

**Taiwan Cement Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Six Months Ended June 30, 2021 and 2020 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Taiwan Cement Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Taiwan Cement Corporation and its subsidiaries (collectively, the "Group") as of June 30, 2021 and 2020, the related consolidated statements of comprehensive income for the three months ended June 30, 2021 and 2020 and for the six months ended June 30, 2021 and 2020, the related consolidated statements of changes in equity and cash flows for the six months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Note 13 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements were not reviewed. As of June 30, 2021 and 2020, the combined total assets of these non-significant subsidiaries were NT\$82,494,690 thousand and NT\$77,381,989 thousand, respectively, representing 21% and 20%, respectively, of the Group's consolidated total assets, and the combined total liabilities of these non-significant subsidiaries as of June 30, 2021 and 2020 were NT\$12,551,006 thousand and NT\$14,709,012 thousand, respectively, representing 8% and 8%, respectively, of the Group's consolidated total liabilities; for the three months ended June 30, 2021 and 2020 and for the six months ended June 30, 2021 and 2020, the amounts of net comprehensive income of these subsidiaries were NT\$232,173 thousand, NT\$970,573 thousand, NT\$638,454 thousand and NT\$952,600 thousand, respectively, representing 13%, 17%, 13% and 21%, respectively, of the Group's consolidated comprehensive income.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Group as of June 30, 2021 and 2020, its consolidated financial performance for the three months ended June 30, 2021 and 2020 and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting”.

The engagement partners on the reviews resulting in this independent auditors’ review report are Chih-Ming Shao and Hui-Min Huang.

Chih-ming, Shao Hui-Min Huang

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 12, 2021

Notice to Readers

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

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

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2021 (Reviewed)		December 31, 2020 (Audited)		June 30, 2020 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 63,835,177	17	\$ 51,433,522	13	\$ 59,005,748	15
Financial assets at fair value through profit or loss (Notes 7 and 30)	362,554	-	353,986	-	492,238	-
Financial assets at fair value through other comprehensive income (Notes 8, 30 and 32)	6,097,715	2	5,596,471	1	5,392,561	2
Financial assets at amortized cost (Notes 6 and 32)	7,593,330	2	15,769,277	4	15,741,435	4
Notes receivable (Note 9)	23,845,230	6	29,518,807	8	21,761,282	6
Accounts receivable (Notes 9 and 10)	8,605,952	2	9,522,642	3	9,350,548	3
Notes and accounts receivable from related parties (Note 31)	327,074	-	273,866	-	251,252	-
Other receivables	1,059,649	-	1,073,289	-	1,009,637	-
Other receivables from related parties (Note 31)	9,617	-	3,785	-	775,606	-
Inventories (Note 12)	9,050,183	3	7,941,755	2	8,164,930	2
Prepayments	3,819,462	1	2,135,702	1	2,508,668	1
Disposal groups held for sale (Notes 4, 11 and 32)	8,775,403	2	-	-	-	-
Other current assets	532,526	-	686,069	-	679,278	-
Total current assets	<u>133,913,872</u>	<u>35</u>	<u>124,309,171</u>	<u>32</u>	<u>125,133,183</u>	<u>33</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income (Notes 8, 30 and 32)	26,374,488	7	31,903,287	8	33,944,686	9
Financial assets at amortized cost (Notes 6 and 32)	16,394,154	4	16,475,021	4	18,259,429	5
Investments accounted for using the equity method (Notes 14 and 32)	48,819,599	13	50,133,844	13	46,623,322	12
Property, plant and equipment (Notes 15, 24, 31 and 32)	88,543,009	23	92,108,972	24	88,940,964	23
Right-of-use assets (Notes 16, 24 and 31)	13,366,320	3	13,451,125	4	12,232,441	3
Investment properties (Notes 17, 24 and 32)	5,437,080	1	5,451,434	1	5,463,136	2
Intangible assets (Notes 18 and 24)	19,327,466	5	19,563,960	5	19,168,377	5
Prepayments for property, plant and equipment (Notes 15, 31 and 33)	7,232,655	2	5,426,869	1	3,652,542	1
Long-term finance lease receivables (Note 10)	25,795,735	7	26,975,117	7	28,192,071	7
Net defined benefit assets (Note 4)	1,568,781	-	1,572,025	-	1,437,679	-
Other non-current assets	1,032,438	-	2,135,411	1	1,452,262	-
Total non-current assets	<u>253,891,725</u>	<u>65</u>	<u>265,197,065</u>	<u>68</u>	<u>259,366,909</u>	<u>67</u>
TOTAL	<u>\$ 387,805,597</u>	<u>100</u>	<u>\$ 389,506,236</u>	<u>100</u>	<u>\$ 384,500,092</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term loans (Notes 19, 28 and 32)	\$ 33,348,861	9	\$ 34,675,454	9	\$ 37,941,935	10
Short-term bills payable (Note 19)	4,995,039	1	6,247,029	2	4,346,458	1
Contract liabilities	1,388,618	1	5,226,637	1	4,915,311	1
Notes and accounts payable (Note 31)	7,329,827	2	6,137,904	2	7,282,218	2
Dividends payable	87,326	-	-	-	16,306,063	4
Other payables (Notes 21 and 31)	9,113,349	2	10,669,913	3	8,208,967	2
Current income tax liabilities (Note 4)	2,708,808	1	3,914,955	1	2,912,678	1
Liabilities directly associated with disposal groups held for sale (Notes 4, 11 and 32)	7,366,853	2	-	-	-	-
Lease liabilities (Notes 16 and 31)	331,059	-	315,451	-	374,569	-
Long-term loans - current portion (Notes 19, 28 and 32)	4,600,500	1	4,805,000	1	3,212,753	1
Other current liabilities	46,797	-	111,365	-	96,547	-
Total current liabilities	<u>71,317,037</u>	<u>19</u>	<u>72,103,708</u>	<u>19</u>	<u>85,597,499</u>	<u>22</u>
NON-CURRENT LIABILITIES						
Bonds payable (Note 20)	44,569,541	11	53,897,370	14	55,846,464	15
Long-term loans (Notes 19, 28 and 32)	21,578,225	6	24,998,481	6	27,190,805	7
Lease liabilities (Notes 16 and 31)	2,196,179	1	1,978,361	1	2,003,643	1
Deferred income tax liabilities (Note 4)	11,681,069	3	11,754,270	3	11,632,365	3
Long-term bills payable (Note 19)	4,992,007	1	4,991,327	1	4,995,546	1
Net defined benefit liabilities (Note 4)	66,840	-	72,845	-	75,381	-
Other non-current liabilities (Notes 14 and 15)	876,121	-	879,821	-	697,155	-
Total non-current liabilities	<u>85,959,982</u>	<u>22</u>	<u>98,572,475</u>	<u>25</u>	<u>102,441,359</u>	<u>27</u>
Total liabilities	<u>157,277,019</u>	<u>41</u>	<u>170,676,183</u>	<u>44</u>	<u>188,038,858</u>	<u>49</u>
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE CORPORATION (Note 23)						
Share capital	61,574,403	16	59,414,007	15	56,656,192	15
Certificate of entitlement to new shares from convertible bonds	1,661,397	1	688,542	-	-	-
Share dividends to be distributed	-	-	-	-	2,728,810	1
Capital surplus	55,380,287	14	49,122,450	13	48,019,924	12
Retained earnings	85,987,152	22	74,199,518	19	59,939,096	16
Other equity	12,721,098	3	21,146,991	5	16,208,790	4
Treasury shares	(392,343)	-	(499,691)	-	(499,691)	-
Equity attributable to shareholders of the Corporation	<u>216,931,994</u>	<u>56</u>	<u>204,071,817</u>	<u>52</u>	<u>183,053,121</u>	<u>48</u>
NON-CONTROLLING INTERESTS (Note 23)	<u>13,596,584</u>	<u>3</u>	<u>14,758,236</u>	<u>4</u>	<u>13,408,113</u>	<u>3</u>
Total equity	<u>230,528,578</u>	<u>59</u>	<u>218,830,053</u>	<u>56</u>	<u>196,461,234</u>	<u>51</u>
TOTAL	<u>\$ 387,805,597</u>	<u>100</u>	<u>\$ 389,506,236</u>	<u>100</u>	<u>\$ 384,500,092</u>	<u>100</u>

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

(With Deloitte & Touche review report dated August 12, 2021)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Note 31)	\$ 27,985,712	100	\$ 29,000,157	100	\$ 50,023,364	100	\$ 48,800,969	100
OPERATING COSTS (Notes 12, 22, 24 and 31)	<u>19,376,876</u>	<u>69</u>	<u>18,036,884</u>	<u>62</u>	<u>35,889,688</u>	<u>72</u>	<u>31,828,875</u>	<u>65</u>
GROSS PROFIT	<u>8,608,836</u>	<u>31</u>	<u>10,963,273</u>	<u>38</u>	<u>14,133,676</u>	<u>28</u>	<u>16,972,094</u>	<u>35</u>
OPERATING EXPENSES (Notes 22, 24 and 31)								
Marketing	198,242	1	170,292	1	371,372	1	322,116	1
General and administrative	<u>1,366,785</u>	<u>5</u>	<u>1,294,106</u>	<u>4</u>	<u>2,510,919</u>	<u>5</u>	<u>2,369,038</u>	<u>5</u>
Total operating expenses	<u>1,565,027</u>	<u>6</u>	<u>1,464,398</u>	<u>5</u>	<u>2,882,291</u>	<u>6</u>	<u>2,691,154</u>	<u>6</u>
INCOME FROM OPERATIONS	<u>7,043,809</u>	<u>25</u>	<u>9,498,875</u>	<u>33</u>	<u>11,251,385</u>	<u>22</u>	<u>14,280,940</u>	<u>29</u>
NON-OPERATING INCOME AND EXPENSES								
Share of profit of associates and joint ventures (Note 14)	935,199	3	770,378	3	1,649,791	3	1,088,621	2
Interest income (Note 24)	412,818	1	371,194	1	766,934	2	664,536	1
Dividend income	1,121,323	4	967,257	3	1,121,323	2	967,257	2
Other income	446,259	2	65,001	-	581,694	1	198,963	1
Net gain (loss) on disposal of property, plant and equipment (Note 15)	435,543	2	(33,492)	-	429,969	1	(37,221)	-
Finance costs (Note 24)	(375,970)	(1)	(491,784)	(2)	(793,858)	(1)	(996,278)	(2)
Other expenses (Note 24)	(225,890)	(1)	(119,941)	-	(333,665)	(1)	(64,701)	-
Foreign exchange gains (losses), net	(14,042)	-	(18,650)	-	(35,323)	-	32,664	-
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>19,659</u>	<u>-</u>	<u>49,727</u>	<u>-</u>	<u>15,531</u>	<u>-</u>	<u>(9,769)</u>	<u>-</u>
Total non-operating income and expenses	<u>2,754,899</u>	<u>10</u>	<u>1,559,690</u>	<u>5</u>	<u>3,402,396</u>	<u>7</u>	<u>1,844,072</u>	<u>4</u>
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	9,798,708	35	11,058,565	38	14,653,781	29	16,125,012	33
INCOME TAX EXPENSE (Note 25)	<u>2,054,650</u>	<u>8</u>	<u>2,159,465</u>	<u>7</u>	<u>3,168,332</u>	<u>6</u>	<u>3,401,861</u>	<u>7</u>
NET INCOME FROM CONTINUING OPERATIONS	7,744,058	27	8,899,100	31	11,485,449	23	12,723,151	26
PROFIT (LOSS) FROM DISCONTINUED OPERATIONS (Note 11)	<u>528,882</u>	<u>2</u>	<u>(254,534)</u>	<u>(1)</u>	<u>517,728</u>	<u>1</u>	<u>(597,466)</u>	<u>(1)</u>
NET INCOME	<u>8,272,940</u>	<u>29</u>	<u>8,644,566</u>	<u>30</u>	<u>12,003,177</u>	<u>24</u>	<u>12,125,685</u>	<u>25</u>

(Continued)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Note 23)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	\$ (3,661,340)	(13)	\$ (1,339,336)	(5)	\$ (2,809,487)	(6)	\$ (2,895,060)	(6)
Gain on hedging instruments	-	-	408	-	-	-	216	-
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	<u>149,036</u>	<u>-</u>	<u>115,827</u>	<u>1</u>	<u>240,814</u>	<u>1</u>	<u>(81,235)</u>	<u>-</u>
	<u>(3,512,304)</u>	<u>(13)</u>	<u>(1,223,101)</u>	<u>(4)</u>	<u>(2,568,673)</u>	<u>(5)</u>	<u>(2,976,079)</u>	<u>(6)</u>
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations	(2,097,223)	(7)	(1,365,947)	(5)	(2,202,348)	(4)	(3,472,426)	(7)
Share of other comprehensive loss of associates and joint ventures accounted for using the equity method	<u>(844,217)</u>	<u>(3)</u>	<u>(355,585)</u>	<u>(1)</u>	<u>(2,375,747)</u>	<u>(5)</u>	<u>(1,100,991)</u>	<u>(3)</u>
	<u>(2,941,440)</u>	<u>(10)</u>	<u>(1,721,532)</u>	<u>(6)</u>	<u>(4,578,095)</u>	<u>(9)</u>	<u>(4,573,417)</u>	<u>(10)</u>
Other comprehensive loss for the period	<u>(6,453,744)</u>	<u>(23)</u>	<u>(2,944,633)</u>	<u>(10)</u>	<u>(7,146,768)</u>	<u>(14)</u>	<u>(7,549,496)</u>	<u>(16)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 1,819,196</u>	<u>6</u>	<u>\$ 5,699,933</u>	<u>20</u>	<u>\$ 4,856,409</u>	<u>10</u>	<u>\$ 4,576,189</u>	<u>9</u>
NET INCOME								
ATTRIBUTABLE TO:								
Shareholders of the Corporation	\$ 7,533,092	27	\$ 7,934,801	27	\$ 10,852,066	22	\$ 10,934,623	22
Non-controlling interests	<u>739,848</u>	<u>2</u>	<u>709,765</u>	<u>3</u>	<u>1,151,111</u>	<u>2</u>	<u>1,191,062</u>	<u>3</u>
	<u>\$ 8,272,940</u>	<u>29</u>	<u>\$ 8,644,566</u>	<u>30</u>	<u>\$ 12,003,177</u>	<u>24</u>	<u>\$ 12,125,685</u>	<u>25</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Shareholders of the Corporation	\$ 1,092,376	4	\$ 4,999,295	17	\$ 3,713,523	8	\$ 3,509,985	7
Non-controlling interests	<u>726,820</u>	<u>2</u>	<u>700,638</u>	<u>3</u>	<u>1,142,886</u>	<u>2</u>	<u>1,066,204</u>	<u>2</u>
	<u>\$ 1,819,196</u>	<u>6</u>	<u>\$ 5,699,933</u>	<u>20</u>	<u>\$ 4,856,409</u>	<u>10</u>	<u>\$ 4,576,189</u>	<u>9</u>

(Continued)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
EARNINGS PER SHARE								
(Note 26)								
From continuing and discontinued operations								
Basic earnings per share	\$ 1.24		\$ 1.32		\$ 1.82		\$ 1.85	
Diluted earnings per share	\$ 1.23		\$ 1.26		\$ 1.79		\$ 1.76	
From continuing operations								
Basic earnings per share	\$ 1.15		\$ 1.34		\$ 1.73		\$ 1.89	
Diluted earnings per share	\$ 1.14		\$ 1.28		\$ 1.70		\$ 1.80	

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

(With Deloitte & Touche review report dated August 12, 2021)

(Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Shareholders of the Corporation										Other Equity			Non-controlling Interests	Total Equity	
	Share Capital		Certificate of Entitlement to New Shares from Convertible Bonds	Share Dividends to Be Distributed	Capital Surplus	Retained Earnings				Exchange Differences on Translating Foreign Operations	Unrealized Gain /Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Treasury Shares			Total-2
	Ordinary Shares	Preferred Shares				Legal Reserve	Special Reserve	Unappropriated Earnings	Total-1							
BALANCE, JANUARY 1, 2020	\$ 54,656,192	\$ 2,000,000	\$ -	\$ -	\$ 48,015,947	\$ 16,902,616	\$ 13,049,062	\$ 35,674,355	\$ 65,626,033	\$ (11,660,261)	\$ 35,395,116	\$ -	\$ (348,959)	\$ 193,684,068	\$ 14,777,799	\$ 208,461,867
Appropriation of 2019 earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	-	-	2,448,745	-	(2,448,745)	-	-	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	-	-	-	(13,644,048)	(13,644,048)	-	-	-	-	(13,644,048)	-	(13,644,048)
Preferred share dividends distributed by the Corporation	-	-	-	-	-	-	-	(350,000)	(350,000)	-	-	-	-	(350,000)	-	(350,000)
Share dividends distributed by the Corporation	-	-	-	2,728,810	-	-	-	(2,728,810)	(2,728,810)	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,435,694)	(2,435,694)
Net income for the six months ended June 30, 2020	-	-	-	-	-	-	-	10,934,623	10,934,623	-	-	-	-	10,934,623	1,191,062	12,125,685
Other comprehensive income (loss) for the six months ended June 30, 2020	-	-	-	-	-	-	-	-	-	(4,544,783)	(2,879,995)	140	-	(7,424,638)	(124,858)	(7,549,496)
Total comprehensive income (loss) for the six months ended June 30, 2020	-	-	-	-	-	-	-	10,934,623	10,934,623	(4,544,783)	(2,879,995)	140	-	3,509,985	1,066,204	4,576,189
Difference between consideration received and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(109)	(109)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	-	-	566	-	-	-	-	-	-	-	-	566	-	566
Basis adjustment for gain on hedging instruments	-	-	-	-	-	-	-	-	-	-	-	(129)	-	(129)	(87)	(216)
Compensation costs of treasury shares transferred to employees	-	-	-	-	4,808	-	-	-	-	-	-	-	-	4,808	-	4,808
Treasury shares transfer to employees	-	-	-	-	(1,397)	-	-	-	-	-	-	-	20,868	19,471	-	19,471
Buy-back of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	(171,600)	(171,600)	-	(171,600)
Disposals of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	101,298	101,298	-	(101,298)	-	-	-	-	-
Reversal of special reserve recognized from asset disposals	-	-	-	-	-	-	(9,202)	9,202	-	-	-	-	-	-	-	-
BALANCE, JUNE 30, 2020	\$ 54,656,192	\$ 2,000,000	\$ -	\$ 2,728,810	\$ 48,019,924	\$ 19,351,361	\$ 13,039,860	\$ 27,547,875	\$ 59,939,096	\$ (16,205,044)	\$ 32,413,823	\$ 11	\$ (499,691)	\$ 183,053,121	\$ 13,408,113	\$ 196,461,234
BALANCE, JANUARY 1, 2021	\$ 57,414,007	\$ 2,000,000	\$ 688,542	\$ -	\$ 49,122,450	\$ 19,351,361	\$ 13,039,860	\$ 41,808,297	\$ 74,199,518	\$ (9,523,576)	\$ 30,670,817	\$ (250)	\$ (499,691)	\$ 204,071,817	\$ 14,758,236	\$ 218,830,053
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,050,199)	(2,050,199)
Net income for the six months ended June 30, 2021	-	-	-	-	-	-	-	10,852,066	10,852,066	-	-	-	-	10,852,066	1,151,111	12,003,177
Other comprehensive income (loss) for the six months ended June 30, 2021	-	-	-	-	-	-	-	-	-	(4,551,060)	(2,587,733)	250	-	(7,138,543)	(8,225)	(7,146,768)
Total comprehensive income (loss) for the six months ended June 30, 2021	-	-	-	-	-	-	-	10,852,066	10,852,066	(4,551,060)	(2,587,733)	250	-	3,713,523	1,142,886	4,856,409
Difference between consideration received and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	-	-	-	-	(22,400)	-	-	(351,782)	(351,782)	-	-	-	-	(374,182)	(254,101)	(628,283)
Changes in ownership interests of subsidiaries	-	-	-	-	(662)	-	-	-	-	-	-	-	-	(662)	(238)	(900)
Compensation costs of treasury shares transferred to employees	-	-	-	-	24,325	-	-	-	-	-	-	-	-	24,325	-	24,325
Treasury shares transfer to employees	-	-	-	-	(14,323)	-	-	-	-	-	-	-	107,348	93,025	-	93,025
Disposals of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	1,287,350	1,287,350	-	(1,287,350)	-	-	-	-	-
Convertible bonds converted to ordinary shares	2,160,396	-	972,855	-	6,270,897	-	-	-	-	-	-	-	-	9,404,148	-	9,404,148
BALANCE, JUNE 30, 2021	\$ 59,574,403	\$ 2,000,000	\$ 1,661,397	\$ -	\$ 55,380,287	\$ 19,351,361	\$ 13,039,860	\$ 53,595,931	\$ 85,987,152	\$ (14,074,636)	\$ 26,795,734	\$ -	\$ (392,343)	\$ 216,931,994	\$ 13,596,584	\$ 230,528,578

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

(With Deloitte & Touche review report dated August 12, 2021)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended	
	June 30	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax from continuing operations	\$ 14,653,781	\$ 16,125,012
Profit (loss) before income tax from discontinued operations	<u>518,984</u>	<u>(585,422)</u>
Income before income tax	15,172,765	15,539,590
Adjustments for:		
Depreciation expense	3,292,899	3,376,265
Amortization expense	183,812	204,952
Net loss (gain) on fair value changes of financial assets and liabilities at fair value through profit or loss	(15,531)	9,769
Finance costs	842,033	1,040,515
Interest income	(770,167)	(667,567)
Dividend income	(1,121,323)	(967,257)
Share-based compensation	24,325	4,808
Share of profit of associates and joint ventures	(1,649,791)	(1,088,621)
Loss (gain) on disposal of property, plant and equipment, net	(429,969)	38,631
Loss on disposal of investments, net	55	-
Non-financial asset impairment loss	-	54,445
Reversal of write-downs of inventories	(21,039)	(51,171)
Unrealized loss (gain) on foreign exchange, net	7,969	(29,827)
Changes in operating assets and liabilities:		
Notes receivable	5,334,738	9,016,426
Accounts receivable	(1,070,497)	(499,314)
Notes and accounts receivable from related parties	(55,250)	46,822
Other receivables	(6,906)	(45,974)
Other receivables from related parties	(5,887)	7,078
Inventories	(2,108,705)	(110,085)
Prepayments	(1,767,923)	(694,833)
Other current assets	96,416	(153,908)
Contract liabilities	(434,280)	(92,894)
Notes and accounts payable	2,356,751	(60,776)
Other payables	(1,042,037)	(1,719,816)
Other current liabilities	(20,244)	62,034
Net defined benefit liabilities	<u>(8,804)</u>	<u>(25,357)</u>
Cash generated from operations	16,783,410	23,193,935
Income tax paid	<u>(4,420,065)</u>	<u>(4,759,694)</u>
Net cash generated from operating activities	<u>12,363,345</u>	<u>18,434,241</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of financial assets at fair value through other comprehensive income	2,182,067	1,057,782

(Continued)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2021	2020
Purchase of financial assets at amortized cost	\$ -	\$ (28,913,639)
Disposal of financial assets at amortized cost	7,896,698	-
Acquisition of long-term equity investments accounted for using the equity method	(65,817)	(233,867)
Payments for property, plant and equipment	(6,856,437)	(3,847,205)
Proceeds from disposal of property, plant and equipment	148,178	50,503
Payments for intangible assets	(122,463)	(16,648)
Decrease in finance lease receivables	1,179,382	1,061,265
Decrease in other non-current assets	674,159	820,747
Interest received	764,525	608,688
Dividends received	<u>2,013,322</u>	<u>1,492,680</u>
Net cash generated from (used in) investing activities	<u>7,813,614</u>	<u>(27,919,694)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	1,662,275	7,448,525
Decrease in short-term bills payable	(1,251,990)	(1,528,940)
Issuance of bonds	-	19,960,000
Increase in long-term loans	6,094,293	1,509,924
Repayment of long-term loans	(6,652,598)	(3,276,420)
Increase in long-term bills payable	9,971,174	4,995,392
Decrease in long-term bills payable	(10,000,000)	(11,828,000)
Repayment of the principal portion of lease liabilities	(217,013)	(201,326)
Increase in other non-current liabilities	28,250	20,862
Cash dividends paid	(1,962,873)	(123,679)
Treasury shares transferred to employees	93,025	19,471
Payment for buy-back of treasury shares	-	(171,600)
Acquisition of subsidiaries	(628,283)	(109)
Interest paid	(1,092,907)	(1,216,830)
Treasury shares purchased by subsidiaries	<u>(900)</u>	<u>-</u>
Net cash generated from (used in) financing activities	<u>(3,957,547)</u>	<u>15,607,270</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	<u>(559,108)</u>	<u>(688,689)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	15,660,304	5,433,128
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		
	<u>51,433,522</u>	<u>53,572,620</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 67,093,826</u>	<u>\$ 59,005,748</u>

(Continued)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

Reconciliation of the amounts in the consolidated statements of cash flows with the equivalent items reported in the consolidated balance sheets as at June 30, 2021 and 2020:

	<u>June 30</u>	
	<u>2021</u>	<u>2020</u>
Cash and cash equivalents in the consolidated balance sheets	\$ 63,835,177	\$ 59,005,748
Cash and cash equivalents included in disposal groups held for sale	<u>3,258,649</u>	<u>-</u>
Cash and cash equivalents in the consolidated statements of cash flows	<u>\$ 67,093,826</u>	<u>\$ 59,005,748</u>

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

(With Deloitte & Touche review report dated August 12, 2021)

(Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

Taiwan Cement Corporation (the “Corporation”) was incorporated in 1946 and restructured as a corporation in 1951, which was jointly operated by the Ministry of Economics Resource Committee and the Taiwan Provincial Government. In 1954, the Corporation was privatized as a result of the Taiwan government’s land reform program, land-to-the-tiller policy. The Corporation engages in the manufacturing and marketing of cement, cement-related products and ready-mixed concrete. The Corporation’s shares have been listed on the Taiwan Stock Exchange since February 1962.

The consolidated financial statements of the Corporation and its subsidiaries, collectively referred to as the “Group”, are presented in New Taiwan dollars, the functional currency of the Corporation.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation’s Board of Directors on August 12, 2021.

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

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

The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group’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 are 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” are 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” are 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 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.

- c. The New IFRSs issued by International Accounting Standard Board (IASB) 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 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

a. Statement of compliance

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

b. Basis of preparation

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

The fair value measurements, which are grouped into Levels 1 to 3 on the basis of the degree to which the fair value measurement inputs are observable and 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 on an asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation. Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions or up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation 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 Group’s interests and the non-controlling interests are adjusted to reflect the changes in its 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 Corporation.

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 if the Group had 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.

Refer to Note 13 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

d. Other significant accounting policies

Except for the following, refer to the consolidated financial statements for the year ended December 31, 2020.

1) 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.

When a sale plan would result in a loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale, regardless of whether the Group will retain a non-controlling interest in that subsidiary after the sale.

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.

2) Retirement benefits

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

3) Taxation

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Group considers the economic implications of the COVID-19 when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

For the summary of critical accounting judgments and key sources of estimation uncertainty, refer to the consolidated financial statements for the year ended December 31, 2020.

6. CASH AND CASH EQUIVALENTS

	June 30, 2021	December 31, 2020	June 30, 2020
Cash on hand	\$ 8,378	\$ 7,934	\$ 7,901
Checking accounts and demand deposits	37,400,689	30,351,013	27,587,047
Cash equivalents			
Time deposits with original maturities of less than 3 months	23,898,354	17,683,667	28,044,849
Bonds with repurchase agreements	<u>2,527,756</u>	<u>3,390,908</u>	<u>3,365,951</u>
	<u>\$63,835,177</u>	<u>\$51,433,522</u>	<u>\$59,005,748</u>

The market rate intervals of cash in banks and bonds with repurchase agreements at the end of the reporting period were as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Cash in banks	0.01%-3.00%	0.01%-3.00%	0.01%-4.13%
Bonds with repurchase agreements	0.15%-0.18%	0.19%-0.40%	0.26%-0.90%

Financial assets at amortized cost are mainly time deposits with original maturities of more than 3 months:

	June 30, 2021	December 31, 2020	June 30, 2020
Current	\$ 7,593,330	\$ 15,769,277	\$ 15,741,435
Non-current	<u>16,394,154</u>	<u>16,475,021</u>	<u>18,259,429</u>
	<u>\$ 23,987,484</u>	<u>\$ 32,244,298</u>	<u>\$ 34,000,864</u>

The market rate intervals of time deposits with original maturities of more than 3 months at the end of the reporting period were as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
	0.10%-4.26%	0.07%-4.26%	0.10%-4.40%

Refer to Note 32 for information relating to pledged financial assets at amortized cost.

7. FINANCIAL ASSETS AT FVTPL

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTPL			
Derivative instruments (not under hedge accounting)			
Redemption options and put options of convertible bonds	\$ 20	\$ 17,092	\$ 12,352
Non-derivative financial assets			
Domestic listed shares	257,752	234,963	201,041
Domestic emerging market shares	104,782	101,931	103,153
Mutual funds	<u>-</u>	<u>-</u>	<u>175,692</u>
	<u>\$ 362,554</u>	<u>\$ 353,986</u>	<u>\$ 492,238</u>

8. FINANCIAL ASSETS AT FVTOCI (INVESTMENTS IN EQUITY INSTRUMENTS)

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Current</u>			
Domestic investments			
Listed shares	\$ 6,045,313	\$ 5,544,326	\$ 5,338,874
Convertible preference shares	<u>52,402</u>	<u>52,145</u>	<u>53,687</u>
	<u>\$ 6,097,715</u>	<u>\$ 5,596,471</u>	<u>\$ 5,392,561</u>
<u>Non-current</u>			
Domestic investments			
Unlisted shares	\$ 7,844,410	\$ 7,239,178	\$ 7,181,967
Foreign investments			
Listed shares	<u>18,530,078</u>	<u>24,664,109</u>	<u>26,762,719</u>
	<u>\$ 26,374,488</u>	<u>\$ 31,903,287</u>	<u>\$ 33,944,686</u>

The Group successively disposed foreign listed shares of China Conch Venture Holdings Limited in the first half of 2021, and the proceeds from disposal were \$2,182,067 thousand. The gain on disposal in the amount of \$1,287,350 thousand was reclassified from unrealized gain on financial assets at FVTOCI to retained earnings.

Refer to Note 32 for information relating to investments in equity instruments at FVTOCI pledged as collateral for credit accommodations.

9. NOTES AND ACCOUNTS RECEIVABLE

	June 30, 2021	December 31, 2020	June 30, 2020
Notes receivable	\$ 23,856,374	\$ 29,529,951	\$ 21,772,488
Less: Allowance for impairment loss	<u>(11,144)</u>	<u>(11,144)</u>	<u>(11,206)</u>
	<u>23,845,230</u>	<u>29,518,807</u>	<u>21,761,282</u>
Accounts receivable	8,738,854	9,654,937	9,443,816
Less: Allowance for impairment loss	<u>(132,902)</u>	<u>(132,295)</u>	<u>(93,268)</u>
	<u>8,605,952</u>	<u>9,522,642</u>	<u>9,350,548</u>
	<u>\$ 32,451,182</u>	<u>\$ 39,041,449</u>	<u>\$ 31,111,830</u>

The Group recognizes allowance for impairment loss on accounts receivable on the basis of individual customers for which credit losses have actually taken place. Moreover, the Group separates all customers into different segments based on their risks and determines their expected credit loss rates by reference to past default experience with the counterparties and analysis of their current financial positions. The Group recognizes an allowance for impairment loss of 100% against past due receivables which have an indication of impairment.

The Group writes off an account receivable when there is information indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect for recovery of the receivables. For accounts receivable that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables which are due. Where recoveries are made, these are recognized in profit or loss.

The aging analysis of receivables was as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Up to 90 days	\$ 21,260,530	\$ 23,631,396	\$ 22,761,444
91-180 days	10,385,297	14,264,510	7,644,044
181-365 days	789,828	1,123,626	680,137
Over 365 days	<u>15,527</u>	<u>21,917</u>	<u>26,205</u>
	<u>\$ 32,451,182</u>	<u>\$ 39,041,449</u>	<u>\$ 31,111,830</u>

The above aging schedule was based on the number of days past due from the invoice date.

The movements of the allowance for doubtful notes and accounts receivable were as follows:

	For the Six Months Ended June 30	
	2021	2020
Balance at January 1	\$ 143,439	\$ 105,937
Add: Net remeasurement of loss allowance	2,628	(116)
Less: Amounts written off	(573)	-
Foreign exchange losses	<u>(1,448)</u>	<u>(1,347)</u>
Balance at June 30	<u>\$ 144,046</u>	<u>\$ 104,474</u>

10. FINANCE LEASE RECEIVABLES

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Undiscounted lease payments</u>			
Year 1	\$ 5,399,594	\$ 5,457,252	\$ 5,578,933
Year 2	5,338,863	5,550,758	5,399,594
Year 3	6,177,462	5,578,575	5,338,863
Year 4	6,089,487	6,127,364	6,177,462
Year 5	6,044,152	6,285,029	6,089,487
Year 6 onwards	<u>12,330,518</u>	<u>15,011,003</u>	<u>18,374,670</u>
	41,380,076	44,009,981	46,959,009
Less: Unearned finance income	13,140,127	14,708,766	16,542,218
Less: Accumulated impairment	<u>47,878</u>	<u>47,878</u>	<u>47,878</u>
Net investment in leases presented as finance lease receivables	<u>\$ 28,192,071</u>	<u>\$ 29,253,337</u>	<u>\$ 30,368,913</u>
Current (included in accounts receivable)	\$ 2,396,336	\$ 2,278,220	\$ 2,176,842
Non-current	<u>25,795,735</u>	<u>26,975,117</u>	<u>28,192,071</u>
	<u>\$ 28,192,071</u>	<u>\$ 29,253,337</u>	<u>\$ 30,368,913</u>

The Group's electric power selling contracts with guaranteed power generation periods are classified as finance lease arrangements and the term entered into was 25 years. The interest rate inherent in the lease was fixed at the contract date for the entire lease term. The interest rate inherent in the finance lease was approximately 11.18%.

11. DISPOSAL GROUPS HELD FOR SALE

a. Discontinued operations

On March 19, 2021, the Board of Directors of the Corporation approved to sell total issued shares of Taiwan Prosperity Chemical Corporation for the total consideration of \$2,400,000 thousand to Chang Chun Plastics Co., Ltd. According to the Share Purchase Agreement, the Corporation planned to assist the termination of Equipment Lease Agreement between Taiwan Prosperity Chemical Corporation and TCC Chemical Corporation before the closing. Taiwan Prosperity Chemical Corporation planned to pay \$400,000 thousand to TCC Chemical Corporation as the consideration of the termination. Several conditions including but not limited to the approval of Taiwan Fair Trade Commission and Anti-monopoly Bureau of China were essential prerequisites to the accomplishment of the disposal plan.

The above transactions met the criteria of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". Therefore, the disposal of the assets and liabilities of Taiwan Prosperity Chemical Corporation was classified as a disposal group held for sale, which was presented as income (loss) from discontinued operations. To coordinate with the discontinued operations presentation of consolidated income statement for the six months ended June 30, 2021, the Group reclassified the income/loss of discontinued operations for the six months ended June 30, 2020 and made the related period information of consolidated income statement more relevant.

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2021
Operating revenue	\$ 3,908,804	\$ 1,463,470	\$ 6,151,329	\$ 3,638,858
Operating costs	<u>(3,168,500)</u>	<u>(1,547,175)</u>	<u>(5,280,265)</u>	<u>(3,950,673)</u>
Gross profit (loss)	740,304	(83,705)	871,064	(311,815)
Marketing expenses	(146,261)	(69,686)	(237,050)	(146,426)
General and administrative expenses	(19,185)	(13,148)	(29,863)	(26,835)
Research and development expenses	<u>(6,873)</u>	<u>(7,728)</u>	<u>(15,513)</u>	<u>(11,102)</u>
Profit (loss) from operations	567,985	(174,267)	588,638	(496,178)
Finance costs	(24,213)	(22,654)	(48,175)	(44,237)
Other income and expenses	<u>(16,646)</u>	<u>(55,930)</u>	<u>(21,479)</u>	<u>(45,007)</u>
Income (loss) before income tax	527,126	(252,851)	518,984	(585,422)
Income tax benefit (expense)	<u>1,756</u>	<u>(1,683)</u>	<u>(1,256)</u>	<u>(12,044)</u>
Profit (loss) from discontinued operations	<u>\$ 528,882</u>	<u>\$ (254,534)</u>	<u>\$ 517,728</u>	<u>\$ (597,466)</u>
Profit (loss) from discontinued operations attributable to:				
Shareholders of the Corporation	\$ 528,882	\$ (108,205)	\$ 538,108	\$ (253,993)
Non-controlling interests	<u>-</u>	<u>(146,329)</u>	<u>(20,380)</u>	<u>(343,473)</u>
	<u>\$ 528,882</u>	<u>\$ (254,534)</u>	<u>\$ 517,728</u>	<u>\$ (597,466)</u>
Net cash inflow (outflow) from:				
Operating activities			\$ 216,839	\$ 457,837
Investing activities			902,259	(45,484)
Financing activities			<u>388,111</u>	<u>516,367</u>
Net cash inflow			<u>\$ 1,507,209</u>	<u>\$ 928,720</u>

b. Disposal groups held for sale

	June 30, 2021
Total amount of disposal groups held for sale	<u>\$ 8,775,403</u>
Liabilities directly associated with disposal groups held for sale	<u>\$ 7,366,853</u>

On March 19, 2021, the Board of Directors of the Corporation approved to sell total issued shares of Taiwan Prosperity Chemical Corporation, the details of related assets and liabilities held for sale were as follows:

	June 30, 2021
<u>Assets of disposal groups held for sale</u>	
Cash and cash equivalents	\$ 3,258,649
Accounts receivable	2,010,516
Inventories	900,081
Other current assets	105,031
Property, plant and equipment	2,083,643
Other non-current assets	<u>417,483</u>
	<u>\$ 8,775,403</u>
<u>Liabilities directly associated with disposal groups held for sale</u>	
Short-term loans	\$ 2,946,146
Accounts payable	1,087,622
Other payables	258,302
Other current liabilities	44,305
Long-term loans (including current portion)	2,995,520
Other non-current liabilities	<u>34,958</u>
	<u>\$ 7,366,853</u>

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

For the amounts of the Group's disposal groups held for sale as loan guarantees, refer to Note 32.

12. INVENTORIES

	June 30, 2021	December 31, 2020	June 30, 2020
Finished goods	\$ 2,365,755	\$ 2,248,212	\$ 2,434,071
Work in process	2,056,833	1,610,246	1,504,666
Raw materials	<u>4,627,595</u>	<u>4,083,297</u>	<u>4,226,193</u>
	<u>\$ 9,050,183</u>	<u>\$ 7,941,755</u>	<u>\$ 8,164,930</u>

The costs of inventories recognized as cost of goods sold for the three months ended June 30, 2021 and 2020 and for the six months ended June 30, 2021 and 2020 were \$17,210,557 thousand, \$16,237,777 thousand, \$31,880,747 thousand and \$28,396,207 thousand, respectively. The cost of goods sold included reversal of write-downs of inventory as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Reversal of write-downs of inventory	<u>\$ 177</u>	<u>\$ 14,709</u>	<u>\$ 4,232</u>	<u>\$ 16,136</u>

Previous write-downs were reversed because slow moving inventories were removed.

13. SUBSIDIARIES

a. Subsidiaries included in consolidated financial statements

The consolidated financial statements include subsidiaries as follows:

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark	
			June 30, 2021	December 31, 2020	June 30, 2020		
Taiwan Cement Corporation	Taiwan Transport & Storage Corporation	Warehousing, transportation and sale of sand and gravel	83.9	83.9	83.9	1)	
	TCC Investment Corporation	Investment	100.0	100.0	100.0		
	Kuan-Ho Refractories Industry Corporation	Production and sale of refractory materials	95.3	95.3	95.3		
	Hong Kong Cement Manufacturing Co., Ltd. ("HKCMCL")	Investment holding	84.7	84.7	84.7		
	Ta-Ho Maritime Corporation	Marine transportation	64.8	64.8	64.8	9)	
	Taiwan Cement Engineering Corporation	Engineering services	99.2	99.2	99.1	1)	
	TCC Green Energy Corporation	Renewable energy generation	100.0	100.0	100.0		
	TCC Chemical Corporation	Leasing property and energy technology services	100.0	100.0	100.0		
	TCC Information Systems Corporation	Information software design	99.4	99.4	99.4		
	Taiwan Prosperity Chemical Corporation	Processing and sale of chemical material	100.0	71.1	40.0	1), 3), 9)	
	Tung Chen Mineral Corporation	Afforestation and sale of limestone	99.5	99.5	99.5		
	Jin Chang Minerals Corporation	Afforestation and sale of limestone	100.0	100.0	100.0		
	Hoping Industrial Port Corporation	Hoping Industrial Port management	100.0	100.0	100.0	9)	
	TCC International Ltd. ("TCCI")	Investment holding	100.0	100.0	100.0	9)	
	TCCMOLI Holdings (Singapore) Pte. Ltd. ("TCCMOLI")	Investment holding	-	100.0	100.0	5)	
	Ho-Ping Power Company	Thermal power generation	59.5	59.5	59.5	9)	
	HPC Power Service Corporation	Business consulting	60.0	60.0	60.0	9)	
	E.G.C. Cement Corporation	Sale of cement	50.6	50.6	50.6		
	Feng Sheng Enterprise Company Limited	Sale of ready-mixed concrete	45.4	45.4	45.4	3)	
	Trans Philippines Mineral Corporation ("TPMC")	Mining excavation	40.0	40.0	40.0	3)	
	Taicorn Minerals Corporation ("TMC")	Mining excavation	72.7	72.7	72.7		
	Ta-Ho RSEA Environment Co., Ltd.	Waste collection and treatment	66.6	66.6	66.6	9)	
	Ho Sheng Mining Co., Ltd.	Mining excavation and sale of limestone	100.0	100.0	100.0		
	TCC International Holdings Ltd. ("TCCIH")	Investment holding	38.3	38.3	38.3	9)	
	Taiwan Cement (Dutch) Holdings B.V. ("TCC Dutch")	Investment holding	100.0	100.0	100.0	9)	
	TCC Sustainable Energy Investment Corporation	Investment holding	100.0	100.0	-	4)	
	TCC Energy Storage Technology Corporation	Energy storage equipment manufacturing, production and sales	100.0	100.0	-	4)	
	Tuo Shan Recycle Technology Company	Waste collection and treatment	100.0	-	-	4)	
	Taiwan Transport & Storage Corporation	E.G.C. Cement Corporation	Sale of cement	49.4	49.4	49.4	
		Ta-Ho Maritime Corporation	Marine transportation	29.2	29.2	29.2	7), 9)
Tai-Jie Transport & Storage Corporation		Transportation	100.0	100.0	100.0		
TCC Investment Corporation	Union Cement Traders Inc.	Import and export trading	100.0	100.0	100.0		
	Ho-Ping Power Company	Thermal power generation	0.5	0.5	0.5	9)	
	Taiwan Prosperity Chemical Corporation	Processing and sale of chemical material	-	0.2	0.2	1), 3), 9)	
	Ta-Ho Maritime Corporation	Marine transportation	-	-	-	9)	

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark
			June 30, 2021	December 31, 2020	June 30, 2020	
HKCMCL	TCC Development Ltd.	Property leasing	100.0	100.0	100.0	
Ta-Ho Maritime Corporation	Ta-Ho Maritime Holdings Ltd.	Investment	100.0	100.0	100.0	
TCC Information Systems Corporation	Taicem Information (Samoa) Pte., Ltd.	Investment	100.0	100.0	100.0	
Hoping Industrial Port Corporation	Taiwan Prosperity Chemical Corporation	Processing and sale of chemical material	-	2.3	2.3	1), 3), 9)
TCCI	TCCIH	Investment holding	61.7	61.7	61.7	9)
TPMC	TMC	Mining excavation	18.2	18.2	18.2	
Union Cement Traders Inc.	Taiwan Transport & Storage Corporation	Warehousing, transportation and sale of sand and gravel	0.7	0.7	0.7	
Ho-Ping Power Company	Ho-Ping Renewable Energy Company	Renewable energy generation	100.0	100.0	100.0	
TCC Green Energy Corporation	Chang-Wang Wind Power Co., Ltd.	Renewable energy generation	100.0	100.0	100.0	
	TCC Nan-Chung Green Energy Corporation	Renewable energy generation	100.0	100.0	100.0	
	TCC Kao-Cheng Green Energy Corporation	Renewable energy generation	100.0	100.0	100.0	
	TCC Chang-Ho Green Energy Corporation	Renewable energy generation	100.0	100.0	100.0	
	TCC Chia-Chien Green Energy Corporation	Renewable energy generation	100.0	100.0	100.0	
	TCC Yun-Kai Green Energy Corporation	Renewable energy generation	100.0	100.0	100.0	
	TCC Lien-Hsin Green Energy Corporation	Renewable energy generation	100.0	100.0	100.0	
	TCC Ping-Chih Green Energy Corporation	Renewable energy generation	100.0	100.0	100.0	
	Chia-Ho Green Energy Corporation	Renewable energy generation	100.0	100.0	100.0	
	TCC TUNG-LI Green Energy Corporation	Renewable energy generation	100.0	-	-	4)
Ta-Ho Maritime Holdings Ltd.	Ta-Ho Maritime (Hong Kong) Limited	Marine transportation	100.0	100.0	100.0	
	THC International S.A.	Marine transportation	100.0	100.0	100.0	
	Ta-Ho Maritime (Singapore) Pte. Ltd.	Marine transportation	100.0	100.0	100.0	
Taicem Information (Samoa) Pte., Ltd.	Fuzhou TCC Information Technology Co., Ltd.	Software product and equipment maintenance	100.0	100.0	100.0	
Ta-Ho Maritime (Hong Kong) Limited	Da Tong (Guigang) International Logistics Co., Ltd.	Logistics and transportation	100.0	100.0	100.0	
Da Tong (Guigang) International Logistics Co., Ltd.	Da Tong (Ying De) Logistics Co., Ltd.	Logistics and transportation	100.0	100.0	100.0	
	Guigang Da-Ho Shipping Co., Ltd.	marine transportation	100.0	100.0	100.0	
TCCIH	Chia Hsin Cement Greater China Holding Corp. (“CHCGC”)	Investment holding	-	-	100.0	2)
	Upper Value Investment Limited	Investment holding	100.0	100.0	100.0	
	Upper Value Investments Ltd. (“UPPV”)	Investment holding	100.0	100.0	100.0	9)
	TCC Hong Kong Cement (BVI) Holdings Ltd.	Investment holding	100.0	100.0	100.0	9)
Upper Value Investment Limited	Ulexite Investments Ltd.	Investment holding	100.0	100.0	100.0	
	Prime York Ltd.	Investment holding	100.0	100.0	100.0	
	Prosperity Minerals (International) Ltd.	Investment holding	100.0	100.0	100.0	
TCC Hong Kong Cement (BVI) Holdings Ltd.	TCC Hong Kong Cement Development Ltd.	Investment holding	100.0	100.0	100.0	
	TCC Hong Kong Cement (QHC) Ltd.	Investment holding	100.0	100.0	100.0	
	TCC Hong Kong Cement (Yargoan) Ltd.	Investment holding	100.0	100.0	100.0	
	TCC Hong Kong Cement (HKC) Ltd.	Investment holding	-	-	100.0	2)
	TCC Hong Kong Cement (Philippines) Ltd.	Investment holding	100.0	100.0	100.0	
	TCC Hong Kong Cement (International) Ltd.	Investment holding	100.0	100.0	100.0	9)
	Hong Kong Cement Company Limited (“HKCCL”)	Sale of cement	100.0	100.0	100.0	
TCC Hong Kong Cement (QHC) Ltd.	Chiefolk Company Ltd.	Investment holding	70.0	70.0	70.0	
Chiefolk Company Ltd.	TCC International (Liuzhou) Ltd.	Investment holding	100.0	100.0	100.0	

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark
			June 30, 2021	December 31, 2020	June 30, 2020	
TCC International (Liuzhou) Ltd.	TCC Liuzhou Company Ltd.	Investment holding	100.0	100.0	100.0	
TCC Liuzhou Company Ltd.	TCC Liuzhou Construction Materials Co., Ltd.	Manufacturing and sale of slag powder	60.0	60.0	60.0	
TCC Hong Kong Cement (Philippines) Ltd.	TCC Cement Corp.	Cement processing services	100.0	100.0	100.0	
TCC Hong Kong Cement (International) Ltd.	TCC International (Hong Kong) Co., Ltd. ("TCCI (HK)")	Investment holding	100.0	100.0	100.0	9)
TCCI (HK)	TCC Guigang Mining Industrial Company Limited	Mining excavation	52.5	52.5	52.5	
	Jiangsu TCC Investment Co., Ltd.	Investment holding	100.0	100.0	100.0	
	Jingyang Industrial Limited	Investment holding	100.0	100.0	100.0	
	TCC International (Guangxi) Ltd.	Investment holding	100.0	100.0	100.0	
	TCC Shaoguan Cement Co., Ltd.	Manufacturing and sale of cement	100.0	100.0	100.0	
	TCC Yingde Mining Industrial Company Limited	Mining excavation	48.9	48.9	48.9	
	TCC Yingde Cement Co., Ltd.	Manufacturing and sale of cement	100.0	100.0	100.0	9)
	TCC Jiangsu Mining Industrial Company Limited	Mining excavation	100.0	100.0	100.0	
	TCC Fuzhou Yangyu Port Co., Ltd.	Service of port facility	100.0	100.0	100.0	
	TCC (Dong Guan) Cement Company Ltd.	Manufacturing and sale of cement	100.0	100.0	100.0	
	TCC Fuzhou Cement Co., Ltd.	Manufacturing and sale of cement	100.0	100.0	100.0	
	TCC Huaihua Cement Company Limited	Manufacturing and sale of cement	31.0	31.0	31.0	9)
Jiangsu TCC Investment Co., Ltd.	Jurong TCC Cement Co., Ltd.	Manufacturing and sale of cement	21.5	21.5	21.5	9)
	Jurong TCC Environmental Co., Ltd.	Dangerous waste treatment	21.5	21.5	-	4)
Jingyang Industrial Limited	Jurong TCC Cement Co., Ltd.	Manufacturing and sale of cement	78.5	78.5	78.5	9)
	Jurong TCC Environmental Co., Ltd.	Dangerous waste treatment	78.5	78.5	-	4)
TCC International (Guangxi) Ltd.	TCC (Gui Gang) Cement Ltd.	Manufacturing and sale of cement	100.0	100.0	100.0	9)
	TCC (Hangzhou) Recycle Resource Technology Limited	Recycle Resource technology development, business management and sales	82.1	82.1	-	4)
TCC (Gui Gang) Cement Ltd.	TCC Huaying Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	100.0	
	TCC Guigang Mining Industrial Company Limited	Mining excavation	47.5	47.5	47.5	
	Guigang TCC Dong Yuan Environmental Technology Company Limited	Dangerous waste treatment	100.0	100.0	95.2	8)
	TCC (Hangzhou) Recycle Resource Technology Limited	Recycle Resource technology development, business management and sales	17.9	17.9	100.0	4)
TCC Yingde Cement Co., Ltd.	TCC Yingde Mining Industrial Company Limited	Mining excavation	34.8	34.8	34.8	
	Scitus Luzhou Concrete Co., Ltd.	Sale of ready-mixed concrete	25.0	25.0	25.0	
	Scitus Luzhou Cement Co., Ltd.	Manufacturing and sale of cement	10.0	10.0	10.0	
	Scitus Naxi Cement Co., Ltd.	Manufacturing and sale of cement	10.0	10.0	10.0	
	Scitus Hejiang Cement Co., Ltd.	Manufacturing and sale of cement	10.0	10.0	10.0	
	Beijing TCC Environmental Technology Co., Ltd.	Technology development, enterprise management and sales	100.0	100.0	100.0	
	TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	Environmental protection, cement and enterprise management consulting	100.0	100.0	100.0	
TCC Jiangsu Mining Industrial Company Limited	TCC Yingde Mining Industrial Company Limited	Mining excavation	16.3	16.3	16.3	
TCC Huaihua Cement Company Limited	TCC Jingzhou Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	100.0	
	TCC Huaihua Concrete Company Limited	Sale of ready-mixed concrete	100.0	100.0	100.0	

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark
			June 30, 2021	December 31, 2020	June 30, 2020	
UPPV	Wayly Holdings Ltd.	Investment holding	100.0	100.0	100.0	
	TCC International (China) Co., Ltd.	Investment holding	100.0	100.0	100.0	
	Kong On Cement Holdings Ltd.	Investment holding	65.0	65.0	65.0	
	Mega East Ltd.	Investment holding	100.0	100.0	100.0	
	Prosperity Minerals (China) Ltd.	Investment holding	100.0	100.0	100.0	
	Sure Kit Ltd.	Investment holding	100.0	100.0	100.0	
	Hensford Ltd.	Investment holding	100.0	100.0	100.0	
	Kiton Ltd.	Investment holding	100.0	100.0	100.0	
	Prosperity Cement Investment Ltd.	Investment holding	100.0	100.0	100.0	
	Scitus Cement (China) Holdings Ltd. ("Scitus Holdings")	Investment holding	100.0	100.0	100.0	
Wayly Holdings Ltd.	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Manufacturing and sale of cement	100.0	100.0	100.0	
TCC International (China) Co., Ltd.	TCC New (Hangzhou) Management Company Limited	Operation management	100.0	100.0	100.0	
Kong On Cement Holdings Ltd.	Guizhou Kong On Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	100.0	
Mega East Ltd.	Guangan Changxing Cement Company Ltd.	Manufacturing and sale of cement	100.0	100.0	100.0	6)
Sure Kit Ltd.	TCC Chongqing Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	100.0	9)
Hensford Ltd.	TCC Anshun Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	100.0	9)
Kiton Ltd.	TCC Liaoning Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	100.0	
Prosperity Cement Investment Ltd.	Yingde Dragon Mountain Cement Co., Ltd.	Manufacturing and sale of cement	100.0	100.0	100.0	9)
TCC Anshun Cement Company Limited	Anshun Xin Tai Construction Materials Company Limited	Filtering of sand and gravel and sale of ready-mixed concrete	100.0	100.0	100.0	
TCC New (Hangzhou) Management Company Limited	Kaili TCC Environment Technology Co., Ltd.	Waste collection and treatment	100.0	100.0	100.0	
Scitus Holdings	Scitus Cement (China) Operating Co., Ltd.	Investment holding	100.0	100.0	100.0	
	Hexagon XIV Holdings Ltd.	Investment holding	100.0	100.0	100.0	
	Hexagon XIII Holdings Ltd.	Investment holding	100.0	100.0	100.0	
	Hexagon IX Holdings Ltd.	Investment holding	100.0	100.0	100.0	
	Hexagon VIII Holdings Ltd.	Investment holding	100.0	100.0	100.0	
	Hexagon V Holdings Ltd.	Investment holding	100.0	100.0	100.0	
	Hexagon IV Holdings Ltd.	Investment holding	100.0	100.0	100.0	
	Hexagon III Holdings Ltd.	Investment holding	100.0	100.0	100.0	
	Hexagon II Holdings Ltd.	Investment holding	100.0	100.0	100.0	
	Hexagon Holdings Ltd.	Investment holding	100.0	100.0	100.0	
Hexagon IX Holdings Ltd.	Scitus Hejiang Cement Co., Ltd.	Manufacturing and sale of cement	90.0	90.0	90.0	
Hexagon IV Holdings Ltd.	Scitus Luzhou Cement Co., Ltd.	Manufacturing and sale of cement	90.0	90.0	90.0	
Hexagon III Holdings Ltd.	Scitus Naxi Cement Co., Ltd.	Manufacturing and sale of cement	90.0	90.0	90.0	
Hexagon XIV Holdings Ltd.	Scitus Luzhou Concrete Co., Ltd.	Sales of ready-mixed concrete	75.0	75.0	75.0	
Scitus Luzhou Cement Co., Ltd.	TCC Jiuyuan (Xuyong) Environmental Technology Co., Ltd.	Technology development, enterprise management and sales	55.0	55.0	55.0	
Jurong TCC Cement Co., Ltd.	TCC Huaihua Cement Company Limited	Manufacturing and sale of cement	69.0	69.0	69.0	9)

(Concluded)

Remarks:

- 1) The Corporation conducted a tender offer of 31.1% of the ordinary shares of Taiwan Prosperity Chemical Corporation in September 2020, and purchased 28.9% of the ordinary shares of Taiwan Prosperity Chemical Corporation in the first quarter of 2021, including 0.2% of the ordinary shares from TCC Investment Corporation and 2.3% of the ordinary shares from Hoping Industrial Port Corporation. In March 2021, the Board of Directors of the Corporation approved to sell total issued shares of Taiwan Prosperity Chemical Corporation and the related assets and liabilities were reclassified as disposal groups held for sale. The Corporation purchased shares of Taiwan Cement Engineering Corporation in the first half of 2021 and in 2020. The Corporation purchased shares of

Taiwan Transport & Storage Corporation in 2020. Refer to Note 27 for information relating to the aforementioned equity acquisition transaction.

- 2) CHCGC and HKC had completed their dissolution in 2020.
- 3) Although the Group's percentages of ownership in Feng Sheng Enterprise Company Limited, TPMC and Taiwan Prosperity Chemical Corporation (in the first half of 2020) were less than 50%, the Group still has control over those entities. Thus, Taiwan Prosperity Chemical Corporation, Feng Sheng Enterprise Company Limited and TPMC are considered as subsidiaries of the Group.
- 4) TCC Sustainable Energy Investment Corporation, TCC Energy Storage Technology Corporation, TCC (Hangzhou) Recycle Resource Technology Limited and Jurong TCC Environmental Co., Ltd. were established in 2020. TCC TUNG-LI Green Energy Corporation and Tuo Shan Recycle Technology Company were established in the first half of 2021.
- 5) TCCMOLI was in the process of liquidation in June 2021.
- 6) TCC Guangan Cement Company Limited changed its name to Guangan Changxing Cement Co., Ltd. in the fourth quarter of 2020.
- 7) Taiwan Transport & Storage Corporation purchased 0.05% equity and shares of Ta-Ho Maritime Corporation in the first half of 2021 and in 2020. Refer to Note 27 for information relating to the aforementioned equity acquisition transaction.
- 8) Guigang TCC DongYuan Environmental Technology Company Limited was 95.2% owned by TCC (Gui Gang) Cement Ltd. in the first half of 2020. In 2020, due to non-subscription by minority shareholders, TCC (Gui Gang) Cement Ltd.'s percentage of ownership in Guigang TCC DongYuan Environmental Technology Company Limited increased to 100%.
- 9) Except for the financial statements of Ta-Ho RSEA Environment Co., Ltd. which were not reviewed for the six months ended June 30, 2020, the financial statements for the six months ended June 30, 2021 and 2020 of the consolidated subsidiaries were reviewed by auditors.
- 10) Except for those mentioned directly above in Remark 9, the remaining subsidiaries' financial statements for the six months ended June 30, 2021 and 2020 were not reviewed by auditors.

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

	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
	June 30, 2021	December 31, 2020	June 30, 2020
Taiwan Prosperity Chemical Corporation	-	26.4%	57.5%
Ho-Ping Power Company	40.0%	40.0%	40.0%

The Board of Directors of the Corporation approved the tender offer of the ordinary shares of Taiwan Prosperity Chemical Corporation with \$18 per share in July 2020 and approved the share swap by cash for the acquisition of 100% shares of Taiwan Prosperity Chemical Corporation and the delisting of the shares of Taiwan Prosperity Chemical Corporation in accordance with the applicable laws and regulations in September 2020. As of December 31, 2020, the Corporation had conducted the tender offer of 31.1% of the ordinary shares. The proportion of the Group's ownership was 73.6% and the proportion of the non-controlling interests decreased to 26.4%. On January 18, 2021, the Corporation acquired the ordinary shares of Taiwan Prosperity Chemical Corporation with share swap by cash in accordance with the Business Mergers and Acquisitions Act and the share swap agreement. The Corporation paid \$18 per share to other shareholders of Taiwan Prosperity Chemical Corporation

(including shares acquired from TCC Investment Corporation and Hoping Industrial Port Corporation) and the total amount was \$685,845 thousand. Taiwan Prosperity Chemical Corporation became a wholly owned subsidiary of the Corporation. Meanwhile, the securities of Taiwan Prosperity Chemical Corporation were under suspension of trading and delisted on the same day with approval by competent authority.

Refer to Table for the information on the places of incorporation and principal places of business.

The summarized financial information below represents amounts before intragroup eliminations.

Taiwan Prosperity Chemical Corporation

	December 31, 2020	June 30, 2020
Current assets	\$ 4,699,229	\$ 3,938,494
Non-current assets	3,910,575	4,282,981
Current liabilities	(3,893,618)	(3,259,474)
Non-current liabilities	<u>(3,682,570)</u>	<u>(4,048,291)</u>
Equity	<u>\$ 1,033,616</u>	<u>\$ 913,710</u>
Equity attributable to:		
Owners of Taiwan Prosperity Chemical Corporation	\$ 760,847	\$ 388,436
Non-controlling interests of Taiwan Prosperity Chemical Corporation	<u>272,769</u>	<u>525,274</u>
	<u>\$ 1,033,616</u>	<u>\$ 913,710</u>

Note: Profit and loss items and cash flow information of Taiwan Prosperity Chemical Corporation, please refer to Note 11.

Ho-Ping Power Company

	June 30, 2021	December 31, 2020	June 30, 2020
Current assets	\$ 7,204,852	\$ 8,307,788	\$ 8,457,648
Non-current assets	26,468,875	28,361,144	28,413,511
Current liabilities	(2,415,909)	(2,749,424)	(6,505,234)
Non-current liabilities	<u>(3,092,161)</u>	<u>(3,197,644)</u>	<u>(3,359,325)</u>
Equity	<u>\$ 28,165,657</u>	<u>\$ 30,721,864</u>	<u>\$ 27,006,600</u>
Equity attributable to:			
Owners of Ho-Ping Power Company	\$ 16,895,927	\$ 18,429,651	\$ 16,200,493
Non-controlling interests of Ho-Ping Power Company	<u>11,269,730</u>	<u>12,292,213</u>	<u>10,806,107</u>
	<u>\$ 28,165,657</u>	<u>\$ 30,721,864</u>	<u>\$ 27,006,600</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Operating revenue	<u>\$ 3,189,991</u>	<u>\$ 3,672,610</u>	<u>\$ 5,382,101</u>	<u>\$ 7,434,880</u>
Net profit for the period	\$ 1,137,558	\$ 1,934,374	\$ 2,087,344	\$ 3,553,099
Other comprehensive income for the period	<u>-</u>	<u>408</u>	<u>-</u>	<u>216</u>
Total comprehensive income for the period	<u>\$ 1,137,558</u>	<u>\$ 1,934,782</u>	<u>\$ 2,087,344</u>	<u>\$ 3,553,315</u>
Net profit attributable to:				
Owners of Ho-Ping Power Company	\$ 682,535	\$ 1,160,624	\$ 1,252,407	\$ 2,131,860
Non-controlling interests of Ho-Ping Power Company	<u>455,023</u>	<u>773,750</u>	<u>834,937</u>	<u>1,421,239</u>
	<u>\$ 1,137,558</u>	<u>\$ 1,934,374</u>	<u>\$ 2,087,344</u>	<u>\$ 3,553,099</u>
Total comprehensive income attributable to:				
Owners of Ho-Ping Power Company	\$ 682,535	\$ 1,160,869	\$ 1,252,407	\$ 2,131,989
Non-controlling interests of Ho-Ping Power Company	<u>455,023</u>	<u>773,913</u>	<u>834,937</u>	<u>1,421,326</u>
	<u>\$ 1,137,558</u>	<u>\$ 1,934,782</u>	<u>\$ 2,087,344</u>	<u>\$ 3,553,315</u>
			For the Six Months Ended June 30	
			2021	2020
Net cash inflow (outflow) from:				
Operating activities			\$ 2,963,735	\$ 3,744,718
Investing activities			401,668	(292,111)
Financing activities			<u>(4,634,481)</u>	<u>(4,265,103)</u>
Net cash outflow			<u>\$ (1,269,078)</u>	<u>\$ (812,496)</u>
Dividends paid to non-controlling interests of Ho-Ping Power Company			<u>\$ 1,857,420</u>	<u>\$ 2,301,903</u>

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2021	December 31, 2020	June 30, 2020
Investments in associates	<u>\$ 48,819,599</u>	<u>\$ 50,133,844</u>	<u>\$ 46,623,322</u>
Material associates			
Cimpor Global Holdings B.V.	\$ 27,250,144	\$ 28,748,060	\$ 27,216,859
Associates that are not individually material			
Prosperity Conch Cement Company Limited	6,846,951	7,247,911	6,292,805
International CSRC Investment Holdings Co., Ltd.	6,542,751	6,249,094	6,061,523
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.	1,787,027	1,742,842	1,521,256
CCC USA Corp.	1,718,685	1,679,436	1,680,400
TCC Recycle Energy Technology Company	1,677,428	1,726,025	1,730,399
Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd.	1,201,256	1,140,060	973,820
ONYX Ta-Ho Environmental Services Co., Ltd.	962,197	815,179	621,351
Sichuan Taichang Building Material Group Company Limited	475,195	488,397	222,835
Quon Hing Concrete Co., Ltd.	143,370	130,615	132,557
Hong Kong Concrete Co., Ltd.	138,343	151,692	158,959
Guigang Conch-TCC New Material Technology Co., Ltd	37,082	4,065	-
Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd.	32,793	3,929	3,754
Synpac Ltd.	6,377	6,539	6,804
Shih Hsin Storage & Transportation Co., Ltd.	-	-	-
Chia Huan Tung Cement Corporation	-	-	-
	<u>\$ 48,819,599</u>	<u>\$ 50,133,844</u>	<u>\$ 46,623,322</u>

Except for the financial statements of International CSRC Investment Holdings Co., Ltd., CCC USA Corp., and TCC Recycle Energy Technology Company, the financial statements of associates for the six months ended June 30, 2021 and 2020 were not reviewed. Management believes there is no material impact on the financial statements of the abovementioned companies which have not been reviewed.

For the amounts of the Group's investments accounted for using the equity method provided as loan guarantees, refer to Note 32.

a. Material associates

	<u>Proportion of Ownership</u>		
	June 30, 2021	December 31, 2020	June 30, 2020
Cimpor Global Holdings B.V.	40.0%	40.0%	40.0%

Refer to Table for information on the nature of activities, principal place of business and country of incorporation of Cimpor Global Holdings B.V. and other investees.

The financial information of material associates, which reflected the adjustments made when adopting the equity method of accounting, was summarized as follows:

Cimpor Global Holdings B.V.

	June 30, 2021	December 31, 2020	June 30, 2020
Current assets	\$ 21,456,108	\$ 21,428,951	\$ 16,435,047
Non-current assets	59,101,642	62,427,768	63,552,798
Current liabilities	(17,239,890)	(15,901,917)	(13,986,043)
Non-current liabilities	(10,709,936)	(12,355,266)	(12,491,621)
Non-controlling interests	<u>(8,555,220)</u>	<u>(9,159,987)</u>	<u>(9,627,831)</u>
Equity attributable to the Group	<u>\$ 44,052,704</u>	<u>\$ 46,439,549</u>	<u>\$ 43,882,350</u>
Proportion of the Group's ownership	40%	40%	40%
Equity attributable to the Group	\$ 17,621,082	\$ 18,575,820	\$ 17,552,940
Goodwill	<u>9,629,062</u>	<u>10,172,240</u>	<u>9,663,919</u>
Carrying amounts	<u>\$ 27,250,144</u>	<u>\$ 28,748,060</u>	<u>\$ 27,216,859</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Operating revenue	<u>\$ 7,161,541</u>	<u>\$ 5,623,802</u>	<u>\$ 13,938,305</u>	<u>\$ 11,033,081</u>
Profit for the period	\$ 676,817	\$ 495,760	\$ 1,456,680	\$ 545,490
Other comprehensive loss	<u>(580,765)</u>	<u>(408,263)</u>	<u>(1,241,646)</u>	<u>(1,313,314)</u>
Total comprehensive income (loss) for the period	<u>\$ 96,052</u>	<u>\$ 87,497</u>	<u>\$ 215,034</u>	<u>\$ (767,824)</u>

b. Aggregate information of associates that are not individually material

	Proportion of Ownership		
	June 30, 2021	December 31, 2020	June 30, 2020
Prosperity Conch Cement Company Limited	25.0%	25.0%	25.0%
International CSRC Investment Holdings Co., Ltd. (Note 1)	19.2%	19.2%	19.2%
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.	30.0%	30.0%	30.0%
CCC USA Corp.	33.3%	33.3%	33.3%
TCC Recycle Energy Technology Company	29.7%	29.7%	29.7%
Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd.	30.0%	30.0%	30.0%
ONYX Ta-Ho Environmental Services Co., Ltd.	50.0%	50.0%	50.0%

(Continued)

	Proportion of Ownership		
	June 30, 2021	December 31, 2020	June 30, 2020
Sichuan Taichang Building Material Group Company Limited (Note 4)	30.0%	30.0%	30.0%
Quon Hing Concrete Co., Ltd.	50.0%	50.0%	50.0%
Hong Kong Concrete Co., Ltd.	31.5%	31.5%	31.5%
Guigang Conch-TCC New Material Technology Co., Ltd (Note 2)	40.0%	40.0%	-
Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd. (Note 3)	45.0%	45.0%	45.0%
Synpac Ltd.	25.0%	25.0%	25.0%
Yingjing Xinan New material Co., Ltd. (Note 4)	30.0%	30.0%	-
Shih Hsin Storage & Transportation Co., Ltd. (Note 1)	-	-	-
Chia Huan Tung Cement Corporation (Note 1)	-	-	-

(Concluded)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
The Group's share of:				
Net income for the period	\$ 679,847	\$ 599,744	\$ 1,109,888	\$ 911,963
Other comprehensive loss	<u>(193,831)</u>	<u>(99,310)</u>	<u>(99,661)</u>	<u>(389,530)</u>
Total comprehensive income for the period	<u>\$ 486,016</u>	<u>\$ 500,434</u>	<u>\$ 1,010,227</u>	<u>\$ 522,433</u>

Note 1: The Group's ownership percentage in International CSRC Investment Holdings Co., Ltd. is less than 20%; however, the Group has significant influence and therefore accounts for the investment by using the equity method. Chia Huan Tung Cement Corporation and Shih Hsin Storage & Transportation Co., Ltd. liquidation were completed at the end of 2020.

Note 2: The Group invested in Guigang Conch-TCC New Material Technology Co., Ltd. in the third quarter of 2020. In addition, the Group increased its investment, and the investment amounts for the three months ended June 30, 2021 and for the six months ended June 30, 2021 were \$27,722 thousand and \$36,442 thousand, respectively. The proportion of the Group's ownership was 40%.

Note 3: The Group invested in Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd. in the third quarter of 2020. In addition, the Group increased its investment, and the investment amounts for the three months ended June 30, 2021 and for the six months ended June 30, 2021 were \$0 and \$29,375 thousand, respectively. The proportion of the Group's ownership was 45%.

Note 4: Sichuan Taichang Building Material Group Company Limited has adjusted its internal organizational structure and transferred its 30% equity interest in Yingjing Company to the Group. The Group generated a credit balance for the equity method of investment due to the recognition of the investment loss of Yingjing Company. It was recognized by the Group under other non-current liabilities of \$164,899 thousand and \$167,446 thousand on June 30, 2021 and December 31, 2020, respectively.

15. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Miscellaneous Equipment	Property in Construction	Total
<u>Cost</u>						
Balance at January 1, 2020	\$ 20,676,526	\$ 48,461,498	\$ 92,919,161	\$ 14,931,799	\$ 6,516,379	\$ 183,505,363
Additions	387,349	38,707	142,831	147,869	1,458,567	2,175,323
Disposals	(18,843)	(15,851)	(250,833)	(152,027)	-	(437,554)
Reclassification	1,383,271	112,316	520,514	(169,145)	(571,447)	1,275,509
Effects of exchange rate changes	-	(785,863)	(1,271,371)	(83,552)	(92,447)	(2,233,233)
Balance at June 30, 2020	<u>\$ 22,428,303</u>	<u>\$ 47,810,807</u>	<u>\$ 92,060,302</u>	<u>\$ 14,674,944</u>	<u>\$ 7,311,052</u>	<u>\$ 184,285,408</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2020	\$ 274,188	\$ 17,858,784	\$ 67,448,532	\$ 7,963,743	\$ 78,797	\$ 93,624,044
Disposals	-	(14,844)	(215,509)	(118,067)	-	(348,420)
Depreciation expenses	-	676,552	1,967,264	331,991	-	2,975,807
Impairment losses	-	-	54,445	-	-	54,445
Reclassification	534,716	(6,951)	(184,657)	(249,449)	-	93,659
Effects of exchange rate changes	-	(244,175)	(773,430)	(35,556)	(1,930)	(1,055,091)
Balance at June 30, 2020	<u>\$ 808,904</u>	<u>\$ 18,269,366</u>	<u>\$ 68,296,645</u>	<u>\$ 7,892,662</u>	<u>\$ 76,867</u>	<u>\$ 95,344,444</u>
Carrying amounts at June 30, 2020	<u>\$ 21,619,399</u>	<u>\$ 29,541,441</u>	<u>\$ 23,763,657</u>	<u>\$ 6,782,282</u>	<u>\$ 7,234,185</u>	<u>\$ 88,940,964</u>
<u>Cost</u>						
Balance at January 1, 2021	\$ 24,111,549	\$ 49,391,149	\$ 95,772,602	\$ 15,070,836	\$ 7,743,182	\$ 192,089,318
Additions	-	29,970	216,949	215,977	4,303,614	4,766,510
Disposals	(310,481)	(275,459)	(493,084)	(247,779)	(2,530,920)	(3,857,723)
Reclassification	(560,204)	10,671	(14,079,621)	(307,897)	(1,843,275)	(16,780,326)
Effects of exchange rate changes	-	(487,699)	(786,890)	(100,305)	(88,419)	(1,463,313)
Balance at June 30, 2021	<u>\$ 23,240,864</u>	<u>\$ 48,668,632</u>	<u>\$ 80,629,956</u>	<u>\$ 14,630,832</u>	<u>\$ 7,584,182</u>	<u>\$ 174,754,466</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2021	\$ 808,904	\$ 19,401,738	\$ 71,362,067	\$ 8,327,743	\$ 79,894	\$ 99,980,346
Disposals	-	(274,965)	(446,132)	(124,971)	-	(846,068)
Depreciation expenses	-	687,580	1,853,786	340,684	-	2,882,050
Reclassification	-	(165,968)	(14,446,500)	(504,083)	-	(15,116,551)
Effects of exchange rate changes	-	(157,709)	(499,403)	(29,993)	(1,215)	(688,320)
Balance at June 30, 2021	<u>\$ 808,904</u>	<u>\$ 19,490,676</u>	<u>\$ 57,823,818</u>	<u>\$ 8,009,380</u>	<u>\$ 78,679</u>	<u>\$ 86,211,457</u>
Carrying amounts at December 31, 2020 and January 1, 2021	<u>\$ 23,302,645</u>	<u>\$ 29,989,411</u>	<u>\$ 24,410,535</u>	<u>\$ 6,743,093</u>	<u>\$ 7,663,288</u>	<u>\$ 92,108,972</u>
Carrying amounts at June 30, 2021	<u>\$ 22,431,960</u>	<u>\$ 29,177,956</u>	<u>\$ 22,806,138</u>	<u>\$ 6,621,452</u>	<u>\$ 7,505,503</u>	<u>\$ 88,543,009</u>

The related assets and liabilities of Taiwan Prosperity Chemical Corporation were reclassified as disposal groups held for sale in the first quarter of 2021, refer to Note 11.

Ta-Ho RSEA Environment Co., Ltd. and the Yunlin County Government signed the “Build-Own-Operate Agreement for Waste Incineration Plant” (the “BOO Agreement”) on February 2002 and the Yunlin County Government unilaterally terminated the BOO Agreement in 2006. Ta-Ho RSEA Environment Co., Ltd. filed the application for arbitration and received arbitration award and payment from the Yunlin County Government about \$3,382,519 thousand (included principal and interest of compensation decided by arbitration). Ta-Ho RSEA Environment Co., Ltd. received notification from the Yunlin County Government on March 18, 2021 to conduct the registration of changes in land rights of the Linnei Incinerator on April 2021 and therefore recognized gain on disposal of real property, plant and equipment in the amount of \$452,044 thousand.

The Group assessed that the related products of the chemical segment were affected by changes in market demand, and the sales were below expectation; therefore, during the six months ended June 30, 2020, it recognized an impairment loss of \$54,445 thousand. The Group applied value in use to measure the recoverable amount of such equipment, and the discount rate before tax used was 18.21%.

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

Buildings	
Main buildings	30-60 years
Main plants	16-50 years
Storage units	10-50 years
Others	20-50 years
Machinery and equipment	2-28 years
Miscellaneous equipment	2-20 years

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 32.

Acquisitions of property, plant and equipment included non-cash items which were reconciled as follows:

	For the Six Months Ended	
	June 30	
	2021	2020
Acquisitions of property, plant and equipment	\$ 4,766,510	\$ 2,175,323
Increase in prepayments for equipment	2,255,442	976,937
Decrease (increase) in payables for equipment	(158,868)	694,945
Increase in other non-current liabilities	<u>(6,647)</u>	<u>-</u>
	<u>\$ 6,856,437</u>	<u>\$ 3,847,205</u>

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Carrying amounts</u>			
Land	\$ 12,295,341	\$ 12,538,669	\$ 11,236,535
Buildings	650,478	658,456	737,142
Machinery	358,587	200,348	203,657
Others	<u>61,914</u>	<u>53,652</u>	<u>55,107</u>
	<u>\$ 13,366,320</u>	<u>\$ 13,451,125</u>	<u>\$ 12,232,441</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Additions to right-of-use assets	\$ 165,038	\$ 105,280	\$ 467,962	\$ 174,063
Depreciation charge for right-of-use assets				
Land	\$ 132,496	\$ 125,348	\$ 264,439	\$ 246,316
Buildings	35,879	40,732	72,184	83,674
Machinery	26,502	24,230	51,821	49,767
Others	6,396	5,299	12,183	10,291
	<u>\$ 201,273</u>	<u>\$ 195,609</u>	<u>\$ 400,627</u>	<u>\$ 390,048</u>

Except for the aforementioned additions and recognized depreciation (including continuing operations and discontinued operations), the Group did not have significant sublease or impairment of right-of-use assets during the six months ended June 30, 2021 and 2020.

b. Lease liabilities

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Carrying amounts</u>			
Current	\$ 331,059	\$ 315,451	\$ 374,569
Non-current	\$ 2,196,179	\$ 1,978,361	\$ 2,003,643

Range of discount rate for lease liabilities was as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Land	1.79%-4.90%	1.79%-4.90%	1.79%-4.90%
Buildings	1.79%-4.75%	1.79%-4.75%	1.79%-4.75%
Machinery	1.21%-2.20%	1.21%-2.05%	1.21%-2.00%
Others	1.76%-4.75%	1.76%-4.75%	1.76%-4.75%

c. Material lease-in activities and terms

The Group leases certain land and buildings for use as plants and offices. The Group does not have bargain purchase options to acquire the leased premises at the end of the lease terms.

d. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Expenses relating to short-term leases	\$ 347,957	\$ 234,022	\$ 608,442	\$ 483,435
Expenses relating to low-value asset leases	\$ 101	\$ 362	\$ 350	\$ 613

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 58,910	\$ 55,486	\$ 136,496	\$ 121,204
Total cash outflow for leases	\$ (541,926)	\$ (340,311)	\$ (1,009,121)	\$ (814,088)

(Concluded)

The Group's leases of certain assets qualify as short-term leases 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.

17. INVESTMENT PROPERTIES

	June 30, 2021	December 31, 2020	June 30, 2020
Land	\$ 4,875,977	\$ 4,875,977	\$ 4,876,690
Buildings	<u>561,103</u>	<u>575,457</u>	<u>586,446</u>
	<u>\$ 5,437,080</u>	<u>\$ 5,451,434</u>	<u>\$ 5,463,136</u>

Except for depreciation expense and transfer of the net proceeds from land used by the Group of \$848,555 thousand to property, plant and equipment in the first half of 2020, the Group did not recognize significant additions, disposals or impairment loss of investment properties during the six months ended June 30, 2021 and 2020.

The buildings of the investment properties are depreciated using the straight-line method over their estimated useful lives of 50 years.

As of December 31, 2020 and 2019, the fair values of investment properties were \$13,495,806 thousand and \$14,859,809 thousand, respectively. Except for the transfer to be used by the Group during the six months ended June 30, 2020, the adjusted fair value was \$12,195,685 thousand on June 30, 2020, management of the Group had assessed and determined that there were no significant changes in fair value as of June 30, 2021 and 2020, as compared to that of December 31, 2020 and 2019.

The investment properties pledged as collateral for bank borrowings are set out in Note 32.

18. INTANGIBLE ASSETS

	Goodwill	Operational Concession	Mining Rights	Others	Total
<u>Cost</u>					
Balance at January 1, 2020	\$ 11,603,510	\$ 7,681,476	\$ 3,184,609	\$ 1,190,994	\$ 23,660,589
Additions	-	-	9,765	6,883	16,648
Effects of exchange rate changes	<u>(259,318)</u>	<u>-</u>	<u>(72,463)</u>	<u>(8,511)</u>	<u>(340,292)</u>
Balance at June 30, 2020	<u>\$ 11,344,192</u>	<u>\$ 7,681,476</u>	<u>\$ 3,121,911</u>	<u>\$ 1,189,366</u>	<u>\$ 23,336,945</u>

(Continued)

	Goodwill	Operational Concession	Mining Rights	Others	Total
<u>Accumulated amortization and impairment</u>					
Balance at January 1, 2020	\$ 156,000	\$ 1,208,888	\$ 1,529,944	\$ 1,109,639	\$ 4,004,471
Amortization expenses	-	75,556	101,602	27,794	204,952
Effects of exchange rate changes	-	-	(33,655)	(7,200)	(40,855)
Balance at June 30, 2020	<u>\$ 156,000</u>	<u>\$ 1,284,444</u>	<u>\$ 1,597,891</u>	<u>\$ 1,130,233</u>	<u>\$ 4,168,568</u>
Carrying amounts at June 30, 2020	<u>\$ 11,188,192</u>	<u>\$ 6,397,032</u>	<u>\$ 1,524,020</u>	<u>\$ 59,133</u>	<u>\$ 19,168,377</u>
<u>Cost</u>					
Balance at January 1, 2021	\$ 11,784,778	\$ 7,681,476	\$ 3,335,578	\$ 1,203,169	\$ 24,005,001
Additions	-	-	120,679	1,784	122,463
Effects of exchange rate changes	(150,877)	-	(49,211)	(8,977)	(209,065)
Balance at June 30, 2021	<u>\$ 11,633,901</u>	<u>\$ 7,681,476</u>	<u>\$ 3,407,046</u>	<u>\$ 1,195,976</u>	<u>\$ 23,918,399</u>
<u>Accumulated amortization and impairment</u>					
Balance at January 1, 2021	\$ 156,000	\$ 1,359,999	\$ 1,763,855	\$ 1,161,187	\$ 4,441,041
Amortization expenses	-	75,548	82,576	25,688	183,812
Effects of exchange rate changes	-	-	(25,017)	(8,903)	(33,920)
Balance at June 30, 2021	<u>\$ 156,000</u>	<u>\$ 1,435,547</u>	<u>\$ 1,821,414</u>	<u>\$ 1,177,972</u>	<u>\$ 4,590,933</u>
Carrying amounts at December 31, 2020 and January 1, 2021	<u>\$ 11,628,778</u>	<u>\$ 6,321,477</u>	<u>\$ 1,571,723</u>	<u>\$ 41,982</u>	<u>\$ 19,563,960</u>
Carrying amounts at June 30, 2021	<u>\$ 11,477,901</u>	<u>\$ 6,245,929</u>	<u>\$ 1,585,632</u>	<u>\$ 18,004</u>	<u>\$ 19,327,466</u>

(Concluded)

The above items of intangible assets with finite useful lives are amortized on a straight-line basis over their useful lives as follows:

Operational concession	50 years
Mining rights	30-50 years
Others	3-17 years

19. BORROWINGS

a. Short-term loans

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Secured borrowings</u>			
Bank loans	<u>\$ 20,000</u>	<u>\$ 100,000</u>	<u>\$ 220,000</u>
<u>Unsecured borrowings</u>			
Bank loans - unsecured	32,927,972	33,867,794	37,438,382
Bank loans - letters of credit	<u>400,889</u>	<u>707,660</u>	<u>283,553</u>
	<u>33,328,861</u>	<u>34,575,454</u>	<u>37,721,935</u>
	<u>\$ 33,348,861</u>	<u>\$ 34,675,454</u>	<u>\$ 37,941,935</u>
Interest rate	0.53%-1.11%	0.62%-1.15%	0.62%-2.54%

b. Short-term bills payable

	June 30, 2021	December 31, 2020	June 30, 2020
Commercial paper	\$ 5,000,000	\$ 6,250,000	\$ 4,350,000
Less: Unamortized discount on bills payable	<u>4,961</u>	<u>2,971</u>	<u>3,542</u>
	<u>\$ 4,995,039</u>	<u>\$ 6,247,029</u>	<u>\$ 4,346,458</u>
Interest rate	0.84%-1.12%	0.85%-1.15%	0.88%-1.21%

c. Long-term loans and long-term bills payable

	June 30, 2021	December 31, 2020	June 30, 2020
Secured borrowings	\$ 2,259,700	\$ 5,278,160	\$ 6,189,848
Unsecured borrowings	<u>23,919,025</u>	<u>24,525,321</u>	<u>24,213,710</u>
	26,178,725	29,803,481	30,403,558
Less: Current portion	<u>4,600,500</u>	<u>4,805,000</u>	<u>3,212,753</u>
	<u>\$ 21,578,225</u>	<u>\$ 24,998,481</u>	<u>\$ 27,190,805</u>
Long-term bills payable	5,000,000	5,000,000	5,000,000
Less: Discount on bills payable	<u>7,993</u>	<u>8,673</u>	<u>4,454</u>
	<u>\$ 4,992,007</u>	<u>\$ 4,991,327</u>	<u>\$ 4,995,546</u>
Interest rate			
Long-term loans	0.75%-1.80%	1.01%-1.89%	1.09%-1.89%
Long-term bills payable	1.18%	1.19%	1.12%

Long-term loans consist of unsecured borrowings, secured borrowings and earmarked loans. The principals of long-term unsecured and secured borrowings will be due in September 2027, and the interests are paid monthly. The principals of earmarked loans will be due in December 2025, and the interests are paid monthly or quarterly.

The long-term bills payable is a commercial promissory note signed in 2018 with the banking group for a five-year period, which will be repaid at the expiration of the contract.

According to the syndicated loan agreement, if the subsidiary, Taiwan Prosperity Chemical Corporation, fails to meet the financial ratio requirements based on the financial data in the semi-annual or annual financial reports, the Corporation should improve its financial ratios within 6 months from the public announcement date of the semi-annual or annual financial reports; if an improvement is made within the aforementioned period, the Corporation would not be deemed as violating the financial covenants. The Corporation violated the above financial ratio requirements in 2019, but it has obtained a waiver from the credit bank in May 2020 to be exempt from the above-mentioned violation of financial ratio requirements, as well as from reviewing the Corporation's relevant financial ratios based on its financial reports from 2019 to 2021. The related assets and liabilities of Taiwan Prosperity Chemical Corporation were reclassified as disposal groups held for sale in the first quarter of 2021, refer to Note 11.

Except as stated above, the Group did not violate the financial covenants of other long-term loans and long-term bills payable.

20. BONDS PAYABLE

	June 30, 2021	December 31, 2020	June 30, 2020
Domestic unsecured bonds			
1 st issued in 2018	\$ 12,000,000	\$ 12,000,000	\$ 12,000,000
1 st issued in 2019	12,600,000	12,600,000	12,600,000
1 st issued in 2020	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>
	44,600,000	44,600,000	44,600,000
Less: Discount on bonds payable	<u>(77,310)</u>	<u>(83,620)</u>	<u>(89,929)</u>
	<u>44,522,690</u>	<u>44,516,380</u>	<u>44,510,071</u>
Overseas unsecured convertible bonds			
1 st issued in 2018	50,654	10,308,070	12,663,477
Less: Discount on bonds payable	<u>(3,803)</u>	<u>(927,080)</u>	<u>(1,327,084)</u>
	<u>46,851</u>	<u>9,380,990</u>	<u>11,336,393</u>
	<u>\$ 44,569,541</u>	<u>\$ 53,897,370</u>	<u>\$ 55,846,464</u>

On September 16, 2020, the Board of Directors of the Corporation resolved to issue domestic unsecured bonds which have the face value of no more than NT\$10,000,000 thousand or issue overseas unsecured bonds which have the face value of no more than US\$330,000 thousand. The above plans can be executed alternatively or both. As of the date the consolidated financial statements were authorized for issue, the Corporation has not issued any of the abovementioned bonds.

On September 16, 2020, the Board of Directors of the Corporation resolved to issue domestic green or social responsibility unsecured bonds at the price not exceeding NT\$15,000,000 thousand (or its equivalent in US dollars) denominated in NTD or USD; issue overseas green or social responsibility unsecured bonds denominated in USD; or deal overseas private placement of green or social responsibility unsecured bonds. The above plans can be executed alternatively or all at the same time. As of the date the consolidated financial statements were authorized for issue, the Corporation has not issued any of the abovementioned bonds.

On July 15, 2021, the Board of Directors of the Corporation resolved to issue domestic sustainable bond or normal unsecured bonds at the price not exceeding NT\$20,000,000 thousand (or its equivalent in US dollars) denominated in NTD or USD; issue overseas green bonds or social responsibility bonds or normal unsecured bonds denominated in USD. The above plans can be executed alternatively or all at the same time. As of the date the consolidated financial statements were authorized for issue, the Corporation has not issued any of the abovementioned bonds.

a. Domestic unsecured bonds

The Corporation issued domestic unsecured bonds at par value in the aggregate amount of NT\$12,000,000 thousand on June 21, 2018, with a fixed coupon rate of 1.7% per annum. The bonds have a maturity period of 15 years, and a one-off payment of principal should be made in full on June 21, 2033 and with interest paid annually.

The Corporation issued domestic unsecured bonds at par value in the aggregate amount of NT\$12,600,000 thousand on June 14, 2019, with a fixed coupon rate of 0.85% per annum. The bonds have a maturity period of 5 years, and a one-off payment of principal should be made in full on June 14, 2024 and with interest paid annually.

The Corporation issued domestic unsecured bonds at par value in the aggregate amount of NT\$20,000,000 thousand on April 15, 2020. According to the issuance conditions, the unsecured bonds are classified into bonds A and bonds B, with a fixed coupon rate of 0.69% and 0.93% per annum, and with the issuance amounts of NT\$5,200,000 thousand and NT\$14,800,000 thousand, respectively. The bonds will be repaid in a one-off payment on April 15, 2027 and April 15, 2035, respectively, while the interests will be paid annually.

b. Overseas unsecured convertible bonds

In June 2018, the Corporation's Board of Directors resolved to issue overseas unsecured convertible bonds for the first time. This proposal was approved and became effective under the letter issued by the Financial Supervisory Commission ("FSC") dated July 25, 2018 (Ref. No. Jin-Guan-Zheng-Fa-Zi 10703258532). The bonds which have durations of 5 years were listed on the Singapore Stock Exchange on December 10, 2018. This zero-coupon overseas convertible bonds have a face value of US\$400,000 thousand.

Bondholders may request the Corporation to convert the bonds into the Corporation's ordinary shares at the price of NT\$41 per share at any time within the period from the following day after three months from the issuance date to 10 days prior to the maturity date. The conversion price after the issuance of convertible bonds will be adjusted according to the anti-dilution clause of the 2018 First Overseas Unsecured Convertible Bonds Issuance and Conversion Rules of the Corporation. The conversion price has been adjusted from NT\$41 per share to NT\$35.49 per share and from NT\$35.49 per share to NT\$31.93 per share since August 19, 2019 and August 18, 2020, i.e. the ex-dividend date. Bondholders can request the Corporation to convert the bonds at a fixed exchange rate of US\$1=NT\$30.878, which is to be divided by the conversion price per share on the conversion date. As of June 30, 2021, a total of 385,080 thousand shares had been converted.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 3.27% per annum on initial recognition.

	June 30, 2020
Proceeds from issuance (less transaction costs of \$103,353 thousand)	\$ 12,247,847
Redemption of option derivatives (accounting for financial liabilities measured at FVTPL) and transaction costs	(159,222)
Equity component (less transaction costs allocated to the equity component of \$11,038 thousand)	<u>(1,308,070)</u>
Liability component at the date of issue (less transaction costs allocated to the liability component of \$90,971 thousand)	10,780,555
Interest charged at an effective interest rate of 3.27%	<u>374,463</u>
Liability component at December 31, 2019	11,155,018
Interest charged at an effective interest rate of 3.27%	<u>181,375</u>
Liability component at June 30, 2020	<u>\$ 11,336,393</u>

	June 30, 2021
Proceeds from issuance (less transaction costs of \$103,353 thousand)	\$ 12,247,847
Redemption of option derivatives (accounting for financial liabilities measured at FVTPL) and transaction costs	(159,222)
Equity component (less transaction costs allocated to the equity component of \$11,038 thousand)	<u>(1,308,070)</u>
Liability component at the date of issue (less transaction costs allocated to the liability component of \$90,971 thousand)	10,780,555
Interest charged at an effective interest rate of 3.27%	732,755
Convertible bonds converted to ordinary shares (71,755 thousand shares has been converted)	<u>(2,132,320)</u>
Liability component at December 31, 2020	9,380,990
Interest charged at an effective interest rate of 3.27%	76,973
Convertible bonds converted to ordinary shares (313,325 thousand shares has been converted)	<u>(9,411,112)</u>
Liability component at June 30, 2021	<u>\$ 46,851</u>

21. OTHER PAYABLES

	June 30, 2021	December 31, 2020	June 30, 2020
Salaries and bonuses payable	\$ 2,001,930	\$ 2,583,574	\$ 1,896,246
Deposits and retention money	1,221,164	1,126,321	1,043,986
Payables for equipment	1,000,580	845,305	243,913
Taxes payable	565,289	869,035	776,770
Payables for electricity	363,483	468,672	290,007
Freight payable	259,803	387,098	247,617
Interest payable	89,662	348,060	108,003
Others	<u>3,611,438</u>	<u>4,041,848</u>	<u>3,602,425</u>
	<u>\$ 9,113,349</u>	<u>\$ 10,669,913</u>	<u>\$ 8,208,967</u>

22. RETIREMENT BENEFIT PLANS

Employee benefits expense in respect of the defined retirement benefit plans applied the respective actuarially determined annual pension cost discount rate as of December 31, 2020 and 2019 and was recognized in the following line items in its respective periods:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Operating costs	\$ (118)	\$ 678	\$ (237)	\$ 172
Operating expenses	<u>(309)</u>	<u>2,212</u>	<u>(423)</u>	<u>1,749</u>
	<u>\$ (427)</u>	<u>\$ 2,890</u>	<u>\$ (660)</u>	<u>\$ 1,921</u>

23. EQUITY

a. Share capital

1) Ordinary shares

	June 30, 2021	December 31, 2020	June 30, 2020
Number of shares authorized (in thousands)	<u>7,000,000</u>	<u>7,000,000</u>	<u>7,000,000</u>
Shares authorized	<u>\$ 70,000,000</u>	<u>\$ 70,000,000</u>	<u>\$ 70,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>5,957,440</u>	<u>5,741,401</u>	<u>5,465,619</u>
Shares issued	<u>\$ 59,574,403</u>	<u>\$ 57,414,007</u>	<u>\$ 54,656,192</u>

A holder of issued ordinary shares with par value of NT\$10 is entitled to the proportional rights to vote and to receive dividends. The authorized shares include ordinary shares and preferred shares containing 60,000 thousand units retained for the exercise of employee share options.

The Corporation's shareholders resolved to distribute share dividends of \$2,728,810 thousand in June 2020, which was approved by the FSC. The subscription base dates was August 18, 2020 as determined by the Board of Directors.

The changes in the number of issued shares included the conversion of convertible bonds and the distribution of share dividends.

2) Preference shares

In June 2018, the Corporation's Board of Directors resolved to increase cash capital by issuing preference shares for the second time, which was approved by the FSC under letter dated July 25, 2018 (Ref. No. Jin-Guan-Zheng-Fa-Zi 1070325853), and the record date of capital increase was determined as of December 13, 2018, it was expected to issue 200,000 thousand shares with a face value of \$10 per share at the issue price of NT\$50 per share, with 3.5% coupon per annum (based on a five-year term 0.9375% IRS interest rate + 2.5625% fixed interest rate). Five-year term IRS interest rate will be reset on the next business day of the expiry of the five-year period from the date of issue and every five years thereafter. The shareholders of the second preference shares do not have the right to vote and to elect in the shareholders meeting but can be elected as directors. The Corporation has full discretion on the dividend distribution of the second preference shares. If there is no surplus or insufficient surplus to pay the preference share dividends upon the close of current fiscal year, the Corporation's resolution to cancel the distribution of preference share dividends will not constitute an event of default or a termination event in a contract. Preference share dividends are non-accumulative, and dividends that are not distributed or distributed in excess are not accumulated in the future year with deferred annual repayment. There is no maturity of the Corporation's second preference shares, but the Corporation may recover whole or part of the second preference shares at the actual issue price from the day following the five-year period from the issue date. The preference shares may not be converted to ordinary shares, and the preference shareholders do not have the rights to require the Corporation to redeem the preference shares they hold.

3) Certificate of entitlement to new shares from convertible bonds

	June 30, 2021	December 31, 2020	June 30, 2020
Number of shares requested for conversion but change in registration has not yet been completed (in thousands)	<u>166,140</u>	<u>68,854</u>	<u>-</u>
Shares requested for conversion but change in registration has not yet been completed (in thousands)	<u>\$ 1,661,397</u>	<u>\$ 688,542</u>	<u>\$ -</u>

The Corporation would complete the related corporate registrations after the issuance of new stocks on the base date of capital increase in accordance with the regulations.

b. Capital surplus

	June 30, 2021	December 31, 2020	June 30, 2020
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 1)</u>			
Issuance of ordinary shares	\$ 44,176,367	\$ 44,176,367	\$ 44,176,367
Conversion of bonds	10,504,795	3,174,361	1,520,632
Difference between the consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	-	22,400	466,784
Treasury share transactions	204,127	204,127	204,127
Donations	31,537	31,537	31,537
<u>May be used to offset a deficit only (Note 2)</u>			
Changes in percentage of ownership interests in subsidiaries	115,576	116,238	116,238
Forfeited share options	16,456	13,542	13,542
Dividends distributed by subsidiaries not yet received by shareholders	2,510	2,510	2,161
Exercised employee share options	7,652	564	564
<u>May not be used for any purpose</u>			
Equity component of convertible bond	5,232	1,064,769	1,308,070
Changes in interests in associates accounted for using the equity method	<u>316,035</u>	<u>316,035</u>	<u>179,902</u>
	<u>\$ 55,380,287</u>	<u>\$ 49,122,450</u>	<u>\$ 48,019,924</u>

Note 1: Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus).

Note 2: Such capital surplus arises from the effect of changes in ownership interest in a subsidiary resulting from equity transactions, other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividend policy

Under the dividend policy as set in the amended Articles, where the Corporation made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's Board of Directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' general meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors, refer to Note 24(c): Net profit from continuing operations - employees' compensation and remuneration of directors.

In addition to the capital-intensive, mature and stable production and marketing of cement and cement-related products, the Corporation aggressively pursues diversification. For the development of diversified investments or other important capital budgeting plans, the Corporation decided that the payout ratio of cash dividend is to be at least 20% of the total dividends to be distributed to ordinary shareholders; the rest will be paid in share dividends.

Items referred to under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Corporation.

An appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Corporation's share capital. The legal reserve may be used to offset deficits. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's share capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2020 and 2019, which were approved by the Board of Directors in March 2021 and shareholders' general meeting in June 2020, respectively, were as follows:

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share (NT\$)</u>	
	<u>For the Year Ended December 31</u>		<u>For the Year Ended December 31</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Legal reserve	\$ 2,530,555	\$ 2,448,745		
Cash dividends on preference shares	350,000	350,000	\$ <u>1.75</u>	\$ <u>1.75</u>
Cash dividends on ordinary shares	20,594,434	13,644,048	\$ <u>3.50</u> (Note 1)	\$ <u>2.50</u> (Note 2)
Share dividends on ordinary shares	-	2,728,810	\$ <u>-</u>	\$ <u>0.50</u> (Note 2)

The Group suspends its originally scheduled shareholders' meeting in response to the FSC's announcement of "Measures for Public Companies to Postpone Annual General Meetings in Response to COVID-19 Pandemic". The proposal of distribution of profits for 2020 was resolved by shareholders' general meeting held on July 5, 2021.

Note 1: Given the transfer of treasury shares to employees has not been implemented and the registration amendment to the number of ordinary shares converted from outstanding overseas unsecured convertible bonds has not been completed, the total number of issued and outstanding shares does not reflect the actual situation. Therefore, the cash dividend was adjusted to \$3.36811984 per ordinary share.

Note 2: Given the transfer of treasury shares to employees has not been implemented and the registration amendment to the number of ordinary shares converted from outstanding overseas unsecured convertible bonds has not been completed, the total number of issued and outstanding shares does not reflect the actual situation. Therefore, the cash dividend was adjusted to \$2.50081632 per ordinary share and the share dividend was adjusted to \$0.50016326 per ordinary share.

d. Special reserve

The Corporation appropriated to special reserve the amounts that were the same as the unrealized revaluation increment and cumulative translation adjustments transferred to retained earnings at the first-time adoption of IFRSs, which were \$10,454,422 thousand and \$2,709,369 thousand, respectively.

The special reserve appropriated at the first-time adoption of IFRSs relating to investment in properties other than land may be reversed according to the period of use. The special reserve relating to land may be reversed upon disposal or reclassification. The special reserves were reversed by \$0 and \$9,202 thousand for the six months ended June 30, 2021 and 2020, respectively. The special reserve appropriated due to currency translation adjustments for financial statements of foreign operations (including subsidiaries) shall be reversed based on the Corporation's disposal percentage, and all of the special reserve shall be reversed when the Corporation loses significant influence.

e. Other equity items

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

	For the Six Months Ended June 30	
	2021	2020
Balance at January 1	\$ (9,523,576)	\$ (11,660,261)
Recognized during the period		
Exchange differences on translating foreign operations	(2,175,313)	(3,443,792)
Share of exchange differences of associates and joint ventures accounted for using the equity method	<u>(2,375,747)</u>	<u>(1,100,991)</u>
Balance at June 30	<u>\$ (14,074,636)</u>	<u>\$ (16,205,044)</u>

2) Unrealized gain on financial assets at FVTOCI

	For the Six Months Ended June 30	
	2021	2020
Balance at January 1	\$ 30,670,817	\$ 35,395,116
Recognized during the period		
Unrealized loss - equity instruments	(2,828,297)	(2,798,749)
Share of profit or loss of associates and joint ventures	<u>240,564</u>	<u>(81,246)</u>
Other comprehensive loss recognized in the period	(2,587,733)	(2,879,995)
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	<u>(1,287,350)</u>	<u>(101,298)</u>
Balance at June 30	<u>\$ 26,795,734</u>	<u>\$ 32,413,823</u>

3) Cash flow hedges

	For the Six Months Ended June 30	
	2021	2020
Balance at January 1	\$ (250)	\$ -
Gain on changes in the fair value of hedging instruments		
Exchange rate risk - spot exchange rate	-	129
Share from associates accounted for using the equity method	250	11
Transferred to initial carrying amount of hedged items	<u>-</u>	<u>(129)</u>
Balance at June 30	<u>\$ -</u>	<u>\$ 11</u>

f. Non-controlling interests

	For the Six Months Ended June 30	
	2021	2020
Balance at January 1	\$ 14,758,236	\$ 14,777,799
Net income	1,151,111	1,191,062
Other comprehensive income (loss) in the period		
Exchange differences on translating foreign operations	(27,035)	(28,634)
Unrealized gain (loss) on financial assets at FVTOCI	18,810	(96,311)
Gain on fair value changes of cash flow hedges	-	87
Transferred to initial carrying amount of hedged items	-	(87)
Dividends paid by subsidiaries	(2,050,199)	(2,435,694)
Changes in ownership interests of subsidiaries	(238)	-
Disposal and acquisition of non-controlling interests in subsidiaries	<u>(254,101)</u>	<u>(109)</u>
Balance at June 30	<u>\$ 13,596,584</u>	<u>\$ 13,408,113</u>

g. Treasury shares

(In Thousands of Shares)

	For the Six Months Ended June 30	
	2021	2020
Number of shares at January 1	11,522	8,000
Increase during the period	-	4,000
Transferred to employees	<u>(2,461)</u>	<u>(478)</u>
Number of shares at June 30	<u>9,061</u>	<u>11,522</u>

The Corporation's Board of Directors resolved to buy back treasury shares mainly for transferring to employees. The compensation costs recognized for transferring treasury shares to employees were \$24,325 thousand and \$4,808 thousand for the six months ended June 30, 2021 and 2020, respectively.

Under the Securities Exchange Act, the Corporation shall neither pledge treasury shares nor exercise shareholder's rights on these shares, such as rights to dividends and to vote.

24. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations includes the following items:

a. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
An analysis of depreciation by item				
Property, plant and equipment	\$ 1,359,158	\$ 1,314,367	\$ 2,753,748	\$ 2,652,583
Right-of-use assets	200,843	169,587	374,979	338,806
Investment properties	<u>5,111</u>	<u>5,183</u>	<u>10,222</u>	<u>10,410</u>
	<u>\$ 1,565,112</u>	<u>\$ 1,489,137</u>	<u>\$ 3,138,949</u>	<u>\$ 3,001,799</u>
An analysis of depreciation by function				
Operating costs	\$ 1,481,431	\$ 1,424,415	\$ 2,968,675	\$ 2,777,906
Operating expenses	81,806	64,508	168,253	223,465
Non-operating expenses	<u>1,875</u>	<u>214</u>	<u>2,021</u>	<u>428</u>
	<u>\$ 1,565,112</u>	<u>\$ 1,489,137</u>	<u>\$ 3,138,949</u>	<u>\$ 3,001,799</u>
An analysis of intangible assets amortization by function				
Operating costs	\$ 81,028	\$ 92,984	\$ 163,365	\$ 180,881
Operating expenses	<u>8,117</u>	<u>11,862</u>	<u>20,447</u>	<u>24,071</u>
	<u>\$ 89,145</u>	<u>\$ 104,846</u>	<u>\$ 183,812</u>	<u>\$ 204,952</u>

b. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Retirement benefit plans				
Defined contribution plans	\$ 128,807	\$ 23,349	\$ 256,833	\$ 99,472
Defined benefit plans	<u>(427)</u>	<u>2,890</u>	<u>(660)</u>	<u>1,921</u>
	128,380	26,239	256,173	101,393
Share-based Payment				
Equity-settled	24,325	4,808	24,325	4,808
Other employee benefits	<u>1,811,275</u>	<u>1,684,277</u>	<u>3,537,982</u>	<u>3,297,606</u>
Total employee benefits expense	<u>\$ 1,963,980</u>	<u>\$ 1,715,324</u>	<u>\$ 3,818,480</u>	<u>\$ 3,403,807</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 1,284,110	\$ 1,114,345	\$ 2,525,832	\$ 2,236,156
Operating expenses	<u>679,870</u>	<u>600,979</u>	<u>1,292,648</u>	<u>1,167,651</u>
	<u>\$ 1,963,980</u>	<u>\$ 1,715,324</u>	<u>\$ 3,818,480</u>	<u>\$ 3,403,807</u>

c. Compensation of employees and remuneration of directors

The Corporation accrued compensation of employees and remuneration of directors at the rates of 0.01%-3% and no higher than 1%, respectively, of net profit before income tax, compensation of employees and remuneration of directors for the three months ended June 30, 2021 and 2020 and the six months ended June 30, 2021 and 2020. The compensation of employees and the remuneration of directors for the said periods were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Compensation of employees	<u>\$ 22,711</u>	<u>\$ 31,166</u>	<u>\$ 32,283</u>	<u>\$ 47,331</u>
Remuneration of directors	<u>\$ 71,918</u>	<u>\$ 81,899</u>	<u>\$ 102,228</u>	<u>\$ 112,797</u>

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

The compensation of employees and remuneration of directors for the years ended December 31, 2020 and 2019, which had been resolved by the board of directors in March, 2021 and March 2020, respectively, were as follows:

	For the Year Ended December 31	
	2020	2019
Compensation of employees	<u>\$ 107,954</u>	<u>\$ 86,409</u>
Remuneration of directors	<u>\$ 256,965</u>	<u>\$ 245,432</u>

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2020 and 2019.

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

d. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Interest on bank borrowings	\$ 185,556	\$ 237,303	\$ 376,923	\$ 516,985
Interest on corporate bonds	145,404	204,855	317,291	372,252
Interest on lease liabilities	8,269	7,642	16,877	15,036
Other finance costs	<u>36,741</u>	<u>41,984</u>	<u>82,767</u>	<u>92,005</u>
	<u>\$ 375,970</u>	<u>\$ 491,784</u>	<u>\$ 793,858</u>	<u>\$ 996,278</u>

e. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Interest on bank deposits	\$ 412,007	\$ 365,466	\$ 766,123	\$ 658,808
Others	<u>811</u>	<u>5,728</u>	<u>811</u>	<u>5,728</u>
	<u>\$ 412,818</u>	<u>\$ 371,194</u>	<u>\$ 766,934</u>	<u>\$ 664,536</u>

25. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Current tax				
In respect of the current period	\$ 2,042,147	\$ 2,373,840	\$ 3,126,391	\$ 3,537,784
Adjustments for prior periods	<u>(108,493)</u>	<u>(221,727)</u>	<u>(108,643)</u>	<u>(225,060)</u>
	<u>1,933,654</u>	<u>2,152,113</u>	<u>3,017,748</u>	<u>3,312,724</u>
Deferred tax				
In respect of the current period	<u>120,996</u>	<u>7,352</u>	<u>150,584</u>	<u>89,137</u>
	<u>\$ 2,054,650</u>	<u>\$ 2,159,465</u>	<u>\$ 3,168,332</u>	<u>\$ 3,401,861</u>

b. Income tax return assessments

The information of the years in which the income tax returns have been assessed for the entities in the Group is as follows:

Year	Company
2019	Ta-Ho Taitung Environment Co., Ltd., Ta-Ho RSEA Environment Co., Ltd., Ho Sheng Mining Co., Ltd., Union Cement Traders Inc., TCC Investment Corporation, Taiwan Cement Engineering Corporation, E.G.C. Cement Corporation, TCC Information Systems Corporation, Tung Chen Mineral Corporation, Jin Chang Minerals Corporation, Hoping Industrial Port Corporation, HPC Power Service Corporation, Ho-Ping Power Company, Feng Sheng Enterprise Company, TCC Green Energy Corporation, TCC Chemical Corporation, Kuan-Ho Refractories Industry Corporation
2018	Taiwan Cement Corporation, Ta-Ho Maritime Corporation, Taiwan Prosperity Chemical Corporation, Taiwan Transport & Storage Corporation

26. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Basic earnings (loss) per share				
From continuing operations	\$ 1.15	\$ 1.34	\$ 1.73	\$ 1.89
From discontinued operations	<u>0.09</u>	<u>(0.02)</u>	<u>0.09</u>	<u>(0.04)</u>
	<u>\$ 1.24</u>	<u>\$ 1.32</u>	<u>\$ 1.82</u>	<u>\$ 1.85</u>
Diluted earnings (loss) per share				
From continuing operations	\$ 1.14	\$ 1.28	\$ 1.70	\$ 1.80
From discontinued operations	<u>0.09</u>	<u>(0.02)</u>	<u>\$ 0.09</u>	<u>(0.04)</u>
	<u>\$ 1.23</u>	<u>\$ 1.26</u>	<u>\$ 1.79</u>	<u>\$ 1.76</u>

The weighted average number of shares outstanding used in the earnings per share computation was adjusted retrospectively for the issuance of bonus shares on August 18, 2020. The basic and diluted earnings per share adjusted retrospectively for the three months ended June 30, 2020 and the six months ended June 30, 2020 were as follows:

Unit: NT\$ Per Share

	Before Retrospective Adjustment		After Retrospective Adjustment	
	For the Three Months Ended June 30	For the Six Months Ended June 30	For the Three Months Ended June 30	For the Six Months Ended June 30
Basic earnings per share	<u>\$ 1.39</u>	<u>\$ 1.94</u>	<u>\$ 1.32</u>	<u>\$ 1.85</u>
Diluted earnings per share	<u>\$ 1.32</u>	<u>\$ 1.85</u>	<u>\$ 1.26</u>	<u>\$ 1.76</u>

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Profit for the period attributable to owners of the Corporation (Note)	\$ 7,533,092	\$ 7,584,801	\$ 10,852,066	\$ 10,584,623
Loss (profit) for the period used in the computation of basic earnings per share from discontinued operations	<u>(528,882)</u>	<u>108,205</u>	<u>(538,108)</u>	<u>253,993</u>
Profit used in the computation of basic earnings per share from continuing operations	7,004,210	7,693,006	10,313,958	10,838,616
Effect of potentially dilutive ordinary shares:				
Interest on convertible bonds	<u>18,332</u>	<u>70,506</u>	<u>67,004</u>	<u>141,012</u>
Profit used in the computation of diluted earnings per share from continuing operations	<u>\$ 7,022,542</u>	<u>\$ 7,763,512</u>	<u>\$ 10,380,962</u>	<u>\$ 10,979,628</u>
<u>Number of shares (in thousands)</u>				
Weighted average number of ordinary shares in computation of basic earnings per share	6,059,110	5,728,500	5,954,339	5,729,500
Effect of potentially dilutive ordinary shares:				
Compensation of employees	633	1,107	1,746	2,250
Convertible bonds	<u>56,936</u>	<u>348,019</u>	<u>160,163</u>	<u>348,019</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>6,116,679</u>	<u>6,077,626</u>	<u>6,116,248</u>	<u>6,079,769</u>

Note: Preference share dividends of \$350,000 thousand were deducted in 2020.

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

27. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

For the six months ended June 30, 2021

- a. During the six months ended June 30, 2021, the Group acquired 26.4% of the shares of Taiwan Prosperity Chemical Corporation, and the proportion of ownership was from 73.6% to 100.0%.

<u>Acquirer</u>	Taiwan Cement Corporation
Acquiree	Taiwan Prosperity Chemical Corporation
Cash consideration paid	\$ (626,345)
The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests	<u>252,150</u>
Differences arising from equity transactions	<u>\$ (374,195)</u>

<u>Acquirer</u>	Taiwan Cement Corporation
Acquiree	Taiwan Prosperity Chemical Corporation
<u>Line items adjusted for equity transactions</u>	
Capital surplus - difference between the consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	\$ (22,413)
Unappropriated earnings	<u>(351,782)</u>
	<u>\$ (374,195)</u>

- b. During the six months ended June 30, 2021, the Group acquired a portion of the shares of Taiwan Cement Engineering Corporation, and the proportion of ownership was 99.2%.

<u>Acquirer</u>	Taiwan Cement Corporation
Acquiree	Taiwan Cement Engineering Corporation
Cash consideration paid	\$ (31)
The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests	<u>31</u>
Differences arising from equity transactions	<u>\$ -</u>

- c. During the six months ended June 30, 2021, the Group acquired a portion of the shares of Ta-Ho Maritime Corporation, and the proportion of ownership was 94.0%.

<u>Acquirer</u>	Taiwan Transport and Storage Corporation
Acquiree	Ta-Ho Maritime Corporation
Cash consideration paid	\$ (1,907)
The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests	<u>1,920</u>
Differences arising from equity transactions	<u>\$ 13</u>

<u>Acquirer</u>	Taiwan Transport and Storage Corporation
Acquiree	Ta-Ho Maritime Corporation

Line items adjusted for equity transactions

Capital surplus - difference between the consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	<u>\$ 13</u>
--	--------------

The above transactions were accounted for as equity transactions since there was no change in the Group's control over these subsidiaries.

For the six months ended June 30, 2020

During the six months ended June 30, 2020, the Group acquired 0.01% of the shares of Taiwan Cement Engineering Corporation, and the proportion of ownership was from 99.05% to 99.06%.

<u>Acquirer</u>	Taiwan Cement Corporation
Acquiree	Taiwan Cement Engineering Corporation
Cash consideration paid	\$ (109)
The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests	<u>109</u>
Differences arising from equity transactions	<u>\$ -</u>

The above transactions were accounted for as equity transactions since there was no change in the Group's control over these subsidiaries.

28. CASH FLOWS INFORMATION

Changes in liabilities arising from financing activities:

For the six months ended June 30, 2021

	Opening Balance	Cash Flows	Effect of Exchange Rate	Reclassified to Liabilities Directly Associated with Disposal Groups Held for Sale	Closing Balance
Short-term borrowings	\$ 34,675,454	\$ 1,662,275	\$ (42,722)	\$ (2,946,146)	\$ 33,348,861
Long-term borrowings (including expired within a year)	<u>29,803,481</u>	<u>(558,305)</u>	<u>(70,931)</u>	<u>(2,995,520)</u>	<u>26,178,725</u>
	<u>\$ 64,478,935</u>	<u>\$ 1,103,970</u>	<u>\$ (113,653)</u>	<u>\$ (5,941,666)</u>	<u>\$ 59,527,586</u>

For liabilities directly associated with disposal groups held for sale, refer to Note 11.

For the six months ended June 30, 2020

	Opening Balance	Cash Flows	Effect of Exchange Rate	Closing Balance
Short-term borrowings	\$ 30,445,048	\$ 7,448,525	\$ 48,362	\$ 37,941,935
Long-term borrowings (including expired within a year)	<u>32,177,173</u>	<u>(1,766,496)</u>	<u>(7,119)</u>	<u>30,403,558</u>
	<u>\$ 62,622,221</u>	<u>\$ 5,682,029</u>	<u>\$ 41,243</u>	<u>\$ 68,345,493</u>

29. CAPITAL MANAGEMENT

The Group needs to maintain sufficient capital to fulfill the Group's requirements of business expansion and construction. Therefore, the capital management of the Group shall focus on a comprehensive operational plan to ensure sound profitability and financial structure so as to fulfill the mid and long-term demand of working capital, capital expenditures, debts repayment and dividend distributions.

30. FINANCIAL INSTRUMENTS

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

June 30, 2021

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds payable	<u>\$ 46,851</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,741</u>	<u>\$ 49,741</u>

December 31, 2020

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds payable	<u>\$ 9,380,990</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,138,329</u>	<u>\$ 10,138,329</u>

June 30, 2020

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds payable	<u>\$ 11,336,393</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,399,370</u>	<u>\$ 12,399,370</u>

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

1) Fair value hierarchy

June 30, 2021

	Level 1	Level 2	Level 3	Total
Financial assets mandatorily classified as at FVTPL				
Derivatives - put options and redemption options of convertible bond payables	\$ -	\$ -	\$ 20	\$ 20
Domestic listed shares	257,752	-	-	257,752
Domestic emerging market shares	<u>104,782</u>	<u>-</u>	<u>-</u>	<u>104,782</u>
	<u>\$ 362,534</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 362,554</u>
Financial asset at FVTOCI				
Equity instrument investment				
Domestic listed shares	\$ 6,045,313	\$ -	\$ -	\$ 6,045,313
Foreign list shares	18,530,078	-	-	18,530,078
Domestic unlisted shares	-	-	7,844,410	7,844,410
Domestic convertible preference shares	<u>52,402</u>	<u>-</u>	<u>-</u>	<u>52,402</u>
	<u>\$ 24,627,793</u>	<u>\$ -</u>	<u>\$ 7,844,410</u>	<u>\$ 32,472,203</u>

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets mandatorily classified as at FVTPL				
Derivatives-put options and redemption options of convertible bond payables	\$ -	\$ -	\$ 17,092	\$ 17,092
Domestic listed shares	234,963	-	-	234,963
Domestic emerging market shares	<u>101,931</u>	<u>-</u>	<u>-</u>	<u>101,931</u>
	<u>\$ 336,894</u>	<u>\$ -</u>	<u>\$ 17,092</u>	<u>\$ 353,986</u>

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Equity instrument investment				
Domestic listed shares	\$ 5,544,326	\$ -	\$ -	\$ 5,544,326
Foreign listed shares	24,664,109	-	-	24,664,109
Domestic unlisted shares	-	-	7,239,178	7,239,178
Domestic convertible preference shares	<u>52,145</u>	<u>-</u>	<u>-</u>	<u>52,145</u>
	<u>\$ 30,260,580</u>	<u>\$ -</u>	<u>\$ 7,239,178</u>	<u>\$ 37,499,758</u>
				(Concluded)

June 30, 2020

	Level 1	Level 2	Level 3	Total
Financial assets mandatorily classified as at FVTPL				
Derivatives - put options and redemption options of convertible bond payables	\$ -	\$ -	\$ 12,352	\$ 12,352
Domestic listed shares	201,041	-	-	201,041
Domestic emerging market shares	103,153	-	-	103,153
Mutual funds	<u>175,692</u>	<u>-</u>	<u>-</u>	<u>175,692</u>
	<u>\$ 479,886</u>	<u>\$ -</u>	<u>\$ 12,352</u>	<u>\$ 492,238</u>

Financial assets at FVTOCI				
Equity instrument investment				
Domestic listed shares	\$ 5,338,874	\$ -	\$ -	\$ 5,338,874
Foreign listed shares	26,762,719	-	-	26,762,719
Domestic unlisted shares	-	-	7,181,967	7,181,967
Domestic convertible preference shares	<u>53,687</u>	<u>-</u>	<u>-</u>	<u>53,687</u>
	<u>\$ 32,155,280</u>	<u>\$ -</u>	<u>\$ 7,181,967</u>	<u>\$ 39,337,247</u>

There were no transfers between Levels 1 and 2 for the six months ended June 30, 2020 and 2021.

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

	For the Six Months Ended June 30, 2021
Financial assets at FVTOCI	
Equity instrument investment	
Balance at January 1, 2021	\$ 7,239,178
Recognized in other comprehensive income	<u>605,232</u>
Balance at June 30, 2021	<u>\$ 7,844,410</u>
Financial assets at FVTPL	
Derivative instrument investment	
Balance at January 1, 2021	\$ 17,092
Recognized in loss	(10,108)
Convertible bonds converted into ordinary shares	<u>(6,964)</u>
Balance at June 30, 2021	<u>\$ 20</u>

**For the Six
Months Ended
June 30, 2020**

Financial assets at FVTOCI		
Equity instrument investment		
Balance at January 1, 2020		\$ 6,971,622
Recognized in other comprehensive income		264,314
Disposal		<u>(53,969)</u>
Balance at June 30, 2020		<u>\$ 7,181,967</u>
Financial assets at FVTPL		
Derivative instrument investment		
Balance at January 1, 2020		\$ 1,235
Recognized in income		<u>11,117</u>
Balance at June 30, 2020		<u>\$ 12,352</u>

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

- a) There were no quoted prices in active markets for put options and redemption options of ECB issued by the Corporation. Hence, the fair values of options are determined using the binomial option pricing model where the unobservable input is historical volatility. An increase in historical volatility used in isolation would result in an increase in the fair value. As of June 30, 2021, December 31, 2020 and June 30, 2020, the historical volatility rates used were 20.22%, 23.69% and 23.12%, respectively.
- b) The Group measures the fair value of its investments on domestic and foreign unlisted shares by using the asset-based approach, the market approach, and the dividend discount model.

Under the asset-based approach, the total value of an investment is based on the fair value of its assets and liabilities. The significant unobservable inputs used are listed in the table below.

	June 30, 2021	December 31, 2020	June 30, 2020
Comprehensive discount for lack of marketability and non-controlling interests	10%	10%	10%

If the inputs to the valuation model were changed to reflect reasonably possible alternative assumptions while all the other variables were held constant, the fair value of the shares would increase (decrease) as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Comprehensive discount for lack of marketability and non-controlling interests			
1% increase	<u>\$ (28,171)</u>	<u>\$ (25,297)</u>	<u>\$ (24,722)</u>
1% decrease	<u>\$ 28,171</u>	<u>\$ 25,297</u>	<u>\$ 24,722</u>

The market approach involves comparing a target company with companies that have similar business models in the open market, similar selling prices of similar items, or similar past share prices to that of the target company. The significant unobservable inputs used are listed in the table below.

	June 30, 2021	December 31, 2020	June 30, 2020
Discount for lack of marketability	20%	20%	20%

If the inputs to the valuation model were changed to reflect reasonably possible alternative assumptions while all the other variables were held constant, the fair value of the shares would increase (decrease) as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Discount for lack of marketability			
1% increase	<u>\$ (3,733)</u>	<u>\$ (2,932)</u>	<u>\$ (2,704)</u>
1% decrease	<u>\$ 3,733</u>	<u>\$ 2,932</u>	<u>\$ 2,704</u>

The dividend discount model values a target company based on its stability of dividend payments in the past.

	June 30, 2021	December 31, 2020	June 30, 2020
Discount rate	5.7%	6.1%	5.4%
Dividend growth rate	1.4%	1.3%	1.4%
Discount for lack of marketability	10.0%	10.0%	10.0%

If the inputs to the valuation model were changed to reflect reasonably possible alternative assumptions while all the other variables were held constant, the fair value of the shares would increase (decrease) as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Discount for lack of marketability			
1% increase	<u>\$ (55,724)</u>	<u>\$ (52,570)</u>	<u>\$ (52,570)</u>
1% decrease	<u>\$ 55,724</u>	<u>\$ 52,570</u>	<u>\$ 52,570</u>

c. Categories of financial instruments

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Financial assets</u>			
Financial assets at FVTPL			
Financial assets mandatorily classified at FVTPL	\$ 362,554	\$ 353,986	\$ 492,238
Financial assets measured at amortized cost (1)	152,774,850	151,045,326	154,347,008
Financial assets at FVTOCI			
Equity instrument investment	32,472,203	37,499,758	39,337,247
<u>Financial liabilities</u>			
Financial liabilities measured at amortized cost (2)			
	137,814,939	146,422,478	149,025,146

- 1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes and accounts receivable (including related parties transactions), other receivables, other receivables from related parties, long-term finance lease receivables, and finance lease receivables. The balances include amounts of related assets reclassified to disposal groups held for sale.
- 2) The balances include financial liabilities measured at amortized cost, which comprise short-term loans, short-term bills payable, notes and accounts payable, other payables (including related parties transactions), bonds payable and long-term loans (including current portion), and long-term bills payable. The balances include amounts of related liabilities reclassified to liabilities directly associated with disposal groups held for sale.

d. Financial risk management objectives and policies

The risk controls and hedging strategies performed by the Group were affected by operation environments, and the Group adopted appropriate risk controls and hedging strategies according to its nature of business and risk diversification principles. These risks include market risk, credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The Group did not enter into or trade financial instruments for speculation.

1) Market risk

The Group's financial instruments were mainly comprised of mutual funds and listed shares, and these investments were subject to fluctuations in market prices. The Group periodically evaluated the investment's performance, and no significant market risk was anticipated.

The Group entered into foreign exchange forward contracts to manage exposure to exchange rate fluctuations, including foreign currency risks of foreign-currency assets and liabilities and price fluctuation risks of forecasted transactions. Since the gain or loss generated from exchange rate fluctuations was mostly offset by the gains or losses of hedged items, the market price risk is expected to be insignificant.

a) Foreign currency risk

The foreign financial assets and liabilities were exposed to risk of foreign currency fluctuations. To lower foreign currency risk, the Group has established control mechanisms to immediately monitor its foreign currency positions and exchange rate fluctuations.

To maximize the hedging effectiveness, the Group matched up the conditions of derivative instruments with those in the contracts of hedged items.

The carrying amounts of the significant monetary assets and liabilities not denominated in the functional currency (including those eliminated on consolidation) at the end of reporting period are set out in Note 35.

The Group was mainly exposed to the USD.

The following table details the Group's sensitivity to a 1% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in after-tax profit or equity associated with the NTD/RMB/HKD strengthening 1% against the relevant currency.

	USD Impact		HKD Impact	
	For the Six Months Ended		For the Six Months Ended	
	June 30		June 30	
	2021	2020	2021	2020
NTD	\$ (5,517)	\$ (5,355)	\$ -	\$ -
RMB	\$ (1,731)	\$ (5,816)	\$ (1,121)	\$ (477)
HKD	\$ 56,950	\$ 70,465	\$ -	\$ -

b) Interest rate risk

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:

	June 30, 2021 (Including Disposal Groups Held for Sale)	December 31, 2020	June 30, 2020
Cash flow interest rate risk			
Financial assets	\$ 38,960,805	\$ 30,351,013	\$ 27,587,047
Financial liabilities	65,469,252	64,478,935	68,345,493

The interest risk was evaluated based on the position of financial assets and liabilities. The sensitivity analysis below was determined based on the Group's floating interest rate financial assets and liabilities at the end of the reporting period, and an increase or decrease of 50 basis points was used, which represented management's assessment of reasonably possible change in interest rates. The fair values of fixed interest rate financial assets and liabilities will change due to variances in market interest rates; the future cash flows of floating interest rate financial assets and financial liabilities will change due to variances in effective interest rates, which vary with market interest rates.

For the Group's portion of floating interest rate financial assets, if interest rates had been 50 basis points higher/lower, the cash inflows from floating interest rate financial assets for the six months ended June 30, 2021 and 2020 would increase/decrease by \$77,922 thousand and \$55,174 thousand, respectively.

For the Group's portion of floating interest rate financial liabilities, if interest rates had been 50 basis points higher/lower, the cash outflows from floating interest rate financial liabilities for the six months ended June 30, 2021 and 2020 would increase/decrease by \$130,939 thousand and \$136,691 thousand, respectively.

c) Other price risk

The Group was exposed to equity instruments and commodities price risk through its investments in equity securities and funds. The Group manages this exposure by maintaining a portfolio of investments with different risks.

Sensitivity analysis

The sensitivity analyses were based on the exposure of equity instruments/commodities prices at the end of reporting period. If equity instruments/commodities prices of financial assets at FVTPL had been 5% higher/lower, profit or loss for the six months ended June 30, 2021 and 2020 would increase/decrease by \$18,127 thousand and \$23,994 thousand, respectively. If equity prices of financial assets at FVTOCI had been 5% higher/lower, other comprehensive income (loss) for the six months ended June 30, 2021 and 2020 would increase/decrease by \$1,623,610 thousand and \$1,966,862 thousand, respectively.

2) Credit risk

Potential impacts on financial assets would occur if the Group's counterparties breach financial instrument contracts, including impacts to the concentration of credit risk, components, contractual amounts and other receivables.

As at the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of counterparties to discharge an obligation, could arise from the carrying amounts of the respective recognized financial assets as stated in the balance sheets.

The Group transacted with a large number of customers from various industries and geographical locations. The Group continuously assessed the operations and financial condition of customers and monitored the collectability of accounts receivable. The Group also requires credit enhancements by bank guarantees or collaterals for certain customers or certain geographical locations.

The credit risk on liquid funds and derivatives was limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

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 facilities and ensures compliance with loan covenants. As of June 30, 2021, December 31, 2020 and June 30, 2020, the amounts of unused financing facilities were \$116,240,697 thousand (including the amount of disposal groups held for sale of \$5,617,015 thousand), \$116,754,202 thousand and \$113,118,810 thousand, respectively.

The following table details the Group's remaining contractual maturity 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 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.

June 30, 2021 (including disposal groups held for sale)

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 1,427,314	\$ 11,632,887	\$ 3,289,544	\$ 268,396	\$ 14,219
Lease liabilities	49,598	93,307	443,080	1,847,915	2,055,155
Variable interest rate liabilities	5,496,160	29,959,222	6,482,756	24,352,958	21,743
Fixed interest rate liabilities	-	5,000,000	484,620	19,160,734	34,702,640
	<u>\$ 6,973,072</u>	<u>\$ 46,685,416</u>	<u>\$ 10,700,000</u>	<u>\$ 45,630,003</u>	<u>\$ 36,793,757</u>

Additional information about the maturity analysis for lease liabilities after eliminating transactions in the Group:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 585,985</u>	<u>\$ 1,847,915</u>	<u>\$ 874,614</u>	<u>\$ 303,876</u>	<u>\$ 192,679</u>	<u>\$ 683,986</u>

December 31, 2020

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 1,072,780	\$ 15,698,938	\$ 2,863,365	\$ 126,164	\$ 1,633
Lease liabilities	75,157	104,347	390,405	1,766,586	2,049,825
Variable interest rate liabilities	6,893,570	28,248,879	5,207,790	25,561,821	71,565
Fixed interest rate liabilities	250,000	6,000,000	484,620	29,739,450	35,080,160
	<u>\$ 8,291,507</u>	<u>\$ 50,052,164</u>	<u>\$ 8,946,180</u>	<u>\$ 57,194,021</u>	<u>\$ 37,203,183</u>

Additional information about the maturity analysis for lease liabilities after eliminating transactions in the Group:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 569,909</u>	<u>\$ 1,766,586</u>	<u>\$ 834,504</u>	<u>\$ 314,387</u>	<u>\$ 193,266</u>	<u>\$ 707,668</u>

June 30, 2020

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 857,357	\$ 12,142,365	\$ 3,891,507	\$ 162,262	\$ 2,292
Lease liabilities	74,360	91,168	469,284	1,795,182	2,167,293
Variable interest rate liabilities	10,211,654	24,250,435	16,301,806	28,053,104	-
Fixed interest rate liabilities	-	4,350,000	484,620	32,094,857	35,080,160
	<u>\$ 11,143,371</u>	<u>\$ 40,833,968</u>	<u>\$ 21,147,217</u>	<u>\$ 62,105,405</u>	<u>\$ 37,249,745</u>

Additional information about the maturity analysis for lease liabilities after eliminating transactions in the Group:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	\$ 634,812	\$ 1,795,182	\$ 925,800	\$ 295,195	\$ 173,209	\$ 773,089

e. Transfers of financial assets

The Group transferred a portion of its banker's acceptance bills in mainland China to some of its suppliers in order to settle the trade payables to these suppliers. As the Group has transferred substantially all risks and rewards relating to these bills receivable, it derecognized the full carrying amount of the bills receivable and the associated trade payables. However, if the derecognized bills receivable are not paid at maturity, the suppliers have the right to request that the Group pays the unsettled balance; therefore, the Group still has continuing involvement in these bills receivable.

The maximum exposure to loss from the Group's continuing involvement in the derecognized bills receivable is equal to the face amounts of the transferred but unsettled bills receivable, and as of June 30, 2021, December 31, 2020 and June 30, 2020, the face amounts of these unsettled bills receivable were \$1,770,787 thousand, \$2,308,323 thousand and \$1,241,016 thousand, respectively. The unsettled bills receivable will be due in 10 months, 11 months and 11 months, after June 30, 2021, December 31, 2020 and June 30, 2020, respectively. Taking into consideration the credit risk of these derecognized bills receivable, the Group estimates that the fair values of its continuing involvement are not significant.

During the six months ended June 30, 2021 and 2020, the Group did not recognized gains or losses upon the transfer of the banker's acceptance bills. No gains or losses were recognized from the continuing involvement, both during the period or cumulatively.

31. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Corporation and its subsidiaries, which are related parties of the Corporation, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are as follows:

a. Name of the related parties and relationships

Related Party	Relationship with the Group
Onyx Ta-Ho Waste Clearance Co., Ltd.	Subsidiary of associates
OYAK Cement Portugal S.A.	Subsidiary of associates
E-ONE Moli Energy Corporation	Subsidiary of associates
E-ONE Moli Energy (Canada) Ltd.	Subsidiary of associates
Onyx Ta-Ho Environmental Services Co., Ltd.	Associates
Shih Hsin Storage & Transportation Co., Ltd. (process of liquidation finished in 2020)	Associates
Chia Huan Tung Cement Corporation (process of liquidation finished in 2020)	Associates
Quon Hing Concrete Co., Ltd. (Quon Hing)	Associates
Prosperity Conch Cement Company Limited	Associates

(Continued)

Related Party	Relationship with the Group
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.	Associates
Hong Kong Concrete Co., Ltd.	Associates
International CSRC Investment Holdings Co., Ltd.	Associates
TCC Recycle Energy Technology Company	Associates
Cimpor Global Holdings B.V.	Associates
Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd.	Associates
Guigang Conch-TCC New Material Technology Co., Ltd	Associates
Chia Hsin R.M.C. Corp. (Chia Hsin R.M.C.)	Management personnel in substance
The Koo Foundation	Management personnel in substance
Chia Hsin Cement Corporation (Chia Hsin Cement)	Management personnel in substance
L'Hotel de Chine Corporation (L'Hotel de Chine)	Management personnel in substance
FDC International Hotels Corporation	Management personnel in substance
Chia Hsin Property Management and Development Corp.	Management personnel in substance
Goldsun Development & Construction Co., Ltd. (Goldsun Development & Construction)	Investors with significant influence over the Group
China Hi-Ment Corporation (China Hi-Ment)	The Group acts as key management personnel
Rong Gong Enterprise Co.	The Group acts as key management personnel
Pan Asia Corporation	The Group acts as key management personnel
Ta-Ho Taitung Environment Co., Ltd. (process of liquidation finished in 2020)	The Group acts as key management personnel
CTCI Corporation (became related parties since May 2020)	The Group acts as key management personnel
CTCI Beijing Co., Ltd.	The Group acts as key management personnel of a parent of the reporting entity
Chinatrust Investment Co., Ltd.	Same key management personnel
Consolidated Resource Company	Same key management personnel
CSRC China (Maanshan) Corporation	Same key management personnel
CSRC China (Anshan) Corporation	Same key management personnel
Chienten Temple	Same key management personnel
China (Chongqing) Synthetic Rubber Corporation	Same key management personnel
Continental Carbon India Ltd.	Same key management personnel
Linyuan Advanced Materials Technology Co., Ltd.	Same key management personnel
Fortune Quality investment Limited	Same key management personnel
Sing Cheng Investment Co., Ltd.	Same key management personnel
Circular Commitment Company	Same key management personnel
Dr. Cecilla Koo Botanic Conservation and Environmental Protection Foundation	Same key management personnel
Yantai Jinyu Jidong Cement Co., Ltd.	Related party in substance
Shenyang Jingdong Cement Co., Ltd.	Related party in substance
Dachang Jinyu Paint Co., Ltd.	Related party in substance
Tangshan Caofeidian Jidong Equipment Machinery Thermal Processing Co., Ltd.	Related party in substance
Tangshan Dunshi Constructional Engineering Co., Ltd.	Related party in substance
Jilin Jidong Development Shield Engineering Co., Ltd.	Related party in substance

(Concluded)

b. Operating transactions

Continuing operations

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
<u>Sales</u>				
Related party in substance	\$ 293,815	\$ -	\$ 293,815	\$ -
Associates	135,683	112,888	251,999	202,422
Management personnel in substance	146,205	120,074	246,379	226,219
Same key management personnel	51,201	36,257	99,064	82,667
The Group acts as key management personnel	47,762	52,158	95,467	122,090
Investors with significant influence over the Group	-	-	-	33,515
	<u>\$ 674,666</u>	<u>\$ 321,377</u>	<u>\$ 986,724</u>	<u>\$ 666,913</u>
<u>Purchases of goods and operating expenses</u>				
The Group acts as key management personnel	\$ 190,296	\$ 182,844	\$ 378,661	\$ 363,332
Associates	21,883	18,665	36,998	24,522
Management personnel in substance	16,029	27,801	28,245	42,525
Related party in substance	4,068	-	4,068	-
Same key management personnel	128	7,097	239	7,097
	<u>\$ 232,404</u>	<u>\$ 236,407</u>	<u>\$ 448,211</u>	<u>\$ 437,476</u>

Notes receivable and accounts receivable from related parties were as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Management personnel in substance			
Chia Hsin Cement Corporation	\$ 137,907	\$ 73,133	\$ 94,028
Others	273	1,831	-
	<u>138,180</u>	<u>74,964</u>	<u>94,028</u>
Associates			
Quon Hing	109,422	116,879	72,905
Others	28,988	32,460	15,125
	<u>138,410</u>	<u>149,339</u>	<u>88,030</u>
The Group acts as key management personnel			
China Hi-Ment Corporation	20,178	29,638	47,940
Others	891	3,036	-
	<u>21,069</u>	<u>32,674</u>	<u>47,940</u>
Same key management personnel	<u>29,415</u>	<u>16,889</u>	<u>21,254</u>
	<u>\$ 327,074</u>	<u>\$ 273,866</u>	<u>\$ 251,252</u>

Accounts payable to related parties (included in notes and accounts payable) were as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
The Group acts as key management personnel	\$ 133,552	\$ 147,713	\$ 130,015
Associates	76,865	5,293	5,381
Same key management personnel	70	172	3,905
Management personnel in substance	2,877	2,686	3,070
Related party in substance	<u>956</u>	<u>-</u>	<u>-</u>
	<u>\$ 214,320</u>	<u>\$ 155,864</u>	<u>\$ 142,371</u>

The price and terms of the above transactions were similar to those for third parties. Rentals of lease contracts with related parties were based on market prices and the payment terms were determined at arm's length.

Discontinued operations

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
<u>Purchases of goods and operating expenses</u>				
Same key management personnel	<u>\$ -</u>	<u>\$ 6,469</u>	<u>\$ 1,635</u>	<u>\$ 30,613</u>

c. Other receivables from related parties

	June 30, 2021	December 31, 2020	June 30, 2020
The Group acts as key management personnel			
Ta-Ho Taitung Environment Co., Ltd	\$ -	\$ -	\$ 341,280
Associates			
Quon Hing	8,070	1,653	1,720
E-ONE Moli Energy Corporation	1,024	1,031	173
International CSRC Investment Holdings Co., Ltd.	255	482	38,082
Onyx Ta-Ho Environmental Services Co., Ltd.	26	4	356,077
Others	<u>-</u>	<u>-</u>	<u>38,088</u>
	<u>9,375</u>	<u>3,170</u>	<u>434,140</u>
Same key management personnel	<u>101</u>	<u>252</u>	<u>99</u>
Management personnel in substance	<u>141</u>	<u>363</u>	<u>87</u>
	<u>\$ 9,617</u>	<u>\$ 3,785</u>	<u>\$ 775,606</u>

Other receivables from related parties above included dividend receivables and interest receivables.

d. Other payables to related parties (included in other payables)

	June 30, 2021	December 31, 2020	June 30, 2020
Associates	\$ 3,884	\$ 3,998	\$ 3,839
Management personnel in substance	<u>217</u>	<u>4,286</u>	<u>676</u>
	<u>\$ 4,101</u>	<u>\$ 8,284</u>	<u>\$ 4,515</u>

e. Prepayments for property, plant and equipment

Related Party Category	June 30, 2021	December 31, 2020	June 30, 2020
The Group acts as key management personnel CTCI Corporation	<u>\$ 371,600</u>	<u>\$ 371,600</u>	<u>\$ -</u>

f. Acquisition for property, plant and equipment

Related Party Category	For the Three Months Ended June 30	
	2021	2020
Associates		
E-ONE Moli Energy Corporation	<u>\$ 65,000</u>	<u>\$ -</u>
Related Party Category	For the Six Months Ended June 30	
	2021	2020
Associates		
E-ONE Moli Energy Corporation	<u>\$ 65,000</u>	<u>\$ -</u>

g. Lease arrangements

Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
<u>Acquisition of right-use assets</u>				
Management personnel in substance	<u>\$ 23,313</u>	<u>\$ -</u>	<u>\$ 23,313</u>	<u>\$ -</u>
Line Item	June 30, 2021		December 31, 2020	June 30, 2020
Lease liabilities				
	Management personnel in substance			
		Chia Hsin R.M.C. Corp.	\$ 2,085	\$ 4,566
		Chia Hsin Cement Corporation	10,593	18,453
		Chia Hsin Property Management and Development Corp.	<u>-</u>	<u>4,061</u>
			<u>\$ 12,678</u>	<u>\$ 27,080</u>
			<u>\$ 25,602</u>	<u>\$ 27,080</u>

Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
<u>Interest expense</u>				
Management personnel in substance	\$ <u>59</u>	\$ <u>107</u>	\$ <u>108</u>	\$ <u>309</u>

The lease contracts between the Group and related parties were based on market price and general terms of payment.

h. Endorsements and guarantees

Endorsements and guarantees provided by the Group

	June 30, 2021	December 31, 2020	June 30, 2020
Subsidiary of associates - OYAK Cement Portugal S.A.			
Amount endorsed	\$ <u>-</u>	\$ <u>-</u>	\$ <u>3,025,000</u>
Amount utilized	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

i. Disposal of financial assets

For the three months ended June 30, 2020

Related Party Category/Name	Line Item	Number of Shares	Underlying Assets	Proceeds	Gain (Loss) on Disposal
The Group acts as key management personnel					
Rong Gong Enterprise Co.	Financial assets at FVTOCI	-	-	\$ <u>-</u>	\$ <u>-</u>

For the six months ended June 30, 2020

Related Party Category/Name	Line Item	Number of Shares	Underlying Assets	Proceeds	Gain (Loss) on Disposal
The Group acts as key management personnel					
Rong Gong Enterprise Co.	Financial assets at FVTOCI	3,390,000	Stock	\$ <u>53,969</u>	\$ <u>-</u>

j. Compensation of key management personnel (including discontinued operations)

The compensation of directors and other key management personnel for the six months ended June 30, 2021 and 2020 was as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Short-term employee benefits	\$ 154,384	\$ 176,133	\$ 267,925	\$ 302,879
Post-employment benefits	1,595	1,421	3,110	2,828
Share-based payment	<u>8,187</u>	<u>2,867</u>	<u>8,187</u>	<u>2,867</u>
	<u>\$ 164,166</u>	<u>\$ 180,421</u>	<u>\$ 279,222</u>	<u>\$ 308,574</u>

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were pledged or mortgaged as collateral for certain short-term loans, long-term loans, performance bonds and other credit accommodations:

	June 30, 2021	December 31, 2020	June 30, 2020
Financial assets at fair value through other comprehensive income (including current and non-current portion)	\$ 305,480	\$ 278,880	\$ 274,960
Disposal groups classified as held for sale	1,873,293	-	-
Property, plant and equipment	3,203,045	3,168,464	3,421,196
Investments accounted for using the equity method	51,930	50,093	38,972
Investment properties	837,936	845,666	853,397
Pledged bank deposits (included in financial assets measured at amortized cost)			
Current	313,355	272,124	430,026
Non-current	<u>1,540,101</u>	<u>1,713,403</u>	<u>1,494,703</u>
	<u>\$ 8,125,140</u>	<u>\$ 6,328,630</u>	<u>\$ 6,513,254</u>

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. The balances of the unused letters of credit for purchase of raw material were as follows:

Name	June 30, 2021	December 31, 2020	June 30, 2020
The Corporation	\$ 180,463	\$ 145,571	\$ 161,906
Taiwan Prosperity Chemical Corporation (Note)	1,625,274	1,150,104	869,923
Ho-Ping Power Company	1,287,244	457,930	799,366
Kuan-Ho Refractories Industry Corporation	13,004	8,804	-

Note: The related assets and liabilities of Taiwan Prosperity Chemical Corporation were reclassified as disposal groups held for sale in the first quarter of 2021, refer to Note 11.

b. The amounts of letters of guarantee granted and issued by the banks for the Group are as follows:

Name	June 30, 2021	December 31, 2020	June 30, 2020
The Corporation	\$ 22,120	\$ 22,120	\$ 22,120
Ho-Ping Power Company	1,148,000	1,148,000	1,148,000
Taiwan Prosperity Chemical Corporation (Note)	126,565	151,565	116,400
TCCI (Group)	821,600	786,037	894,188
Taiwan Transport & Storage Corporation	28,150	28,150	28,150

Note: The related assets and liabilities of Taiwan Prosperity Chemical Corporation were reclassified as disposal groups held for sale in the first quarter of 2021, refer to Note 11.

c. Ta-Ho RSEA Environment Co., Ltd.

Company Name	Ta-Ho RSEA Environment Co., Ltd.
Factual Background	In respect of the termination of the “Build-Own-Operate Agreement for Waste Incineration Plant” (the “BOO Agreement”) entered into by and between Ta-Ho RSEA Environment Co., Ltd. and the Yunlin County Government, the arbitration award decided that Yunlin County Government shall pay Ta-Ho RSEA Environment Co., Ltd. \$1.5 billion before November 30, 2008 as a Phase I payment and the remainder as a Phase II payment in the aggregate amount of about \$1.44 billion (including \$1,387,000 thousand, US\$1,706 thousand and JPY307 thousand) before June 30, 2009, and Ta-Ho RSEA Environment Co., Ltd. shall transfer the assets under the BOO Agreement to the Yunlin County Government at the same time.
Amount in Dispute (NT\$)	About \$2.94 billion
Commencement Date of Litigation	The arbitration award was rendered on October 1, 2008.
Parties	Ta-Ho RSEA Environment Co., Ltd. and the Yunlin County Government
Status	Ta-Ho RSEA Environment Co., Ltd. filed compulsory enforcement actions to claim the compensation decided by arbitration and was indemnified the principal and interest in the total amount of \$3,540,000 thousand (tax included). The case is closed.

Company Name	Ta-Ho RSEA Environment Co., Ltd.
Factual background	<p>According to Article 10.5 of the “Build-Own-Operate Agreement for Waste Incineration Plant” (the “BOO Agreement”) entered into between Ta-Ho RSEA Environment Co., Ltd. and the Yunlin County Government, in the event that the BOO Agreement is terminated due to an event attributable to the Yunlin County Government, the assets of the Linnei Factory shall be transferred to the Yunlin County Government. However, the Yunlin County Government has consistently refused to receive the assets of the Linnei Factory. Ta-Ho RSEA Environment Co., Ltd. has therefore managed Linnei Incinerator for and on behalf of the Yunlin County Government since the termination of the BOO Agreement on October 31, 2006. The management expenses amounted to \$173,642 thousand as of January 31, 2021.</p> <p>The payment award rendered under the arbitration between Ta-Ho RSEA Environment Co., Ltd. and the Yunlin County Government is around \$2.9 billion excluding business tax. After the arbitration award, the Revenue Service Bureau of the Yunlin County advised that the income derived from the award was subject to business tax, which amounted to \$165,591 thousand.</p>
Amount in dispute (NT\$)	About \$347,914 thousand (tax included)
Commencement date of litigation	Arbitration request has been applied on February 15, 2019.
Parties	Ta-Ho RSEA Environment Co., Ltd. and the Yunlin County Government
Status	Arbitral Tribunal has been established on May 22, 2019 and the trial has been concluded on February 4, 2021. The arbitration award has been rendered on April 8, 2021. The Yunlin County Government shall pay 1) \$89,494 thousand plus the incremental request amount claimed by Ta-Ho RSEA Environment Co., Ltd. and the deferred interests calculated till the settlement date; 2) the business tax of the principal and interest of item 1; 3) \$165,591 thousand plus the deferred interests calculated from February 27, 2019 till the settlement date; and 4) 63% of the arbitration fees. The Yunlin County Government had paid \$288,910 thousand by July 9, 2021 according to the arbitration award.

The related assets of Ta-Ho RSEA Environment Co., Ltd. were disposed in the first half of 2021, refer to Note 15.

d. Ho-Ping Power Company

Company Name	Ho-Ping Power Company
Factual Background	The Fair Trade Commission fined Ho-Ping Power Company \$1.35 billion for an alleged violation of Article 14 of the Fair Trade Act.
Amount in Dispute (NT\$)	\$1.35 billion
Commencement Date of Litigation	March 2013
Parties	Ho-Ping Power Company and the Fair Trade Commission
Status	<p>The Fair Trade Commission made a second administrative disposition in November 2013, which reduced the amount of the fine imposed on Ho-Ping Power Company to \$1,320,000 thousand.</p> <p>On June 30, 2015, the Supreme Administrative Court overruled the original judgment in favor of Ho-Ping Power Company and remanded the case for retrial to the Taipei High Administrative Court. On May 25, 2017, the Taipei High Administrative Court ruled in favor of Ho-Ping Power Company by holding that “the original disposition and decision of administrative appeal, which determined that Ho-Ping Power Company committed concerted action, shall be dismissed.” On the appeal part of the participant Taiwan Power Company, the Supreme Administrative Court made the ruling of “Appeal Rejection” on September 6, 2018 (Ref. No. 107 Nian-Du-Cai-Zi-Di 1380). In the case of another appellant (the Fair Trade Commission), the Supreme Administrative Court overruled the original judgment by rendering the judgment (Ref. No. 107 Nian-Du-Pan-Zi 550) on the same day, and remanded the case to the Taipei High Administrative Court for retrial (Ref. No. 107 Nian-Du-Su-Geng-Er-Zi 116). The Taipei High Administrative Court in second instance also ruled that “the administrative disposition made by the Fair Trade Commission shall be dismissed” in May 2020. However, the Fair Trade Commission still appealed and expressed dissatisfaction. The case is currently under review by the Supreme Administrative Court.</p> <p>In accordance with the accounting conservatism principle, Ho-Ping Power Company recognized relevant losses in 2012 and paid the total fine as of June 30, 2019.</p>

Company Name	Ho-Ping Power Company
Factual Background	Taiwan Power Company filed a lawsuit against Ho-Ping Power Company at the Taipei High Administrative Court claiming for its losses of at least \$5.5 billion plus interest, which was then expanded to \$10.76 billion, and filed another civil litigation at the Taipei District Court claiming for \$5.2 billion.
Amount in Dispute (NT\$)	About \$16 billion in total
Commencement Date of Litigation	September 2015
Parties	Ho-Ping Power Company and Taiwan Power Company
Status	<p>1) There are 2 outstanding litigations against Taiwan Power Company:</p> <p>a) In September 2015, Ho-Ping Power Company received an administrative pleading submitted by Taiwan Power Company to the Taipei High Administrative Court, which was transferred to the Taiwan Taipei District Court in February 2017, and Taiwan Power Company expanded the claim amount to \$10.76 billion. The Taiwan Taipei District Court has dismissed the plaintiff's (Taiwan Power Company) complaint on October 30, 2019 and Taiwan Power Company has filed an appeal subsequently which was accepted by the Taiwan High Court. The appeal was later revoked by Taiwan Power Company in June 2020, and the case was concluded.</p> <p>b) In November 2015, Ho-Ping Power Company received a complaint of civil litigation brought by Taiwan Power Company at the Taiwan Taipei District Court based on the same ground of the aforementioned administrative litigation, and the claim amount of this case was reduced from \$5.268 billion to \$1.755 billion in May 2020. Taiwan Taipei District Court ruled on May 12, 2021 that the plaintiff's litigation was dismissed, to which Taiwan Power Company has filed an appeal.</p> <p>2) Given such situations, Ho-Ping Power Company considered the chance of losing the litigations is remote and, therefore, it did not recognize relevant losses.</p>

- e. The Board of Directors of Ta-Ho Maritime Corporation has resolved to purchase three bulk carriers from Sumitomo Corporation on September 11, 2019. The aggregate purchase amount is US\$100,200 thousand, among which US\$33,400 thousand was paid as of the issuance date of this report and listed in prepayments for property, plant and equipment.
- f. For the purpose of improving the PH air quality and reducing air pollution, the Board of Directors of the Group's subsidiary Ho-Ping Power Company has resolved to contract out the air pollution improvement equipment project for Unit 2 to CTCI Corporation on January 21, 2020. The total amount of investment is approximately \$1.858 billion. The contract was signed on June 9, 2020. As of June 30, 2021, 53% of the construction has been completed.
- g. The subsidiary, TCC Shaoguan Cement Co., Limited, a cement clinker producer, invested in cement clinker production line project on June 29, 2020 with the total investment amount of RMB244 million. As of June 30, 2021, 80% of the construction has been completed.
- h. On May 12, 2020, the Board of Directors of TCC (Hangzhou) Environment Co., Ltd., the Group's subsidiary, has resolved to outsource construction and invite tender. The contract has been signed on October 30, 2020 and the total amount is RMB566,888 thousand. As of June 30, 2021, 17% of the construction has been completed.

- i. The Board of Directors of Chia-Chien Green Energy Corporation, the Group's subsidiary, has resolved on November 6, 2020 to build a fish-electricity symbiosis solar photovoltaic power generation system in order to enhance power generation and contracted the fishery-electricity symbiosis EPC turnkey project to Taiyen Green Energy Co., Ltd. in the total amount of \$1,398,000 thousand. As of June 30, 2021, 10% of the construction has been completed.
- j. On March 19, 2021, the Board of Directors of the Corporation approved the plan to invest TCC Recycle Energy Technology Company with the limit of \$10,000,000 thousand while the subsidiary of TCC Recycle Energy Technology Company planned to build two production lines including plant, equipment and operation. In addition, its future trend was consistent with the Group's future development of energy storage.
- k. On May 12, 2021, the Board of Directors of TCC Yingde Cement Co., Ltd. approved the plan to participate in the investment in newly incorporated company in China with other shareholders. The expected proportion of the Group's ownership is 40% and the expected total investment price is RMB160,000 thousand.
- l. On July 15, 2021, the Board of Directors of the Corporation approved the plan to upgrade the Corporation's Suao cement plant to reduce electricity consumption for carbon reduction purposes and to improve productivity, with an estimated total amount of \$1,145,500 thousand.

34. OTHER ITEMS

Due to the impact of the COVID-19 pandemic from January 2020, governments all over the world have successively implemented various epidemic prevention measures, which slightly affected the business of the Group. Although the domestic epidemic situation has slowed down and the government's regulations have been loosened, many countries are still under lockdown measures and recession is expected to occur in the global economic situation. In addition to maintaining close contact with customers and manufacturers, the Group has committed to strengthen employee health management to mitigate the COVID-19 pandemic impact on the company's operations. However, the actual impact to the Group still depends on the subsequent development of the epidemic.

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the group entities and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

June 30, 2021 (including disposal groups held for sale)

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 111,175	27.860 (USD:NTD)	\$ 3,097,336
USD	35,700	7.770 (USD:HKD)	995,000
Non-monetary items			
USD	61,919	27.860 (USD:NTD)	1,725,063
EUR	822,025	33.150 (EUR:NTD)	27,250,144
<u>Financial liabilities</u>			
Monetary items			
USD	86,422	27.860 (USD:NTD)	2,407,719
USD	291,120	7.770 (USD:HKD)	8,113,803

December 31, 2020

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 64,520	28.480 (USD:NTD)	\$ 1,837,530
USD	40,943	7.750 (USD:HKD)	1,165,469
Non-monetary items			
USD	59,216	28.480 (USD:NTD)	1,686,470
EUR	820,904	35.020 (EUR:NTD)	28,748,060
<u>Financial liabilities</u>			
Monetary items			
USD	278,527	7.750 (USD:HKD)	7,928,485

June 30, 2020

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 54,783	29.630 (USD:NTD)	\$ 1,623,220
USD	56,719	7.750 (USD:HKD)	1,680,475
Non-monetary items			
USD	56,942	29.630 (USD:NTD)	1,687,204
EUR	818,060	33.270 (EUR:NTD)	27,216,859
<u>Financial liabilities</u>			
Monetary items			
USD	354,006	7.750 (USD:HKD)	10,488,578

For the three months ended June 30, 2021 and 2020 and the six months ended June 30, 2021 and 2020, realized and unrealized net foreign exchange gains (losses) were \$(14,042) thousand, \$(18,650) thousand, \$(35,323) thousand and \$32,664 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

36. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (excluding investment in subsidiaries, associates and joint ventures) (Table 3)
- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the share capital (Table 4)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the share capital (None)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the share capital (Table 5)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the share capital (Table 6)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the share capital (Table 7)
- 9) Trading in derivative instruments (Notes 7, 20 and 30)
- 10) Intercompany relationships and significant intercompany transactions (Table 10)

11) Information on investees (Table 8)

b. Information on investments in mainland China (Table 9)

- 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, net income of investees, 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
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
 - c) The amount of property transactions and the amount of the resultant gains or losses
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
 - e) The highest period 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 period or on the financial position, such as the rendering or receipt of services
- c. 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 (None)

37. 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 segment. Specifically, the Group's reportable segments under IFRS 8 "Operating Segments" were as follows:

- a. Cement segment - production, processing and sale of cement goods.
- b. Chemical engineering segment - production, processing and sale of chemical raw materials.
- c. Electricity segment - thermal power generation and renewable energy generation.
- d. Other segments - land and marine transportation.
 - production and sale of refractory materials.
 - others.

The Corporation uses the profit from operations as the measure for segment income and the basis of performance assessment. There was no material difference between the accounting policies of the operating segments and the accounting policies described in Note 4.

One business unit (Taiwan Prosperity Chemical Corporation) was discontinued in the current period. The segment information reported on the following pages does not include any amounts for this discontinued operation, which is described in more details in Note 11.

Segment revenue and results

	Segment Revenue		Segment Income	
	For the Six Months Ended		For the Six Months Ended	
	June 30		June 30	
	2021	2020	2021	2020
Cement segment	\$ 42,775,745	\$ 39,537,494	\$ 7,788,424	\$ 9,143,941
Electricity segment	5,488,968	7,499,137	3,308,007	4,953,514
Other segments	1,758,651	1,764,338	257,182	296,282
	\$ 50,023,364	\$ 48,800,969	11,353,613	14,393,737
Share of profit of associates and joint ventures			1,649,791	1,088,621
Dividend income			1,121,323	967,257
Interest income			766,934	664,536
Net gain (loss) on disposal of property, plant and equipment			429,969	(37,221)
Finance costs			(793,858)	(996,278)
Foreign exchange gains (losses), net			(35,323)	32,664
Administrative expenses and directors' remuneration			(102,228)	(112,797)
Net gain (loss) on financial assets and liabilities at fair value through profit and loss			15,531	(9,769)
Other income and expenses, net			248,029	134,262
Income before tax			\$ 14,653,781	\$ 16,125,012

Segment profit represented profit before tax earned by each segment without an allocation of central administrative expenses, directors' remuneration, the share of profit of associates and joint ventures accounted for using the equity method, dividend income, interest income, net gain (loss) on disposal of property, plant and equipment, finance costs, net foreign exchange gains (losses), net gain (loss) on assets and liabilities at fair value through profit and loss and income tax expense.

38. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- a. On April 19, 2021, the Board of Directors of the Corporation approved the plan to acquire 60.48% of the ordinary shares of Engie EPS to expand the Group's energy storage business. The Corporation intended to acquire 7,721,453 shares of Engie EPS held by the Engie SA Group for a cash payment of EUR17.10 per share. On July 20, 2021, the Corporation completed the acquisition of 60.48% of the ordinary shares of Engie EPS through Taiwan Cement Europe Holdings B.V. (TCEH), which is a wholly owned Dutch subsidiary established by Taiwan Cement (Dutch) Holdings B.V., with the consideration of EUR132,000 thousand. Engie EPS has been renamed to NHOA on the same day.
- b. TCEH filed a simple compulsory tender offer in accordance with regulations of the Securities Exchange Act of France targeting the remaining 39.52% shares of NHOA at the acquisition price of EUR17.10 per share in cash on July 23, 2021 with the expected maximum acquisition shares of 5,045,407 shares. The final confirmation of the acquisition was expected to be in the third quarter of 2021.

- c. Considering future development goals of energy storage related business, on August 12, 2021, the Board of Directors of the Corporation approved the plan to increase its capital investment in TCC Recycle Energy Technology Company in the subscription amount of up to \$10,000,000 thousand by subscribing up to 1,000,000 thousand shares, which is mainly for the Group's future business development of building more production lines.
- d. According to the Regulations governing 2018 First Overseas Unsecured Convertible Bonds Issuance of the Company, the Corporation adjusted the conversion price of the 2018 First Overseas Unsecured Convertible Bonds from \$31.93 to \$29.87 per common share with the effective date of the adjustment on August 18, 2021, i.e., the ex-dividend date.

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

FINANCINGS PROVIDED TO OTHERS
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower (Note 2)	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Note
													Item	Value			
1	Taiwan Transport & Storage Corporation	Tai-Jie Transport & Storage Corporation	Other receivables from related parties	Yes	\$ 100,000	\$ 100,000	\$ 70,000	1.26	The need for short-term financing	\$ -	Operating capital	\$ -		\$ -	\$ 955,162	\$ 955,162	
2	TCC Investment Corporation	Jin Chang Minerals Corporation	Other receivables from related parties	Yes	130,000	130,000	100,000	1.46	The need for short-term financing	-	Operating capital	-		-	1,849,747	1,849,747	
3	TCC Development Ltd.	TCC International Holdings Ltd.	Other receivables from related parties	Yes	268,129	261,851	261,851	0.32	The need for short-term financing	-	Operating capital	-		-	737,933	737,933	
4	TCC International Ltd.	TCC International Holdings Ltd.	Other receivables from related parties	Yes	3,424,200	3,343,200	-	-	The need for short-term financing	-	Operating capital	-		-	108,724,269	217,448,538	
5	Yingde Dragon Mountain Cement Co., Ltd.	TCC Yingde Cement Co., Ltd.	Other receivables from related parties	Yes	874,174	860,880	-	-	The need for short-term financing	-	Operating capital	-		-	17,597,067	35,194,135	
		TCC Liaoning Cement Company Limited	Other receivables from related parties	Yes	996,558	981,403	774,792	3.05	The need for short-term financing	-	Operating capital	-		-	17,597,067	35,194,135	
		TCC (Gui Gang) Cement Ltd.	Other receivables from related parties	Yes	7,430,479	7,317,480	7,317,480	3.05	The need for short-term financing	-	Operating capital	-		-	17,597,067	35,194,135	
6	TCC (Gui Gang) Cement Ltd.	Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	1,223,844	1,205,232	-	-	The need for short-term financing	-	Operating capital	-		-	26,323,526	52,647,053	
		Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	437,087	430,440	-	-	The need for short-term financing	-	Operating capital	-		-	26,323,526	52,647,053	
		TCC Yingde Cement Co., Ltd.	Other receivables from related parties	Yes	437,087	430,440	-	-	The need for short-term financing	-	Operating capital	-		-	26,323,526	52,647,053	
		Scitus Luzhou Concrete Co., Ltd.	Other receivables from related parties	Yes	87,417	86,088	-	-	The need for short-term financing	-	Operating capital	-		-	26,323,526	52,647,053	
		TCC Huaying Cement Company Limited	Other receivables from related parties	Yes	1,258,811	1,239,667	-	-	The need for short-term financing	-	Operating capital	-		-	26,323,526	52,647,053	
		TCC Anshun Cement Company Limited	Other receivables from related parties	Yes	437,087	430,440	-	-	The need for short-term financing	-	Operating capital	-		-	26,323,526	52,647,053	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	874,174	860,880	-	-	The need for short-term financing	-	Operating capital	-		-	26,323,526	52,647,053	
		TCC Jingzhou Cement Company Limited	Other receivables from related parties	Yes	655,631	645,660	-	-	The need for short-term financing	-	Operating capital	-		-	26,323,526	52,647,053	
		Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	284,107	279,786	-	-	The need for short-term financing	-	Operating capital	-		-	26,323,526	52,647,053	
		TCC (Hangzhou) Recycle Resource Technology Limited	Other receivables from related parties	Yes	43,709	43,044	-	-	The need for short-term financing	-	Operating capital	-		-	26,323,526	52,647,053	
Guigang TCC DongYuan Environmental Technology Company Limited	Other receivables from related parties	Yes	131,126	129,132	-	-	The need for short-term financing	-	Operating capital	-		-	26,323,526	52,647,053			
7	TCC Yingde Cement Co., Ltd.	TCC Shaoguan Cement Co., Limited	Other receivables from related parties	Yes	2,255,894	2,255,894	1,953,317	3.48	The need for short-term financing	-	Operating capital	-		-	29,766,321	59,532,642	
		TCC (Dong Guan) Cement Company Limited	Other receivables from related parties	Yes	437,087	430,440	-	-	The need for short-term financing	-	Operating capital	-		-	29,766,321	59,532,642	
		TCC Anshun Cement Company Limited	Other receivables from related parties	Yes	874,174	860,880	-	-	The need for short-term financing	-	Operating capital	-		-	29,766,321	59,532,642	
		Guangan Changxing Cement Company Ltd.	Other receivables from related parties	Yes	874,174	860,880	-	-	The need for short-term financing	-	Operating capital	-		-	29,766,321	59,532,642	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	874,174	860,880	516,528	3.48	The need for short-term financing	-	Operating capital	-		-	29,766,321	59,532,642	
		TCC Jingzhou Cement Company Limited	Other receivables from related parties	Yes	218,544	215,220	-	-	The need for short-term financing	-	Operating capital	-		-	29,766,321	59,532,642	
		TCC Chongqing Cement Company Limited	Other receivables from related parties	Yes	437,087	430,440	-	-	The need for short-term financing	-	Operating capital	-		-	29,766,321	59,532,642	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	655,631	645,660	-	-	The need for short-term financing	-	Operating capital	-		-	29,766,321	59,532,642	

(Continued)

No.	Lender	Borrower (Note 2)	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Note
													Item	Value			
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	\$ 786,757	\$ 774,792	\$ -	-	The need for short-term financing	\$ -	Operating capital	\$ -		\$ -	\$ 29,766,321	\$ 59,532,642	
		Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	218,544	215,220	-	-	The need for short-term financing	-	Operating capital	-		-	29,766,321	59,532,642	
		Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	437,087	430,440	43,044	3.48	The need for short-term financing	-	Operating capital	-		-	29,766,321	59,532,642	
		TCC Liaoning Cement Company Limited	Other receivables from related parties	Yes	218,544	215,220	215,220	3.48	The need for short-term financing	-	Operating capital	-		-	29,766,321	59,532,642	
		Beijing TCC Environmental Technology Co., Ltd.	Other receivables from related parties	Yes	87,417	86,088	43,044	3.48	The need for short-term financing	-	Operating capital	-		-	29,766,321	59,532,642	
		TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	Other receivables from related parties	Yes	2,989,675	2,944,210	2,384,638	3.48	The need for short-term financing	-	Operating capital	-		-	29,766,321	59,532,642	
8	TCC Fuzhou Cement Co., Ltd.	TCC Liaoning Cement Company Limited	Other receivables from related parties	Yes	305,961	301,308	-	-	The need for short-term financing	-	Operating capital	-		-	923,759	2,771,276	
		TCC New (Hangzhou) Management Company Limited	Other receivables from related parties	Yes	437,087	430,440	-	-	The need for short-term financing	-	Operating capital	-		-	923,759	2,771,276	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	218,544	215,220	-	-	The need for short-term financing	-	Operating capital	-		-	923,759	2,771,276	
9	TCC International Holdings Ltd.	TCC Yingde Cement Co., Ltd.	Other receivables from related parties	Yes	212,793	209,557	208,063	-	The need for short-term financing	-	Operating capital	-		-	143,882,995	287,765,990	
10	Prime York Ltd.	Upper Value Investment Limited	Other receivables from related parties	Yes	187,323	182,937	182,937	-	The need for short-term financing	-	Operating capital	-		-	2,976,239	5,952,478	
11	Jurong TCC Cement Co., Ltd.	TCC Anshun Cement Company Limited	Other receivables from related parties	Yes	874,174	860,880	-	-	The need for short-term financing	-	Operating capital	-		-	17,638,096	35,276,192	
		TCC Chongqing Cement Co., Ltd.	Other receivables from related parties	Yes	874,174	860,880	-	-	The need for short-term financing	-	Operating capital	-		-	17,638,096	35,276,192	
		Guangan Changxing Cement Company Ltd.	Other receivables from related parties	Yes	437,087	430,440	-	-	The need for short-term financing	-	Operating capital	-		-	17,638,096	35,276,192	
		TCC Liaoning Cement Company Limited	Other receivables from related parties	Yes	305,961	301,308	-	-	The need for short-term financing	-	Operating capital	-		-	17,638,096	35,276,192	
		TCC Yingde Cement Co., Ltd.	Other receivables from related parties	Yes	437,087	430,440	-	-	The need for short-term financing	-	Operating capital	-		-	17,638,096	35,276,192	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	655,631	645,660	-	-	The need for short-term financing	-	Operating capital	-		-	17,638,096	35,276,192	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	1,311,261	1,291,320	335,743	3.48	The need for short-term financing	-	Operating capital	-		-	17,638,096	35,276,192	
		TCC Huaihua Concrete Company Limited	Other receivables from related parties	Yes	131,126	129,132	43,044	3.48	The need for short-term financing	-	Operating capital	-		-	17,638,096	35,276,192	
		Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	305,961	301,308	180,785	3.48	The need for short-term financing	-	Operating capital	-		-	17,638,096	35,276,192	
		Kaili TCC Environment Technology Co., Ltd.	Other receivables from related parties	Yes	218,365	215,220	77,479	3.48	The need for short-term financing	-	Operating capital	-		-	17,638,096	35,276,192	
12	TCC Anshun Cement Company Limited	Anshun Xin Tai Construction Materials Company Limited	Other receivables from related parties	Yes	87,417	86,088	-	-	The need for short-term financing	-	Operating capital	-		-	7,461,268	14,922,536	
		Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	262,252	258,264	258,264	3.48	The need for short-term financing	-	Operating capital	-		-	7,461,268	14,922,536	
		Scitus Luzhou Concrete Co., Ltd.	Other receivables from related parties	Yes	131,126	129,132	-	-	The need for short-term financing	-	Operating capital	-		-	7,461,268	14,922,536	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	131,126	129,132	-	-	The need for short-term financing	-	Operating capital	-		-	7,461,268	14,922,536	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	131,126	129,132	-	-	The need for short-term financing	-	Operating capital	-		-	7,461,268	14,922,536	
		TCC Chongqing Cement Company Limited	Other receivables from related parties	Yes	874,174	860,880	-	-	The need for short-term financing	-	Operating capital	-		-	7,461,268	14,922,536	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	655,631	645,660	172,176	3.48	The need for short-term financing	-	Operating capital	-		-	7,461,268	14,922,536	
13	Guangan Changxing Cement Company Ltd.	TCC Huaying Cement Company Limited.	Other receivables from related parties	Yes	437,087	430,440	-	-	The need for short-term financing	-	Operating capital	-		-	5,338,241	10,676,482	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	131,126	129,132	-	-	The need for short-term financing	-	Operating capital	-		-	5,338,241	10,676,482	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	87,417	86,088	-	-	The need for short-term financing	-	Operating capital	-		-	5,338,241	10,676,482	

(Continued)

No.	Lender	Borrower (Note 2)	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Note
													Item	Value			
14	Wayly Holdings Ltd.	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	\$ 57,600	\$ 56,251	\$ 56,251	-	The need for short-term financing	\$ -	Operating capital	\$ -		\$ -	\$ 1,745,557	\$ 3,491,114	
15	TCC Chongqing Cement Company Limited	Guangan Changxing Cement Company Ltd.	Other receivables from related parties	Yes	437,087	430,440	-	-	The need for short-term financing	-	Operating capital	-		-	9,153,311	18,306,621	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	218,544	215,220	-	-	The need for short-term financing	-	Operating capital	-		-	9,153,311	18,306,621	
		Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	131,126	129,132	-	-	The need for short-term financing	-	Operating capital	-		-	9,153,311	18,306,621	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	218,544	215,220	-	-	The need for short-term financing	-	Operating capital	-		-	9,153,311	18,306,621	
		TCC Huaying Cement Company Limited	Other receivables from related parties	Yes	109,272	107,610	-	-	The need for short-term financing	-	Operating capital	-		-	9,153,311	18,306,621	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	655,631	645,660	529,011	3.48	The need for short-term financing	-	Operating capital	-		-	9,153,311	18,306,621	
		TCC Jingzhou Cement Company Limited	Other receivables from related parties	Yes	87,417	86,088	-	-	The need for short-term financing	-	Operating capital	-		-	9,153,311	18,306,621	
		Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	131,126	129,132	86,088	3.48	The need for short-term financing	-	Operating capital	-		-	9,153,311	18,306,621	
16	TCC New (Hangzhou) Management Company Limited	Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	270,994	266,873	-	-	The need for short-term financing	-	Operating capital	-		-	514,937	1,029,874	
		Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	240,398	236,742	189,394	3.48	The need for short-term financing	-	Operating capital	-		-	514,937	1,029,874	
		Scitus Luzhou Concrete Co., Ltd.	Other receivables from related parties	Yes	34,967	34,435	-	-	The need for short-term financing	-	Operating capital	-		-	514,937	1,029,874	
17	Prosperity Minerals (China) Ltd.	TCC New (Hangzhou) Management Company Limited	Other receivables from related parties	Yes	348,563	343,262	253,960	-	The need for short-term financing	-	Operating capital	-		-	868,218	1,736,436	
18	Da Tong (Guigang) International Logistics Co., Ltd.	Guigang Da-Ho Shipping Co., Ltd.	Other receivables from related parties	Yes	131,126	129,132	-	-	The need for short-term financing	-	Operating capital	-		-	704,245	1,408,490	
19	Hong Kong Cement Co., Ltd.	TCC International Holdings Ltd.	Other receivables from related parties	Yes	472,711	461,529	461,529	0.35	The need for short-term financing	-	Operating capital	-		-	915,268	1,830,536	
20	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	131,126	129,132	-	-	The need for short-term financing	-	Operating capital	-		-	3,671,166	7,342,332	
		Kaili TCC Environment Technology Co., Ltd.	Other receivables from related parties	Yes	174,835	172,176	172,176	3.48	The need for short-term financing	-	Operating capital	-		-	3,671,166	7,342,332	
21	Union Cement Traders Inc.	Jin Chang Minerals Corporation	Other receivables from related parties	Yes	300,000	-	-	-	The need for short-term financing	-	Operating capital	-		-	310,622	310,622	
22	TCC Huaihua Cement Company Limited	TCC Jingzhou Cement Company Limited	Other receivables from related parties	Yes	87,417	86,088	-	-	The need for short-term financing	-	Operating capital	-		-	4,535,662	9,071,323	
23	Scitus Luzhou Cement Co., Ltd.	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	87,417	86,088	-	-	The need for short-term financing	-	Operating capital	-		-	3,071,154	6,142,309	

Note 1: "Financing Limits for Each Borrower" and "Aggregate Financing Limits":

a. For Taiwan Cement Corporation, financing limits are as follows:

- 1) Where a business relationship exists, the individual financing limits were the total transaction amounts with the borrower and 20% of Taiwan Cement Corporation's net equity in the recent year.
- 2) Where there is a need for a short-term financing facility, the individual financing limits were 20% of Taiwan Cement Corporation's net equity as stated in its latest financial statements.
- 3) For the above items a and b, the aggregate financing limits were 40% of Taiwan Cement Corporation's net equity as stated in its latest financial statements.

b. The restrictions above in paragraph A, subparagraphs b and c shall not apply to inter-company loans of funds between foreign companies of which Taiwan Cement Corporation holds, directly or indirectly, 100% of the voting shares. The aggregate and individual financing limits for the companies were 200% and 100%, respectively, of the net equity of each company as stated in their respective latest financial statements. In addition, the aggregate and individual financing limits for TCC International Ltd. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for TCC Fuzhou Cement Co., Ltd. were 300% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for TCC New (Hangzhou) Management Company Limited were 600% and 300%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for Prosperity Minerals (China) Ltd. were 400% and 200%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for TCC Development Ltd. were 200% and 200%, respectively, of its net equity as stated in its latest financial statements.

Note 2: All intercompany transactions have been eliminated upon consolidation.

(Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/Guaranteed During the Period	Outstanding Endorsement/Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/Guaranteed by Collaterals	Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/Guarantee Limit (Note 2)	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	Note	
		Name	Relationship (Note 3)												
0	Taiwan Cement Corporation	Union Cement Traders Inc.	b	\$ 108,465,997	\$ 1,420,000	\$ 1,420,000	\$ 790,000	\$ -	0.65	\$ 216,931,994	Yes	No	No		
		TCC Investment Corporation	b	108,465,997	2,570,000	2,570,000	1,590,000	-	1.18	216,931,994	Yes	No	No		
		TCC Chemical Corporation	b	108,465,997	1,499,117	1,499,117	766,117	-	0.69	216,931,994	Yes	No	No		
		Jin Chang Minerals Corporation	b	108,465,997	68,848	31,257	31,257	31,257	-	0.01	216,931,994	Yes	No	No	
		Ho Sheng Mining Co., Ltd.	b	108,465,997	99,884	99,884	99,884	99,884	-	0.05	216,931,994	Yes	No	No	
		TCCI	b	108,465,997	6,294,080	5,878,460	-	-	-	2.71	216,931,994	Yes	No	No	
1	Ho Sheng Mining Co., Ltd.	Taiwan Cement Corporation	c	1,125,773	137,462	137,462	137,462	-	36.63	1,125,773	No	Yes	No		
2	TCC Green Energy Corporation	TCC Chemical Corporation	a	3,098,101	6,117	6,117	6,117	-	0.20	3,098,101	No	No	No		
3	TCCIH	TCC Yingde Cement Co., Ltd.	b	71,941,497	2,273,407	2,237,339	-	-	1.55	143,882,995	Yes	No	Yes		
		Jurong TCC Cement Co., Ltd.	b	71,941,497	2,020,490	1,975,443	-	-	1.37	143,882,995	Yes	No	Yes		
		TCC Fuzhou Cement Co., Ltd.	b	71,941,497	1,147,977	1,128,838	-	-	0.78	143,882,995	Yes	No	Yes		
		TCC Liaoning Cement Company Limited	b	71,941,497	869,231	854,610	-	-	0.59	143,882,995	Yes	No	Yes		
		TCC (Gui Gang) Cement Ltd.	b	71,941,497	7,417,299	7,288,029	-	-	5.07	143,882,995	Yes	No	Yes		
		TCC Chongqing Cement Co., Ltd.	b	71,941,497	1,753,088	1,720,710	-	-	1.20	143,882,995	Yes	No	Yes		
		Guizhou Kong On Cement Company Limited	b	71,941,497	288,204	281,386	-	-	0.20	143,882,995	Yes	No	Yes		
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	b	71,941,497	285,350	278,600	-	-	0.19	143,882,995	Yes	No	Yes		
		Guangan Changxing Cement Company Ltd.	b	71,941,497	305,961	301,308	-	-	0.21	143,882,995	Yes	No	Yes		
		TCC Anshun Cement Company Limited	b	71,941,497	655,631	645,660	-	-	0.45	143,882,995	Yes	No	Yes		
		TCC Huaihua Cement Company Limited	b	71,941,497	830,465	817,836	-	-	0.57	143,882,995	Yes	No	Yes		
TCC Jingzhou Cement Company Limited	b	71,941,497	262,252	258,264	-	-	0.18	143,882,995	Yes	No	Yes				

Note 1: Limits on endorsement/guarantee given on behalf of each party were as follows:

- a.
 - i. For endorsement/guarantee given by Taiwan Cement Corporation due to business transactions, 50% of the business transaction amounts in the previous year.
 - ii. Except for i, the aggregate and individual endorsement/guarantee given by Taiwan Cement Corporation were the net equity in its respective latest financial statements and 50% of the net equity in its respective latest financial statements.
- b. Ho Sheng Mining Co., Ltd. guaranteed by land lease agreement.
- c. Jin Chang Minerals Corporation guaranteed by deposit contract.

Note 2: Aggregate endorsement/guarantee limit was 300% of its net equity in its latest financial statements for Ho Sheng Mining Co., Ltd., and the limit for other the endorsers/guarantors was the net equity in their respective latest financial statements.

Note 3: Relationship between the endorser/guarantor and the endorsee/guarantee is classified as follows:

- a. Having a business relationship.
- b. The endorser/guarantor directly or indirectly owns more than 50% of the ordinary shares of the endorsee/guarantee.
- c. The endorsee/guarantee directly or indirectly owns more than 50% of the ordinary shares of the endorser/guarantor.
- d. Company in which the public company directly or indirectly holds 90% or more of the voting shares may make endorsements/guarantees for each other.
- e. Where a public company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or joint builders for purposes of undertaking a construction project.
- f. Due to joint venture, all shareholders provide endorsements/guarantees to the endorsee/guarantee in proportion to its ownership.
- g. Where companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 2021
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2021				Note
				Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taiwan Cement Corporation	<u>Ordinary shares</u>							
	Chien Kuo Construction Co., Ltd.	-	FVTPL - current	7,522	\$ 110,953	-	\$ 110,953	
	Taiwan Television Enterprise, Ltd.	The Corporation serves as supervisor	FVTPL - current	13,573	104,782	-	104,782	
	Chinatrust Financial Holding Co., Ltd.	-	FVTPL - current	3,576	81,166	-	81,166	
	China Hi-Ment Corporation	The Corporation serves as director	FVTOCI - current	30,196	1,434,318	-	1,434,318	
	Taishin Financial Holding Co., Ltd.	-	FVTOCI - current	63,865	973,936	-	973,936	
	CTCI Corporation	The Corporation serves as director	FVTOCI - current	9,054	354,930	-	354,930	
	Chia Hsin Cement Corporation	Directors	FVTOCI - current	27,419	614,195	-	614,195	
	O-Bank	The Corporation serves as director	FVTOCI - current	32,809	232,286	-	232,286	
	IBT II Venture Capital Corporation	-	FVTOCI - non-current	2,626	14,509	8.3	14,509	
	Chinatrust Investment Co., Ltd.	The Corporation serves as director	FVTOCI - non-current	29,553	1,299,427	9.4	1,299,427	
	Pan Asia Corporation	The Corporation serves as supervisor	FVTOCI - non-current	6,204	8,996	5.4	8,996	
	Taiwan Stock Exchange Corporation	The Corporation serves as director	FVTOCI - non-current	49,731	4,727,368	6.6	4,727,368	
	Excel Corporation	-	FVTOCI - non-current	600	-	9.5	-	
	<u>Convertible preference shares</u>							
	O-Bank	The Corporation serves as director	FVTOCI - current	2,956	30,150	-	30,150	
Taiwan Transport & Storage Corporation	<u>Ordinary shares</u>							
	Chia Hsin Cement Corporation	Director of parent company	FVTOCI - current	8,632	193,347	-	193,347	
TCC Investment Corporation	<u>Ordinary shares</u>							
	O-Bank	The Corporation serves as director	FVTOCI - current	24,214	171,437	-	171,437	21,000 thousand shares were pledged
	Taishin Financial Holding Co., Ltd.	-	FVTOCI - current	12,217	186,306	-	186,306	
	Chia Hsin Cement Corporation	Director of parent company	FVTOCI - current	8,334	186,679	-	186,679	7,000 thousand shares were pledged
	China Conch Venture Holdings Limited	-	FVTOCI - non-current	11,110	1,303,146	-	1,303,146	
	Chinatrust Investment Co., Ltd.	The Corporation serves as director	FVTOCI - non-current	10,884	478,563	3.5	478,563	
	Pan Asia Corporation	The Corporation serves as supervisor	FVTOCI - non-current	1	14	-	14	
	<u>Convertible preference shares</u>							
	O-Bank	The Corporation serves as director	FVTOCI - current	2,182	22,252	-	22,252	
Ta-Ho Maritime Corporation	<u>Ordinary shares</u>							
	Prosperity Dielectrics Co., Ltd.	-	FVTPL - current	951	65,633	-	65,633	
	Chia Hsin Cement Corporation	Director of parent company	FVTOCI - current	25,761	577,053	-	577,053	
	Chinatrust Investment Co., Ltd.	The Corporation serves as director	FVTOCI - non-current	6,612	290,715	2.1	290,715	
TCC Chemical Corporation	<u>Ordinary shares</u>							
	Taiwan Stock Exchange Corporation	The Corporation serves as director	FVTOCI - non-current	2,840	269,935	-	269,935	
Hoping Industrial Port Corporation	<u>Ordinary shares</u>							
	Chinatrust Investment Co., Ltd.	The Corporation serves as director	FVTOCI - non-current	10,444	459,210	3.3	459,210	
E.G.C. Cement Corporation	<u>Ordinary shares</u>							
	Feng Yu United Engineering Company	-	FVTPL - current	97	-	0.1	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2021				Note
				Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Union Cement Traders Inc.	<u>Ordinary shares</u>							
	Taishin Financial Holding Co., Ltd.	-	FVTOCI - current	28,212	\$ 430,227	-	\$ 430,227	
	CTCI Corporation	The Corporation serves as director	FVTOCI - current	13,365	523,921	-	523,921	
	Chia Hsin Cement Corporation	Director of parent company	FVTOCI - current	7,441	166,678	-	166,678	
	Videoland Inc.	-	FVTOCI - non-current	6,437	295,673	5.6	295,673	
TCCI (Group)	<u>Ordinary shares</u>							
	Anhui Conch Cement Co., Ltd.	-	FVTOCI - non-current	116,568	17,226,932	-	17,226,932	
	Yargoan Co., Ltd.	-	FVTOCI - non-current	19	-	12.5	-	

Note 1: Marketable securities in the table refer to shares, bonds, beneficiary certificates and other related securities within the scope of IFRS 9 "Financial Instruments".

Note 2: Refer to Tables 8 and 9 for the information on investments in subsidiaries, associates and joint ventures.

(Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE SHARE CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Other Adjustment	Ending Balance	
					Shares/Units (In Thousands)	Amount	Shares/Units (In Thousands)	Amount	Shares/Units (In Thousands)	Amount	Carrying Amount	Gain on Disposal		Shares	Amount
Taiwan Cement Corporation	Shares Taiwan Prosperity Chemical Corporation	Investments accounted for using the equity method	Note 1	Subsidiary	93,857	\$ 734,888	38,103 (Note 1)	\$ 685,845 (Note 1)	-	\$ -	\$ -	\$ -	\$ 129,711 (Note 2)	131,960	\$ 1,550,444 (Note 3)
Taiwan Cement Corporation	TCC Energy Storage Technology Corporation	Investments accounted for using the equity method	-	Subsidiary	100	984	50,500	505,000	-	-	-	-	(1,430) (Note 2)	50,600	504,554 (Note 6)
TCC Investment Corporation	China Conch Venture Holdings Limited	FVTOCI - non-current	-	-	28,000	3,877,219	-	-	16,890	2,182,067	2,182,067 (Note 4)	-	(392,006) (Note 5)	11,110	1,303,146
TCC (Gui Gang) Cement Ltd.	Guigang TCC Dong Yuan Environmental Technology Company Limited	Investments accounted for using the equity method	-	Subsidiary	-	570,171	-	355,276	-	-	-	-	(11,381) (Note 2)	-	914,066 (Note 6)

Note 1: Purchase 34,787 thousand shares for NT\$626,345 thousand from unrelated parties and 3,316 thousand shares for NT\$59,500 thousand from subsidiaries.

Note 2: Including the profit and loss parts of subsidiaries recognized under the equity method and adjustments to shareholder's equity.

Note 3: Refer to Note 11 for the information of assets and liabilities of Taiwan Prosperity Chemical Corporation reclassified to disposal groups held for sale on March 31, 2021.

Note 4: Including accumulated gain from retained earnings in the amount of \$1,287,350 thousand which is reclassified from unrealized gain on financial assets at FVTOCI due to disposal.

Note 5: Unrealized loss on financial assets at FVTOCI in this period.

Note 6: All intercompany transactions have been eliminated upon consolidation.

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(In Thousands of New Taiwan Dollars)

Seller	Property	Event Date	Original Acquisition Date	Carrying Amount	Transaction Amount	Collection	Gain (Loss) on Disposal	Counterparty	Relationship	Purpose of Disposal	Price Reference	Other Terms
Ta-Ho RSEA Environment Co., Ltd.	The Linnei Incinerator related land and other fixed assets in Yunlin County	2021.4	2002.11.27 - 2007.2.28	\$ 2,930,475	\$ 3,382,519	Has received arbitration award and successive payments	\$ 452,044	Yunlin County Government	-	Assets have been transferred in accordance with the arbitration award issued by the Chinese Arbitration Association, Taipei (Ref. No. (95) Zhong-Sheng-Xin-Zi-104)	Arbitration award issued by the Chinese Arbitration Association, Taipei (Ref. No. (95) Zhong-Sheng-Xin-Zi-104)	-

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE SHARE CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Details			Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note	
			Purchases/Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance		% of Total (Note 1)
Taiwan Cement Corporation	Feng Sheng Enterprise Company	Subsidiary	Sales	\$ (248,418)	(2)	30 days	\$ -	-	\$ 108,844	21	Note 2
	HKCCL	Subsidiary	Sales	(264,374)	(2)	65 days after the end of the day when shipment was made	-	-	72,722	14	Note 2
	TCCIH	Subsidiary	Service revenue	(220,018)	(2)	By contract	-	-	36,014	7	Note 2
	E.G.C. Cement Corporation	Subsidiary	Sales	(246,136)	(2)	50 days after the end of the day when delivery was made	-	-	109,057	21	Note 2
	Ta-Ho Maritime Corporation	Subsidiary	Purchases	815,516	9	30 days	-	-	(420,484)	(50)	Note 2
	Jin Chang Minerals Corporation	Subsidiary	Purchases	382,278	4	30 days	-	-	(75,417)	(9)	Note 2
	Taiwan Transport & Storage Corporation	Subsidiary	Purchases	321,567	4	30 days	-	-	(55,234)	(7)	Note 2
	Hoping Industrial Port Corporation	Subsidiary	Purchases	282,587	3	20 days	-	-	(26,628)	(3)	Note 2
	Ho Sheng Mining Co., Ltd.	Subsidiary	Purchases	166,629	2	30 days	-	-	(38,111)	(4)	Note 2
	Kuan-Ho Refractories Industry Corporation	Subsidiary	Purchases	120,075	1	By contract	-	-	(66,617)	(8)	Note 2
	Chia Hsin Cement Corporation	Directors	Sales	(244,770)	(2)	65 days after the end of the day when delivery was made	-	-	137,907	26	
	China Hi-Ment Corporation	The Corporation serves as director	Purchases	378,661	4	60 days	-	-	(133,552)	(16)	
Ho-Ping Power Company	Hoping Industrial Port Corporation	The same parent company	Purchases	526,987	21	20 days	-	-	(91,538)	(51)	Note 2
	HPC Power Service Corporation	The same parent company	Purchases	246,283	10	By contract	-	-	(80,127)	(45)	Note 2
Hoping Industrial Port Corporation	Taiwan Cement Corporation	Parent company	Sales	(282,587)	(33)	20 days	-	-	26,628	22	Note 2
	Ho-Ping Power Company	The same parent company	Sales	(526,987)	(62)	20 days	-	-	91,538	76	Note 2
	Taiwan Transport & Storage Corporation	The same parent company	Purchases	107,761	76	30 days	-	-	(18,969)	(63)	Note 2
E.G.C. Cement Corporation	Taiwan Cement Corporation	Parent company	Purchases	246,136	100	50 days after the end of the day when delivery was made	-	-	(109,057)	(99)	Note 2
Feng Sheng Enterprise Company	Taiwan Cement Corporation	Parent company	Purchases	248,418	16	30 days	-	-	(108,844)	(100)	Note 2
Taiwan Transport & Storage Corporation	Taiwan Cement Corporation	Parent company	Sales	(321,567)	(39)	30 days	-	-	55,234	33	Note 2
	Taiwan Prosperity Chemical Corporation	The same parent company	Sales	(166,030)	(20)	30 days	-	-	58,755	35	Note 2
	Hoping Industrial Port Corporation	The same parent company	Sales	(107,761)	(13)	30 days	-	-	18,969	11	Note 2
Ta-Ho Maritime Corporation	Taiwan Cement Corporation	Parent company	Sales	(815,516)	(57)	30 days	-	-	420,484	96	Note 2
TCCIH	Taiwan Cement Corporation	Parent company	Service expense	220,018	100	By contract	-	-	(36,014)	(100)	Note 2
Ho Sheng Mining Co., Ltd.	Taiwan Cement Corporation	Parent company	Sales	(166,629)	(70)	30 days	-	-	38,111	73	Note 2
HPC Power Service Corporation	Ho-Ping Power Company	The same parent company	Sales	(246,283)	(100)	By contract	-	-	80,127	100	Note 2
Jin Chang Minerals Corporation	Taiwan Cement Corporation	Parent company	Sales	(382,278)	(100)	30 days	-	-	75,417	100	Note 2
Kuan-Ho Refractories Industry Corporation	Taiwan Cement Corporation	Parent company	Sales	(120,075)	(24)	By contract	-	-	66,617	81	Note 2
Da Tong (Guigang) International Logistics Co., Ltd.	TCC (Gui Gang) Cement Ltd.	The same ultimate parent company	Freight revenue	(297,427)	(91)	By negotiation	-	-	134,608	100	Note 2

(Continued)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total (Note 1)	
Guigang Da-Ho Shipping Co., Ltd.	TCC (Gui Gang) Cement Ltd. TCC Yingde Cement Co., Ltd.	The same ultimate parent company The same ultimate parent company	Freight revenue	\$ (267,573)	(40)	By negotiation	\$ -	-	\$ 145,623	69	Note 2
			Freight revenue	(190,114)	(28)	By negotiation	-	-	60,750	29	Note 2
TCC (Gui Gang) Cement Ltd.	Da Tong (Guigang) International Logistics Co., Ltd. Guigang Da-Ho Shipping Co., Ltd.	The same ultimate parent company The same ultimate parent company	Purchases	297,427	8	By negotiation	-	-	(134,608)	(2)	Note 2
			Purchases	267,573	7	By negotiation	-	-	(145,623)	(2)	Note 2
TCC Yingde Cement Co., Ltd.	Guigang Da-Ho Shipping Co., Ltd.	The same ultimate parent company	Purchases	190,114	5	By negotiation	-	-	(60,750)	(2)	Note 2
HKCCL	Taiwan Cement Corporation Quon Hing Concrete Co., Ltd.	Parent company Associates	Purchases	264,374	82	65 days after the end of the day when shipment was made	-	-	(72,722)	(64)	Note 2
			Sales	(154,010)	(34)	By negotiation	-	-	109,422	16	
TCC Liaoning Cement Company Limited	Yantai Jinyu Jidong Cement Co., Ltd.	Related party in substance	Sales	(246,954)	(27)	By negotiation	-	-	-	-	

Note 1: The percentage to total accounts receivable from (payable to) related parties.

Note 2: All intercompany transactions have been eliminated upon consolidation.

(Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

JUNE 30, 2021

(In Thousands of New Taiwan Dollars)

Related Party	Company Name	Relationship	Ending Balance	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Taiwan Cement Corporation	Feng Sheng Enterprise Company (Note 2)	Subsidiary	\$ 108,844	4.4	\$ -	-	\$ 55,550	\$ -
Taiwan Cement Corporation	E.G.C. Cement Corporation (Note 2)	Subsidiary	109,057	4.0	-	-	71,850	-
Ta-Ho Maritime Corporation	Taiwan Cement Corporation (Note 2)	Parent company	420,484	4.2	-	-	155,194	-
Da Tong (Guigang) International Logistics Co., Ltd.	TCC (Gui Gang) Cement Ltd. (Note 2)	The same ultimate parent company	134,608	3.2	-	-	67,448	-
Guigang Da-Ho Shipping Co., Ltd.	TCC (Gui Gang) Cement Ltd. (Note 2)	The same ultimate parent company	145,623	2.9	-	-	89,594	-
HKCCL	Quon Hing Concrete Co., Ltd.	Associates	109,422	2.7	-	-	30,783	-
Taiwan Cement Corporation	Chia Hsin Cement Corporation	Directors	137,907	4.6	-	-	100,296	-
Taiwan Cement Corporation	Hoping Industrial Port Corporation (Note 1)	Subsidiary	735,978	(Note 1)	-	-	-	-

Note 1: Dividends receivable.

Note 2: All intercompany transactions have been eliminated upon consolidation.

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2021	December 31, 2020	Shares/Units	%	Carrying Amount			
Taiwan Cement Corporation	TCCI	British Virgin Islands	Investment holding	\$ 33,774,761	\$ 33,774,761	1,100,875,900	100.00	\$ 110,822,932	\$ 4,432,126	\$ 4,432,126	Note
	Ho-Ping Power Company	Taiwan	Thermal power generation	6,037,720	6,037,720	805,940,306	59.50	16,758,566	2,087,344	1,241,970	Note
	Hoping Industrial Port Corporation	Taiwan	Hoping Industrial Port management	3,198,500	3,198,500	319,990,000	100.00	5,456,868	409,975	377,662	Note
	Ta-Ho Maritime Corporation	Taiwan	Marine transportation	528,506	528,506	143,565,823	64.79	2,800,530	156,327	101,280	Note
	Taiwan Prosperity Chemical Corporation	Taiwan	Processing and sale of chemical material	2,416,972	1,731,127	131,959,925	100.00	1,550,444	517,728	540,048	Note
	Taiwan Transport & Storage Corporation	Taiwan	Warehousing, transportation and sale of sand and gravel	90,863	90,863	40,541,082	83.85	2,108,899	91,645	76,841	Note
	TCC Investment Corporation	Taiwan	Investment	190,000	190,000	117,400,000	100.00	4,293,256	(230,654)	(233,838)	Note
	Ho Sheng Mining Co., Ltd.	Taiwan	Mining excavation	1,414,358	1,414,358	30,100,000	100.00	1,313,960	49,481	49,481	Note
	CCC USA Corporation	U.S.A.	Rubber raw materials	1,284,421	1,284,421	79,166	33.33	1,718,686	229,977	76,659	
	Taiwan Cement Engineering Corporation	Taiwan	Engineering services	320,404	320,373	59,672,487	99.18	721,478	12	702	Note
	ONYX Ta-Ho Environmental Services Co., Ltd.	Taiwan	Waste collection and treatment	72,000	72,000	30,176,000	50.00	962,197	357,207	178,604	
	Kuan-Ho Refractories Industry Corporation	Taiwan	Production and sale of refractory materials	181,050	181,050	18,105,000	95.29	562,182	51,544	49,116	Note
	Feng Sheng Enterprise Company	Taiwan	Sale of ready-mixed concrete	250,000	250,000	27,260,611	45.43	384,020	94,202	42,800	Note
	TCC Chemical Corporation	Taiwan	Leasing property and energy technology services	1,510,842	1,510,842	240,000,000	100.00	1,445,845	40,804	46,503	Note
	TCC Information Systems Corporation	Taiwan	Information software design	71,000	71,000	14,904,000	99.36	258,637	5,708	5,671	Note
	Ta-Ho RSEA Environment Co., Ltd.	Taiwan	Waste collection and treatment	666,000	666,000	39,960,000	66.60	611,551	636,149	423,675	Note
	HKCMCL	Hong Kong	Investment holding	72,005	72,005	38,094	84.65	437,077	33,300	28,189	Note
	TCC Green Energy Corporation	Taiwan	Renewable energy generation	3,146,046	3,146,046	320,898,696	100.00	3,124,208	(25,046)	(25,046)	Note
	Jin Chang Minerals Corporation	Taiwan	Afforestation and sale of limestone	18,042	18,042	5,400,000	100.00	252,689	73,580	73,580	Note
	HPC Power Service Corporation	Taiwan	Business consulting	1,861	1,861	6,000	60.00	61,987	100,205	60,123	Note
	E.G.C. Cement Corporation	Taiwan	Sale of cement	184,359	184,359	8,062,600	50.64	113,130	20,627	10,446	Note
	Synpac Ltd.	British Virgin Islands	Investment	70,367	70,367	2,700,000	25.00	6,377	(76)	(19)	
	Tung Chen Mineral Corporation	Taiwan	Afforestation and sale of limestone	1,989	1,989	19,890	99.45	1,249	(21)	(21)	Note
	TMC	Philippines	Mining excavation	11,880	11,880	119,997	72.70	-	-	-	Note
	TPMC	Philippines	Mining excavation	2,105	2,105	19,996	40.00	-	-	-	Note
	TCCIH	Cayman Islands	Investment holding	40,701,671	40,701,671	2,581,832,362	38.28	57,672,295	5,617,377	2,150,332	Note
	International CSRC Investment Holdings Co., Ltd.	Taiwan	Investment	3,563,397	3,563,397	153,476,855	15.59	5,321,030	723,274	112,727	
	Taiwan Cement Dutch	Netherlands	Investment holding	29,695,730	29,695,730	838,370	100.00	27,566,878	535,022	535,022	Note
	TCC Recycle Energy Technology Company	Taiwan	Manufacturing and sale of batteries, power generation machinery, electronic components, etc.	1,190,225	1,190,225	117,363,506	18.19	1,214,573	(165,727)	(30,151)	
	TCCMOLI	Singapore	Investment holding	1,239	1,239	30,000	100.00	-	(79)	(79)	Liquidation process was in progress
TCC Sustainable Energy Investment Corporation	Taiwan	Investment holding	1,000	1,000	100,000	100.00	975	-	-	Note	
TCC Energy Storage Technology Corporation	Taiwan	Energy storage equipment manufacturing production and sales	506,000	1,000	50,600,000	100.00	504,554	(1,431)	(1,431)	Note	
Tuo Shan Recycle Technology Company	Taiwan	Waste collection and treatment	1,000	-	100,000	100.00	1,000	-	-	Note	
Taiwan Transport & Storage Corporation	Ta-Ho Maritime Corporation	Taiwan	Marine transportation	303,431	301,524	64,821,740	29.25	1,264,474	156,327	45,703	Note
	E.G.C. Cement Corporation	Taiwan	Sale of cement	136,476	136,476	7,857,400	49.36	139,632	20,627	10,180	Note
	Tai-Jie Transport & Storage Corporation	Taiwan	Transportation	25,000	25,000	2,500,000	100.00	34,351	7,218	7,218	Note

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2021	December 31, 2020	Shares/Units	%	Carrying Amount			
TCC Investment Corporation	Union Cement Traders Inc.	Taiwan	Import and export trading	\$ 219,450	\$ 219,450	24,500,000	100.00	\$ 936,903	\$ (5,707)	\$ (5,707)	Note
	Ho-Ping Power Company	Taiwan	Thermal power generation	68,911	68,911	6,772,608	0.50	137,361	2,087,344	10,437	Note
	Taiwan Prosperity Chemical Corporation	Taiwan	Processing and sale of chemical material	-	10,528	-	-	-	517,728	(174)	Note
	Ta-Ho Maritime Corporation	Taiwan	Marine transportation	343	343	41,521	0.02	810	156,327	29	Note
	International CSRC Investment Holdings Co., Ltd.	Taiwan	Investment	388,079	388,079	22,008,505	2.23	756,660	723,274	16,164	
	TCC Recycle Energy Technology Company	Taiwan	Manufacturing and sale of batteries, power generation machinery, electronic components, etc.	312,833	312,833	31,859,829	4.94	198,583	(165,727)	(8,185)	
Ta-Ho Maritime Corporation	Ta-Ho Maritime Holdings Ltd.	Samoa	Investment	537,698	549,664	19,300,000	100.00	4,689,100	118,190	118,190	Note
TCC Information Systems Corporation	Taicem Information (Samoa) Pte., Ltd.	Samoa	Investment	3,042	3,042	100,000	100.00	49,574	813	813	Note
	International CSRC Investment Holdings Co., Ltd.	Taiwan	Investment	49,882	49,882	2,055,473	0.21	70,709	723,274	1,510	
Hoping Industrial Port Corporation	Taiwan Prosperity Chemical Corporation	Taiwan	Processing and sale of chemical material	-	104,929	-	-	-	517,728	(1,765)	Note
	TCC Recycle Energy Technology Company	Taiwan	Manufacturing and sale of batteries, power generation machinery, electronic components, etc.	112,898	112,898	11,695,699	1.81	72,900	(165,727)	(3,005)	
Union Cement Traders Inc.	Taiwan Transport & Storage Corporation	Taiwan	Warehousing, transportation and sale of sand and gravel	2,612	2,612	324,245	0.67	16,867	91,645	615	Note
	International CSRC Investment Holdings Co., Ltd.	Taiwan	Investment	281,806	281,806	11,463,551	1.16	394,351	723,274	8,420	
	TCC Recycle Energy Technology Company	Taiwan	Manufacturing and sale of batteries, power generation machinery, electronic components, etc.	298,046	298,046	30,702,994	4.76	191,372	(165,727)	(7,887)	
Ho-Ping Power Company	Ho-Ping Renewable Energy Company	Taiwan	Renewable energy generation	1,000	1,000	100,000	100.00	994	(3)	(3)	Note
TCC Green Energy Corporation	TCC Chia-Chien Green Energy Corporation	Taiwan	Renewable energy generation	1,002,000	1,002,000	100,200,000	100.00	903,506	(26,699)	(26,699)	Note
	TCC Yun-Kai Green Energy Corporation	Taiwan	Renewable energy generation	25,000	25,000	2,500,000	100.00	22,140	(124)	(124)	Note
	TCC Lien-Hsin Green Energy Corporation	Taiwan	Renewable energy generation	12,000	12,000	1,200,000	100.00	9,036	(14)	(14)	Note
	TCC Chang-Ho Green Energy Corporation	Taiwan	Renewable energy generation	2,456	2,456	245,635	100.00	2,395	(15)	(15)	Note
	TCC Kao-Cheng Green Energy Corporation	Taiwan	Renewable energy generation	82,000	82,000	8,200,000	100.00	83,111	1,360	1,360	Note
	TCC Nan-Chung Green Energy Corporation	Taiwan	Renewable energy generation	170,000	170,000	17,000,000	100.00	168,881	626	626	Note
	Chang-Wang Wind Power Co, Ltd.	Taiwan	Renewable energy generation	720,000	720,000	72,000,000	100.00	684,083	15,165	15,165	Note
	TCC Ping-Chih Green Energy Corporation	Taiwan	Renewable energy generation	2,000	2,000	200,000	100.00	1,902	(15)	(15)	Note
	Chia-Ho Green Energy Corporation	Taiwan	Renewable energy generation	100,000	50,000	10,000,000	100.00	98,870	(754)	(754)	Note
	TCC Tung-Li Green Energy Corporation	Taiwan	Renewable energy generation	150,000	-	15,000,000	100.00	147,598	(2,402)	(2,402)	Note
Ta-Ho Maritime Holdings Ltd.	THC International S.A.	Panama	Marine transportation	1,095,177	1,119,549	39,310,000	100.00	3,713,627	70,430	70,430	Note
	Ta-Ho Maritime (Hong Kong) Limited	Hong Kong	Marine transportation	142,086	145,248	5,100,000	100.00	898,429	48,202	48,202	Note
	Ta-Ho Maritime (Singapore) Pte. Ltd.	Singapore	Marine transportation	2,786	2,848	100,000	100.00	67,031	(394)	(394)	Note
TCC International Ltd. (Group)	Quon Hing Concrete Co., Ltd.	Hong Kong	Investment holding	159,589	163,415	100,000	50.00	143,370	29,618	14,808	
	Hong Kong Concrete Co., Ltd.	Hong Kong	Cement processing services	24,471	25,057	129,150	31.50	138,343	(31,475)	(9,915)	
Taiwan Cement Dutch	Cimpor Global Holdings B.V.	Netherlands	Holding company	26,426,492	27,014,590	100,000	40.00	27,250,144	1,456,680	539,903	

Note: All intercompany transactions have been eliminated upon consolidation.

(Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(In Thousands of New Taiwan Dollars)

A.

Investee Company	Main Businesses and Products	Share Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021 (Note 2)	Investment Flow (Note 2)		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2021 (Note 2)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount as of June 30, 2021 (Note 3)	Accumulated Repatriation of Investment Income as of June 30, 2021	Note
					Outflow	Inflow							
TCC Fuzhou Cement Co., Ltd.	Manufacturing and sale of cement	\$ 452,725	(b)	\$ 255,790	\$ -	\$ -	\$ 255,790	\$ 58,382	100.00	\$ 58,382	\$ 989,221	\$ -	Note 6
TCC Fuzhou Yangyu Port Co., Ltd.	Service of port facility	139,300	(b)	78,705	-	-	78,705	10,006	100.00	10,006	282,249	-	Note 6
TCC Liuzhou Construction Materials Company Limited	Manufacturing and sale of slag powder	376,110	(b)	90,266	-	-	90,266	48,633	42.00	20,426	369,751	-	Note 6
TCC Yingde Cement Co., Ltd.	Manufacturing and sale of cement	7,087,584	(b)	4,428,653	-	-	4,428,653	1,890,336	100.00	1,890,336	31,854,527	-	Note 6
Jurong TCC Cement Co., Ltd.	Manufacturing and sale of cement	6,491,380	(b)	3,788,821	-	-	3,788,821	1,016,594	100.00	1,016,594	18,787,307	-	Note 6
TCC (Gui Gang) Cement Ltd.	Manufacturing and sale of cement	9,273,923	(b)	6,633,463	-	-	6,633,463	779,965	100.00	779,965	27,285,445	-	Note 6
Jiangsu TCC Investment Co., Ltd.	Investment holding	1,393,000	(b)	787,045	-	-	787,045	218,938	100.00	218,938	4,171,657	-	Note 6
Yingde Dragon Mountain Cement Co., Ltd.	Manufacturing and sale of cement	1,844,726	(b)	3,026,519	-	-	3,026,519	1,013,261	100.00	1,013,261	18,740,938	-	Note 6
TCC Liaoning Cement Company Limited	Manufacturing and sale of cement	1,598,639	(b)	1,242,041	-	-	1,242,041	70,166	100.00	70,166	1,795,629	-	Note 6
TCC Anshun Cement Company Limited	Manufacturing and sale of cement	4,276,231	(b)	3,115,472	-	-	3,115,472	(72,178)	100.00	(72,178)	7,452,107	-	Note 6
TCC Chongqing Cement Co., Ltd.	Manufacturing and sale of cement	3,287,480	(b)	2,377,053	-	-	2,377,053	383,117	100.00	383,117	9,607,830	-	Note 6
Guangan Changxing Cement Company Ltd.	Manufacturing and sale of cement	2,144,941	(b)	1,557,245	-	-	1,557,245	311,350	100.00	311,350	5,690,374	-	Note 6
TCC (Dong Guan) Cement Company Limited	Manufacturing and sale of cement	557,200	(b)	314,818	-	-	314,818	(1,143)	100.00	(1,143)	310,845	-	Note 6
Guizhou Kong On Cement Company Limited	Manufacturing and sale of cement	565,558	(b)	254,924	-	-	254,924	(82,801)	65.00	(53,821)	403,242	-	Note 6
TCC New (Hangzhou) Management Company Limited	Operation management	222,880	(b)	125,927	-	-	125,927	(18,661)	100.00	(18,661)	154,646	-	Note 6
Guizhou Kaili Rui An Jian Cai Co., Ltd.	Manufacturing and sale of cement	1,679,047	(b)	996,675	-	-	996,675	(136,002)	100.00	(136,002)	3,567,602	-	Note 6
TCC Shaoguan Cement Co., Limited	Manufacturing and sale of cement	1,925,126	(b)	1,803,935	-	-	1,803,935	(14,416)	100.00	(14,416)	1,894,138	-	Note 6
TCC Huaying Cement Company Limited	Manufacturing and sale of cement	4,093,033	(b)	2,871,910	-	-	2,871,910	(61,358)	100.00	(61,358)	3,630,466	-	Note 6
TCC Huaihua Cement Company Limited (Note 4)	Manufacturing and sale of cement	1,292,700	(b)	5,257,295	-	-	5,257,295	(31,378)	100.00	(31,378)	4,537,363	-	Note 6
TCC Jingzhou Cement Company Limited (Note 4)	Manufacturing and sale of cement	646,350	(b)	-	-	-	-	(3,257)	100.00	(3,257)	2,088,792	-	Note 6
TCC Huaihua Concrete Company Limited (Note 4)	Sale of ready-mixed concrete	43,090	(b)	-	-	-	-	(6,911)	100.00	(6,911)	35,905	-	Note 6
TCC Jiangsu Mining Industrial Company Limited	Mining excavation	111,440	(b)	348,442	-	-	348,442	25,661	100.00	25,661	338,732	-	Note 6
TCC Yingde Mining Industrial Company Limited	Mining excavation	320,390	(b)	252,068	-	-	252,068	3,187	100.00	3,187	387,489	-	Note 6
TCC Guigang Mining Industrial Company Limited	Mining excavation	139,300	(b)	120,317	-	-	120,317	3,247	100.00	3,247	382,154	-	Note 6
Scitus Naxi Cement Co., Ltd.	Manufacturing and sale of cement	631,312	(b)	-	-	-	-	(1,851)	100.00	(1,851)	560,064	-	Note 6
Scitus Luzhou Cement Co., Ltd.	Manufacturing and sale of cement	1,702,055	(b)	-	-	-	-	52,024	100.00	52,024	3,148,411	-	Note 6
Scitus Hejiang Cement Co., Ltd.	Manufacturing and sale of cement	100,184	(b)	-	-	-	-	53	100.00	53	5,219	-	Note 6
Scitus Luzhou Concrete Co., Ltd.	Sale of ready-mixed concrete	107,725	(b)	-	-	-	-	(7,550)	100.00	(7,550)	105,177	-	Note 6
Anshun Xin Tai Construction Materials Company Limited	Filtering of sand and gravel and sale of ready-mixed concrete	64,635	(b)	85,478	-	-	85,478	821	100.00	821	63,464	-	Note 6
Fuzhou TCC Information Technology Co., Ltd. (Note 5)	Software product and equipment maintenance	2,786	(b)	2,786	-	-	2,786	1,585	100.00	1,585	14,871	39,372	Note 6
Da Tong (Guigang) International Logistics Co., Ltd. (Note 5)	Logistics and transportation	139,300	(b)	-	-	-	-	48,287	100.00	48,287	883,441	-	Note 6
Da Tong (Ying De) Logistics Co., Ltd. (Note 5)	Logistics and transportation	21,545	(b)	-	-	-	-	5,186	100.00	5,186	126,728	-	Note 6
Guigang Da-Ho Shipping Co., Ltd. (Note 5)	Marine transportation	17,236	(b)	-	-	-	-	30,051	100.00	30,051	495,621	-	Note 6
Prosperity Conch Cement Co., Ltd.	Manufacturing and sale of cement	2,499,220	(b)	2,047,771	-	-	2,047,771	2,319,482	25.00	579,871	6,846,951	-	
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.	Manufacturing and sale of cement	3,554,925	(b)	1,335,057	-	-	1,335,057	238,504	30.00	71,551	1,787,027	-	
Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd.	Manufacturing and sale of cement	1,777,807	(b)	646,495	-	-	646,495	265,402	30.00	79,621	1,201,256	-	
Sichuan Taichang Building Material Group Company Limited	Manufacturing and sale of cement	861,800	(b)	323,177	-	-	323,177	107,872	30.00	32,362	475,195	-	
Yingjing Xinan New material Co., Ltd.	Manufacturing and sale of cement	86,180	(b)	-	-	-	-	-	30.00	-	(164,899)	-	
Guangan Xin Tai Construction Materials Company Limited	Manufacturing and sale of concrete aggregate	66,790	(b)	44,120	-	-	44,120	-	50.00	-	-	-	
Guigang TCC Donyuan Environmental Technology Limited	Dangerous waste treatment	861,800	(b)	504,153	-	-	504,153	(4,755)	100.00	(4,755)	914,066	-	Note 6
Beijing TCC Environmental Technology Co., Ltd.	Technology development, enterprise management and sales	25,854	(b)	25,854	-	-	25,854	(21,350)	100.00	(21,350)	(41,815)	-	Note 6
TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	Environment, cement, business management consulting	3,016,300	(b)	3,016,300	-	-	3,016,300	(106,241)	100.00	(106,241)	2,513,634	-	Note 6
Kaili TCC Environment Technology Co., Ltd.	Waste collection and treatment	34,472	(b)	12,927	-	-	12,927	(5,575)	100.00	(5,575)	18,205	-	Note 6
TCC Jiuyuan (Xuyong) Environmental Technology Co., Ltd.	Technology development, enterprise management and sales	17,236	(b)	9,480	-	-	9,480	71	55.00	39	8,648	-	Note 6
TCC (Hangzhou) Recycle Resource Technology Limited	Resource recycling technology development, business management and sales	2,413,040	(b)	-	-	-	-	13,823	100.00	13,823	2,428,277	-	Note 6

(Continued)

Investee Company	Main Businesses and Products	Share Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021 (Note 2)	Investment Flow (Note 2)		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2021 (Note 2)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount as of June 30, 2021 (Note 3)	Accumulated Repatriation of Investment Income as of June 30, 2021	Note
					Outflow	Inflow							
Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd.	Technology development, enterprise management consulting	\$ 37,704	(b)	\$ -	\$ -	\$ -	\$ -	\$ (294)	45.00	\$ (132)	\$ 32,793	\$ -	
Guigang Conch-TCC New Material Technology Co., Ltd	Technology development and service, Manufacturing and sale of dedicated chemical production	103,416	(b)	-	-	-	-	(7,786)	40.00	(3,114)	37,082	-	
Jurong TCC Environmental Co., Ltd.	Dangerous waste treatment	646,350	(b)	-	-	-	-	3,614	100.00	3,614	649,232	-	Note 6

Accumulated Investment in Mainland China as of June 30, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$68,060,335	\$68,688,297	(Note 7)

Note 1: The method of investments were as follows:

- a. Direct investment in mainland companies.
- b. Investments in mainland China companies were through a company invested and established in a third region.

Note 2: Including outward remittance from offshore subsidiaries.

Note 3: For TCC Yingde Cement Co., Ltd., TCC (Gui Gang) Cement Ltd., TCC Anshun Cement Company Limited, TCC Chongqing Cement Company Limited, Jurong TCC Cement Co., Ltd., Yingde Dragon Mountain Cement Co., Ltd. and TCC Huaihua Cement Co., Ltd. the carrying amounts and investment gains or losses are based on the reviewed financial statements, while all other entities are not.

Note 4: As of June 30, 2020, the accumulated outward remittance for investments was a total of those from TCC Huaihua Cement Company Limited, TCC Jingzhou Cement Company Limited and TCC Huaihua Concrete Company Limited.

Note 5: Including the amounts attributable to non-controlling interests.

Note 6: All intercompany transactions have been eliminated upon consolidation.

Note 7: The Corporation received a confirmation letter of Operation Headquarter from the Industrial Development Bureau of the MOEA in March 2020 stating that the Corporation is not limited by the restriction on the accumulated percentage or amount of investment in mainland China.

B. Refer to Tables 1, 2, 6 and 10 for the information about significant transactions with investees in the mainland China either directly or indirectly through a third area.

(Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(In Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship (Note 1)	Transactions Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets
0	Taiwan Cement Corporation	Feng Sheng Enterprise Company	1	Operating revenue	\$ 248,418	30 days	0.5
				Accounts receivable from related parties	108,844	30 days	-
		Taiwan Transport & Storage Corporation	1	Operating costs and expenses	321,567	30 days	0.6
		Hoping Industrial Port Corporation	1	Operating costs and expenses	282,587	20 days	0.6
		Ho Sheng Mining Co., Ltd.	1	Operating costs and expenses	166,629	30 days	0.3
		Jin Chang Minerals Corporation	1	Operating costs and expenses	382,278	30 days	0.8
		Kuan-Ho Refractories Industry Corporation	1	Operating costs and expenses	120,075	By contract	0.2
		Ta-Ho Maritime Corporation	1	Operating costs and expenses	815,516	30 days	1.6
				Accounts payable to related parties	420,484	30 days	0.1
		E.G.C. Cement Corporation	1	Operating revenue	246,136	50 days after the end of the day when delivery was made	0.5
		Accounts receivable from related parties	109,057	50 days after the end of the day when delivery was made	-		
		Lease liabilities - non-current	245,525	By contract	0.1		
	TCCIH		1	Operating revenue	220,018	By contract	0.4
	HKCCL		1	Operating revenue	264,374	65 days after the end of the day when shipment was made	0.5
1	Ho-Ping Power Company	Hoping Industrial Port Corporation	3	Operating costs and expenses	526,987	20 days	1.1
		HPC Power Service Corporation	3	Operating costs and expenses	246,283	By contract	0.5
2	TCC Chemical Corporation	Taiwan Prosperity Chemical Corporation	3	Finance lease receivables	858,043	By contract	0.2
				Long-term finance lease receivables	156,585	By contract	-
3	Taiwan Transport & Storage Corporation	Hoping Industrial Port Corporation	3	Operating revenue	107,761	30 days	0.2
		Taiwan Prosperity Chemical Corporation	3	Operating revenue	166,030	By contract	0.3
4	Da Tong (Guigang) International Logistics Co., Ltd.	TCC (Gui Gang) Cement Ltd.	3	Operating revenue	297,427	By negotiation	0.6
				Account receivable from related parties	134,608	By negotiation	-
5	Guigang Da-Ho Shipping Co., Ltd.	TCC (Gui Gang) Cement Ltd.	3	Operating revenue	267,573	By negotiation	0.5
				Account receivable from related parties	145,623	By negotiation	-
		TCC Yingde Cement Co., Ltd.	3	Operating revenue	190,114	By negotiation	0.4

Note 1: All intercompany transactions have been eliminated upon consolidation. The directional flow of the investment relationship is represented by the following numerals:

- a. From parent to subsidiary: 1
- b. From subsidiary to parent: 2
- c. Between subsidiaries: 3

Note 2: This table includes transactions for amounts exceeding \$100 million.