangsu, P.R.C	RMB 42,000,000	Maternity and infant health care; Sales of mother & baby supplies; Life & beauty services
Jiapeng Gemcare Maternity (Suzhou) Co., Ltd.	11/27/2020	Rm 416, No. 101 Kefa Rd., High-tech Zone,(Gaoxiqu) Suzhou, Jiangsu, P.R.C.	RMB 10,000,000	Maternity and infant health care; Sales of mother & baby supplies; Life & beauty services

(3) Shareholders Information of Affiliates that are Presumed to Have a Controlling and Subordinate Relations: None.

(4) Industries and Diversification of Affiliates

Industries in which affiliated companies operate include:

1. Cement business, technical service, and leasing business.
2. Real estate, trading, and warehousing.
3. General Investments.
4. Hospitality Business.

Refer to the above (2) Basic Information of Affiliates for the main businesses or production items of affiliates.

(5) Information of Chairman, Directors, Supervisors, and President of Affiliates

12/31/2021

Unit: NTD thousands；Foreign Currency in Units；Shares；%

Company Name	Title	Name of Representative	Holding	
			Share/ Investment Amount	Percentage (%)
Chia Hsin Cement Corp.	Chairman	Jason K. L. Chang	4,478,396	0.58
	Director	Chi-Te Chen	680,813	0.09
	Director	Representative of Tong Yang Chia Hsin International Corp. : Pan Howard Wei-Hao	127,370,320	16.44
	Director	Representative of Tong Yang Chia Hsin International Corp.: I-Chen Liu	127,370,320	16.44
	Independent Director	Robert K. Su	-	-
	Independent Director	Chia-Shen Chen	-	-
	Independent Director	Kuan-Ming Chen	-	-
	President	Shih-Chu Chi	-	-
Chia Hsin Property Management & Development Corp.	Chairman	Representative of Chia Hsin Cement Corp.: Chih-Chu Chi	100,000,000	100.00
	Director	Representative of Chia Hsin Cement Corp.: Jason K. L. Chang	100,000,000	100.00
	Director	Representative of Chia Hsin Cement Corp.: Chi-Te Chen	100,000,000	100.00
	Director	Representative of Chia Hsin Cement Corp.: Pan Howard Wei-Hao	100,000,000	100.00
	Supervisor	Representative of Chia Hsin Cement Corp.: Li-Hsin Wang	100,000,000	100.00
	President	Shih-Chu Chi	-	-
Tong Yang Chia Hsin International Corp.	Chairman	Jason K. L. Chang	-	-
	Director	Representative of Chia Hsin Cement Corp.: Shih-Chu Chi	257,073,050	87.18
	Director	Representative of Chia Hsin Cement Corp. : Ching-Chuan Fu	257,073,050	87.18
	Director	Representative of Chia Hsin Cement Corp. : Hua-Chou Huang	257,073,050	87.18
	Director	Representative of International Chia Hsin Corp. ：Li-Hsin Wang	462,490	0.16
	Supervisor	Hsien-Ping Chang	1,349	-

12/31/2021

Unit: NTD thousands ; Foreign Currency in Units ; Shares ; %

Company Name	Title	Name of Representative	Holding	
			Share/ Investment Amount	Percentage (%)
	Supervisor	Representative of Chia Hsin Construction and Development Corp. : Hsiao-Lin Chen	30,687,643	10.41
	President	Shih-Chu Chi	-	-
Chia Pei International Corp.	Chairman	Representative of Chia Hsin Cement Corp. : Ching-Chuan Fu	19,560,000	100.00
	Director	Representative of Chia Hsin Cement Corp. : Jason K. L. Chang	19,560,000	100.00
	Director	Representative of Chia Hsin Cement Corp. : Shih-Chu Chi	19,560,000	100.00
	Director	Representative of Chia Hsin Cement Corp. : Li-Hsin Wang	19,560,000	100.00
	Director	Representative of Chia Hsin Cement Corp. : Shere-Min Chang	19,560,000	100.00
	Supervisor	Representative of Chia Hsin Cement Corp. : Hua-Chou Huang	19,560,000	100.00
	Supervisor	Representative of Chia Hsin Cement Corp. : Jane Y. C. Chou	19,560,000	100.00
	President	Sheng-Wen Li	-	-
Bluesky Co., Ltd.	Chairman	Representative of Chia Hsin Cement Corp. : Jason K. L. Chang	8,300,000	100.00
	Director	Representative of Chia Hsin Cement Corp. : Chih-Chu Chi	8,300,000	100.00
	Director	Representative of Chia Hsin Cement Corp. : Pan Howard Wei-Hao	8,300,000	100.00
	Supervisor	Representative of Chia Hsin Cement Corp. : Li-Hsin Wang	8,300,000	100.00
Chia Hsin Pacific Ltd.	Chairman	Li-Hsin Wang	-	-
	Director	Jason K. L. Chang	-	-
	Director	Pan Howard Wei-Hao	-	-

12/31/2021

Unit: NTD thousands；Foreign Currency in Units；Shares；%

Company Name	Title	Name of Representative	Holding	
			Share/ Investment Amount	Percentage (%)
YJ International Corp.	Chairman	Representative of Chia Hsin Cement Corp. : Jason K. L. Chang	228,000,000	100.00
	Director	Representative of Chia Hsin Cement Corp. : Li-Hsin Wang	228,000,000	100.00
	Director	Representative of Chia Hsin Cement Corp. : Puo-Chien Lin	228,000,000	100.00
	Director	Representative of Chia Hsin Cement Corp. : Tatsuyuki Matsumoto	228,000,000	100.00
	Supervisor	Representative of Chia Hsin Cement Corp. : Jane Y. C. Chou	228,000,000	100.00
	President	Zi-Bin, Liang	-	-
Jaho Life Plus+ Management Corp.	Chairman	Representative of Chia Hsin Cement Corp. : Li-Hsin Wang	40,000,000	100.00
	Director	Representative of Chia Hsin Cement Corp. : Chen-Yun Wang	40,000,000	100.00
	Director	Representative of Chia Hsin Cement Corp. : Pan Howard Wei-Hao	40,000,000	100.00
	Supervisor	Representative of Chia Hsin Cement Corp. : Jane Y. C. Chou	40,000,000	100.00
	President	Xiao-Shan Zha	-	-
Chia Sheng Construction Corp.	Chairman	Representative of Chia Hsin Property Management & Development Corp. : Jason K. L. Chang	25,000,000	100.00
	Director	Representative of Chia Hsin Property Management & Development Corp. : Chih-Chu Chi	25,000,000	100.00
	Director	Representative of Chia Hsin Property Management & Development Corp. : Pan Howard Wei-Hao	25,000,000	100.00
	Supervisor	Representative of Chia Hsin Property Management & Development Corp. : Li-Hsin Wang	25,000,000	100.00
CHC Ryukyu Development GK	Executive officer	Representative of YJ International Corp. : Tatsuyuki Matsumoto	JPY 1,000,000,000	100.00
	Executive officer	Representative of YJ International Corp. : Li-Hsin Wang	JPY 1,000,000,000	100.00
	Executive officer	Representative of YJ International Corp. : Puo-Chien Lin	JPY 1,000,000,000	100.00
CHC Ryukyu COLLECTIVE KK	Representative Director	Tatsuyuki Matsumoto	-	-
	Director	Li-Hsin Wang	-	-

12/31/2021

Unit: NTD thousands ; Foreign Currency in Units ; Shares ; %

Company Name	Title	Name of Representative	Holding	
			Share/ Investment Amount	Percentage (%)
	Director	Puo-Chien Lin	-	-
	Corporate Auditor	Jane Y. C. Chou	-	-
Tong Yang Chia Hsin Marine Corp.	Director	Representative of Tong Yang Chia Hsin International Corp. : Jason K. L. Chang	USD 2,700,000	100.00
	Director	Representative of Tong Yang Chia Hsin International Corp. : Li-Hsin Wang	USD 2,700,000	100.00
	Director	Representative of Tong Yang Chia Hsin International Corp. : Shih-Chu Chi	USD 2,700,000	100.00
	President	Representative of Tong Yang Chia Hsin International Corp. : Jason K. L. Chang	-	-
Yonica Pte Ltd	Director	Jason K. L. Chang	-	-
	Director	Li-Hsin Wang	-	-
	Director	Pan Howard Wei-Hao	-	-
	Director	Kenneth Chiam Siang Roung	-	-
Effervesce Investment Pte Ltd	Director	Jason K. L. Chang	-	-
	Director	Li-Hsin Wang	-	-
	Director	Pan Howard Wei-Hao	-	-
	Director	Kenneth Chiam Siang Roung	-	-
Sparksview Pte Ltd	Director	Jason K. L. Chang	-	-
	Director	Li-Hsin Wang	-	-
	Director	Pan Howard Wei-Hao	-	-
	Director	Kenneth Chiam Siang Roung	-	-

12/31/2021

Unit: NTD thousands ; Foreign Currency in Units ; Shares ; %

Company Name	Title	Name of Representative	Holding	
			Share/ Investment Amount	Percentage (%)
Shanghai Chia Hsin Ganghui Co., Ltd.	Chairman	Representative of Effervesce Investment Pte Ltd. : Ching-Chuan Fu	RMB 86,949,230	100.00
	Director	Representative of Shanghai International Port (Group) Co., Ltd., Longwu Branch : Sheng-Hua Ren	-	-
	Director	Representative of Effervesce Investment Pte Ltd : Jason K. L. Chang	RMB 86,949,230	100.00
	Director	Representative of Effervesce Investment Pte Ltd : I-Ping Chang	RMB 86,949,230	100.00
	Director	Representative of Effervesce Investment Pte Ltd : Li-Hsin Wang	RMB 86,949,230	100.00
	Supervisor	Representative of Effervesce Investment Pte Ltd : Ying-Ying Chen	RMB 86,949,230	100.00
	President	Representative of Effervesce Investment Pte Ltd : Yu-Hong Zhu	-	-
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Chairman	Representative of Effervesce Investment Pte Ltd : I-Ping Chang	RMB 144,525,600	100.00
	Director	Representative of Effervesce Investment Pte Ltd : Li-Hsin Wang	RMB 144,525,600	100.00
	Director	Representative of Effervesce Investment Pte Ltd : Jason K.L. Chang	RMB 144,525,600	100.00
	Supervisor	Representative of Effervesce Investment Pte Ltd : Ying-Ying Chen	RMB 144,525,600	100.00
	President	Representative of Effervesce Investment Pte Ltd : I-Ping Chang	-	-
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Chairman	Representative of Chia Hsin Business Consulting (Shanghai) Co., Ltd. : Yu-Hong Zhu	RMB 58,000,000	100.00
	Director	Representative of Chia Hsin Business Consulting (Shanghai) Co., Ltd. : Li-Hsin Wang	RMB 58,000,000	100.00
	Director	Representative of Chia Hsin Business Consulting (Shanghai) Co., Ltd. : Xiao-Shan Zha	RMB 58,000,000	100.00
	Supervisor	Representative of Chia Hsin Business Consulting (Shanghai) Co., Ltd. : Hua-Chou Huang	RMB 58,000,000	100.00

12/31/2021

Unit: NTD thousands；Foreign Currency in Units；Shares；%

Company Name	Title	Name of Representative	Holding: Share/ Investment Amount	Holding: Percentage (%)
	President	Representative of Chia Hsin Business Consulting (Shanghai) Co., Ltd. : Yu-Hong Zhu	-	-
Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd.	Chairman	Representative of Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. : Yu-Hong Zhu	RMB 42,000,000	100.00
	Director	Representative of Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. : L-Hsin Wang	RMB 42,000,000	100.00
	Director	Representative of Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. : Xiao-Shan Zha	RMB 42,000,000	100.00
	Supervisor	Representative of Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. : Hua-Chou Huang	RMB 42,000,000	100.00
	President	Representative of Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. : Yu-Hong Zhu	-	-
Jiapeng Gemcare Maternity (Suzhou) Co., Ltd.	Chairman	Representative of Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. : Yu-Hong Zhu	RMB 10,000,000	100.00
	Director	Representative of Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. : L-Hsin Wang	RMB 10,000,000	100.00
	Director	Representative of Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. : Xiao-Shan Zha	RMB 10,000,000	100.00
	Supervisor	Representative of Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. : Hua-Chou Huang	RMB 10,000,000	100.00
	President	Representative of Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. : Yu-Hong Zhu	-	-
Shanghai Jia Huan Concrete Co., Ltd.	Chairman	Representative of Effervesce Investment Pte Ltd : I-Ping Chang	RMB 47,744,552	68.00
	Director	Representative of Effervesce Investment Pte Ltd : Jason K. L. Chang	RMB 47,744,552	68.00
	Director	Representative of Sparksview Pte Ltd : Chih-Chu Chi	RMB 22,468,025	32.00

12/31/2021

Unit: NTD thousands；Foreign Currency in Units；Shares；%

Company Name	Title	Name of Representative	Holding Share/ Investment Amount	Holding Percentage (%)
	Supervisor	Representative of Sparksview Pte Ltd : Ying-Ying Chen	RMB 22,468,025	32.00
	President	Representative of Effervesce Investment Pte Ltd : I-Ping Chang	-	-
Jiangsu Jiaguo Construction Material & Storage Co., Ltd.	Chairman	Representative of Tong Yang Chia Hsin Marine Corp. : I-Ping Chang	RMB 103,570,860	100.00
	Director	Representative of Tong Yang Chia Hsin Marine Corp. : Shere-Min Chang	RMB 103,570,860	100.00
	Director	Representative of Tong Yang Chia Hsin Marine Corp. : Shih-Chu Chi	RMB 103,570,860	100.00
	Supervisor	Representative of Tong Yang Chia Hsin Marine Corp. : Ying-Ying Chen	RMB 103,570,860	100.00
	President	Representative of Tong Yang Chia Hsin Marine Corp. : I-Ping Chang	-	-
Jiangsu Chia Hsin Real Estate Co., Ltd.	Chairman	Representative of Jiangsu Jiaguo Construction Material & Storage Co., Ltd. : Fu-Chiuan Yang	RMB 20,000,000	100.00
	Director	Representative of Jiangsu Jiaguo Construction Material & Storage Co., Ltd. : I-Ping Chang	RMB 20,000,000	100.00
	Director	Representative of Jiangsu Jiaguo Construction Material & Storage Co., Ltd. : Yong-Zhi Huang	RMB 20,000,000	100.00
	Director	Representative of Jiangsu Jiaguo Construction Material & Storage Co., Ltd. : Zhe-Shuo Chang	RMB 20,000,000	100.00
	Director	Representative of Jiangsu Jiaguo Construction Material & Storage Co., Ltd. : Chih-Chu Chi	RMB 20,000,000	100.00
	Supervisor	Representative of Jiangsu Jiaguo Construction Material & Storage Co., Ltd. : Ying-Ying Chen	RMB 20,000,000	100.00
	President	Representative of Jiangsu Jiaguo Construction Material & Storage Co., Ltd. : I-Ping Chang	-	-

(6) Operational highlights of Affiliates

12/31/2021

Unit: NTD thousands ; Earnings (Loss) Per Share in NTD

Company Name	Capital	Total Assets	Total Liabilities	Stockholders' Equity	Revenue	Profit (Loss) from Operations	Net Income (Loss)	Earnings (Loss) Per Share
Chia Hsin Cement Corp.	7,747,805	32,767,410	7,742,042	25,025,368	1,248,931	(221,860)	657,848	1.02
Chia Hsin Property Management & Development Corp.	1,000,000	5,721,317	1,757,511	3,963,806	261,263	127,663	138,355	1.38
Chia Pei International Corp.	195,600	1,550,560	1,330,147	220,413	563,131	41,982	22,721	1.16
Bluesky Corp.	83,000	85,509	1,437	84,072	1,819	739	608	0.07
Tong Yang Chia Hsin International Corp.	2,948,606	9,382,579	235,783	9,146,796	108,027	3,736	663,321	2.25
Chia Hsin Pacific Ltd.	790,095	3,074,518	1,115	3,073,403	-	(6,063)	279,890	10.82
YJ International Corp.	2,280,000	888,328	551	887,777	-	(4,423)	(366,475)	(1.61)
Jaho Life Plus+ Management Corp.	400,000	324,860	136,718	188,142	87,006	(38,546)	(36,903)	(0.92)
Chia Sheng Construction Corp.	250,000	252,005	511	251,494	5,416	5,134	4,857	0.19
CHC Ryukyu Development GK	235,588	575,371	440,242	135,129	765	(3,975)	(4,863)	NA
CHC Ryukyu COLLECTIVE KK	1,688,412	4,537,596	3,857,108	680,488	153,795	(355,801)	(357,102)	NA
Yonica Pte Ltd	-	-	-	-	-	(436)	27,500	-
Effervesce Investment Pte Ltd	1,093,143	1,371,305	309	1,370,996	-	(562)	(36,601)	(0.69)
Sparksview Pte Ltd	77,220	174,451	212	174,239	-	(426)	2,467	0.66
Tong Yang Chia Hsin Marine Corp.	74,736	448,046	-	448,046	-	(2,885)	1,786	NA
Shanghai Chia Hsin Ganghui Co., Ltd.	377,489	541,648	111,586	430,062	6,281	(18,370)	7,995	NA
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	627,457	502,797	1,789	501,008	1,806	(6,840)	(56,264)	NA
Shanghai Jia Huan Concrete Co., Ltd.	304,827	613,817	92,872	520,945	-	(4,006)	8,167	NA
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	251,807	138,291	380	137,911	-	(3,569)	(57,102)	NA
Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd.	182,343	213,347	85,350	127,997	3	(17,668)	(21,886)	NA
Jiangsu Jiaguo Construction Material & Storage Co., Ltd.	449,652	443,828	2,198	441,630	6,941	(1,007)	4,649	NA
Jiangsu Chia Hsin Real Estate Co., Ltd.	86,830	94,347	282	94,065	825	(1,493)	353	NA
Jiapeng Gemcare Maternity (Suzhou) Co., Ltd.	43,415	70,716	66,980	3,736	2,611	(27,996)	(31,751)	NA

Note 1: Exchange rates are as follows:

Balance sheet: (1) USD/NTD=27.68; (2) SGD/NTD=20.518907; (3) RMB/NTD=4.341493; (4) JPY/NTD=0.2405

Profit and loss statement: (1) USD/NTD=28.009; (2) SGD/NTD=20.846398; (3) RMB/NTD=4.341679; (4) JPY/NTD=0.255

8.2 Private Placement Securities in the Past Year and up to the Publication Date of this Annual Report: None.

8.3 The Company's Shares Acquired, Disposed of, and Held by Subsidiaries in the Past Year and up to the Publication Date of this Annual Report

The Company's Shares Acquired, Disposed of, and Held by Subsidiaries in the Past Year and up to the Publication Date of this Annual Report (as of 04/30/2022)

Unit: NTD thousands; Shares; %

Name of Subsidiary	Paid-in Capital	Fund Source	Shareholding Ratio of the Company	Date of Acquisition or Disposition	Shares and Amount Acquired	Shares and Amount Disposed of	Investment Gain (Loss)	Shares and Amount Held up to the Publication Date of this Annual Report	Pledged	Endorsement Amount Made for the Subsidiary	Amount Loaned to the Subsidiary
Tong Yang Chia Hsin International Corp.	2,948,606	The company's own Fund	87.18%	Current year up to the publication date of this Annual Report	0	0	0	127,370,320 shares 2,528,301	Nil (Note)	0	0

Note：The company has not created any pledges and there is no effect on the Company's financial performance and financial position.

8.4 Other Supplemental Information: None.

9. Events with Material Impact on Shareholders' Equity or Share Price as Specified in Item 3, Paragraph 2, Article 36 of the Securities and Exchange Act in the Past Year and up to the Publication Date of this Annual Report: None.

嘉新企業團
CHIA HSIN CEMENT GROUP

CHIA HSIN CEMENT CORPORATION

Chairman
Jason K. L. Chang

嘉新企業團
CHIA HSIN CEMENT GROUP