

**Taiwan Cement Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Years Ended December 31, 2021 and 2020 and
Independent Auditors' Report**

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The entities that are required to be included in the combined financial statements of affiliates as of and for the year ended December 31, 2021 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are all the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10 “Consolidated Financial Statements”. In addition, relevant information required to be disclosed in the combined financial statements has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Consequently, Taiwan Cement Corporation and its subsidiaries did not prepare a separate set of combined financial statements of affiliates.

Very truly yours,

TAIWAN CEMENT CORPORATION

AN-PING CHANG
Chairman

February 25, 2022

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Taiwan Cement Corporation

Opinion

We have audited the accompanying consolidated financial statements of Taiwan Cement Corporation and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

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

Basis for Opinion

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

Key Audit Matters

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

The description of the key audit matter of the Group's consolidated financial statements for the year ended December 31, 2021 is as follows:

Revenue Recognition of Cement Sales

The Group is mainly engaged in the production and sale of various cement and cement products. Revenue from the sale of cement fluctuates frequently due to changes in raw material prices, market supply and demand and the economic environment; in addition, related revenue is recognized at the point in time when the customer collects the cement and the performance obligations are satisfied. Therefore, the validity of revenue recognition of cement sales is considered a key audit matter for the year ended December 31, 2021. Our main audit procedures performed in respect of the aforesaid key audit matter include understanding and testing the design and operating effectiveness of the internal controls related to the revenue from cement sales, and random inspection of the contracts, factory orders and delivery documents from the sales details and testing the collection information of the samples before the end of the reporting period in order to verify the validity of revenue recognition of cement sales.

Other Matter

We have also audited the parent company only financial statements of Taiwan Cement Corporation as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Hui-Min Huang and Cheng-Hung Kuo.

Hui-Min Huang

Deloitte & Touche
Taipei, Taiwan
Republic of China

Cheng-Hung Kuo

February 25, 2022

Notice to Readers

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

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

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 91,121,942	21	\$ 51,433,522	13
Financial assets at fair value through profit or loss (Notes 4, 7 and 32)	363,813	-	353,986	-
Financial assets at fair value through other comprehensive income (Notes 4, 8, 32, 33 and 34)	6,387,543	1	5,596,471	1
Financial assets at amortized cost (Notes 4, 6, 32 and 34)	15,508,688	4	15,769,277	4
Notes receivable (Notes 4 and 9)	25,639,724	6	29,518,807	8
Accounts receivable (Notes 4, 9 and 10)	9,844,002	2	9,522,642	3
Notes and accounts receivable from related parties (Notes 4 and 33)	457,203	-	273,866	-
Other receivables (Notes 4 and 25)	1,499,322	-	1,073,289	-
Other receivables from related parties (Notes 4 and 33)	388,968	-	3,785	-
Inventories (Notes 4 and 12)	13,412,511	3	7,941,755	2
Prepayments	3,935,575	1	2,135,702	1
Other current assets	794,144	-	686,069	-
Total current assets	<u>169,353,435</u>	<u>38</u>	<u>124,309,171</u>	<u>32</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Notes 4, 8, 32, 33 and 34)	27,835,864	6	31,903,287	8
Financial assets at amortized cost (Notes 4, 6, 32 and 34)	15,468,807	4	16,475,021	4
Investments accounted for using the equity method (Notes 4, 14 and 34)	46,781,575	11	50,133,844	13
Property, plant and equipment (Notes 4, 15, 24 and 34)	98,196,032	22	92,108,972	24
Right-of-use assets (Notes 4, 16, 24 and 33)	14,992,784	3	13,451,125	4
Investment properties (Notes 4, 17, 24 and 34)	5,425,680	1	5,451,434	1
Intangible assets (Notes 4, 18 and 24)	27,650,861	6	19,563,960	5
Prepayments for property, plant and equipment (Notes 15 and 33)	7,762,010	2	5,426,869	1
Long-term finance lease receivables (Notes 4 and 10)	24,334,423	6	26,975,117	7
Net defined benefit asset (Notes 4 and 22)	1,850,315	-	1,572,025	-
Other non-current assets (Notes 4, 25, 33 and 34)	2,032,773	1	2,135,411	1
Total non-current assets	<u>272,331,124</u>	<u>62</u>	<u>265,197,065</u>	<u>68</u>
TOTAL	<u>\$ 441,684,559</u>	<u>100</u>	<u>\$ 389,506,236</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term loans (Notes 19, 30 and 34)	\$ 48,440,514	11	\$ 34,675,454	9
Short-term bills payable (Note 19)	6,769,046	2	6,247,029	2
Financial liabilities at fair value through profit or loss (Notes 4, 7 and 32)	213,062	-	-	-
Contract liabilities	1,439,222	-	5,226,637	1
Notes and accounts payable (Note 33)	10,023,071	2	6,137,904	2
Other payables (Note 21)	10,238,196	2	10,661,629	3
Other payables to related parties (Note 33)	1,391,057	-	8,284	-
Current income tax liabilities (Notes 4 and 25)	2,490,823	1	3,914,955	1
Lease liabilities (Notes 4, 16 and 33)	407,652	-	315,451	-
Long-term loans - current portion (Notes 19, 30 and 34)	7,091,417	2	4,805,000	1
Other current liabilities	183,908	-	111,365	-
Total current liabilities	<u>88,687,968</u>	<u>20</u>	<u>72,103,708</u>	<u>19</u>
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 20)	81,526,445	18	53,897,370	14
Long-term loans (Notes 19, 30 and 34)	16,695,836	4	24,998,481	6
Lease liabilities (Notes 4 and 16)	3,261,791	1	1,978,361	1
Deferred income tax liabilities (Notes 4 and 25)	11,922,865	3	11,754,270	3
Long-term bills payable (Note 19)	12,680,086	3	4,991,327	1
Net defined benefit liabilities (Notes 4 and 22)	143,201	-	72,845	-
Other non-current liabilities (Notes 14 and 15)	1,111,694	-	879,821	-
Total non-current liabilities	<u>127,341,918</u>	<u>29</u>	<u>98,572,475</u>	<u>25</u>
Total liabilities	<u>216,029,886</u>	<u>49</u>	<u>170,676,183</u>	<u>44</u>
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE CORPORATION (Notes 4, 23 and 29)				
Share capital	63,252,340	14	59,414,007	15
Certificate of entitlement to new shares from convertible bonds	-	-	688,542	-
Capital surplus	56,757,470	13	49,122,450	13
Retained earnings	73,939,852	17	74,199,518	19
Other equity	10,920,014	2	21,146,991	5
Treasury shares	(392,343)	-	(499,691)	-
Equity attributable to shareholders of the Corporation	204,477,333	46	204,071,817	52
NON-CONTROLLING INTERESTS (Notes 23 and 29)	21,177,340	5	14,758,236	4
Total equity	<u>225,654,673</u>	<u>51</u>	<u>218,830,053</u>	<u>56</u>
TOTAL	<u>\$ 441,684,559</u>	<u>100</u>	<u>\$ 389,506,236</u>	<u>100</u>

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

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 33)	\$ 107,041,452	100	\$ 105,911,223	100
OPERATING COSTS (Notes 4, 12, 24 and 33)	<u>80,391,353</u>	<u>75</u>	<u>68,507,746</u>	<u>65</u>
GROSS PROFIT	<u>26,650,099</u>	<u>25</u>	<u>37,403,477</u>	<u>35</u>
OPERATING EXPENSES (Notes 24 and 33)				
Marketing	709,024	1	710,030	-
General and administrative	5,797,048	6	5,056,237	5
Research and development	<u>357,552</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>6,863,624</u>	<u>7</u>	<u>5,766,267</u>	<u>5</u>
INCOME FROM OPERATIONS	<u>19,786,475</u>	<u>18</u>	<u>31,637,210</u>	<u>30</u>
NON-OPERATING INCOME AND EXPENSES				
Share of profit of associates and joint ventures (Notes 4 and 14)	4,149,749	4	3,200,243	3
Interest income (Note 24)	1,535,980	1	1,356,337	1
Dividend income (Note 4)	1,747,166	2	1,567,644	2
Other income (Note 24)	1,067,849	1	432,541	-
Net gain (loss) on disposal of property, plant and equipment	327,659	-	(100,296)	-
Finance costs (Notes 4 and 24)	(1,670,463)	(1)	(1,892,850)	(2)
Other expenses (Note 24)	(791,017)	(1)	(379,562)	-
Foreign exchange gains (losses), net	(87,583)	-	15,289	-
Net gain on financial assets and liabilities at fair value through profit or loss	19,025	-	32,170	-
Non-financial assets impairment loss (Note 15)	<u>(6,756)</u>	<u>-</u>	<u>(49,643)</u>	<u>-</u>
Total non-operating income and expenses	<u>6,291,609</u>	<u>6</u>	<u>4,181,873</u>	<u>4</u>
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	26,078,084	24	35,819,083	34
INCOME TAX EXPENSE (Notes 4 and 25)	<u>5,930,387</u>	<u>5</u>	<u>7,344,231</u>	<u>7</u>
NET INCOME FROM CONTINUING OPERATIONS	20,147,697	19	28,474,852	27
PROFIT (LOSS) FROM DISCONTINUED OPERATIONS (Notes 11 and 28)	<u>1,053,559</u>	<u>1</u>	<u>(483,459)</u>	<u>(1)</u>
NET INCOME	<u>21,201,256</u>	<u>20</u>	<u>27,991,393</u>	<u>26</u>

(Continued)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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

	2021		2020	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
(Note 4)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plan (Note 22)	\$ 266,289	-	\$ 125,997	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income (Note 23)	(2,810,397)	(3)	(4,703,206)	(4)
Gain on hedging instruments	-	-	216	-
Share of other comprehensive income (loss) of associates and joint ventures (Note 23)	177,820	-	(11,998)	-
Income tax expense related to items that will not be reclassified subsequently to profit or loss (Note 25)	(53,780)	-	(25,212)	-
	<u>(2,420,068)</u>	<u>(3)</u>	<u>(4,614,203)</u>	<u>(4)</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Note 23)	(1,414,314)	(1)	2,219,191	2
Share of other comprehensive loss of associates and joint ventures accounted for using the equity method (Note 23)	(5,231,751)	(5)	(100,486)	-
	<u>(6,646,065)</u>	<u>(6)</u>	<u>2,118,705</u>	<u>2</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(9,066,133)</u>	<u>(9)</u>	<u>(2,495,498)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 12,135,123</u>	<u>11</u>	<u>\$ 25,495,895</u>	<u>24</u>
NET INCOME ATTRIBUTABLE TO:				
Shareholders of the Corporation	\$ 20,256,366	19	\$ 25,099,309	23
Non-controlling interests	<u>944,890</u>	<u>1</u>	<u>2,892,084</u>	<u>3</u>
	<u>\$ 21,201,256</u>	<u>20</u>	<u>\$ 27,991,393</u>	<u>26</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Shareholders of the Corporation	\$ 11,281,319	10	\$ 22,708,608	21
Non-controlling interests	<u>853,804</u>	<u>1</u>	<u>2,787,287</u>	<u>3</u>
	<u>\$ 12,135,123</u>	<u>11</u>	<u>\$ 25,495,895</u>	<u>24</u>

(Continued)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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

	2021		2020	
	Amount	%	Amount	%
EARNINGS PER SHARE (Note 26)				
From continuing and discontinued operations				
Basic earnings per share	<u>\$ 3.30</u>		<u>\$ 4.32</u>	
Diluted earnings per share	<u>\$ 3.27</u>		<u>\$ 4.09</u>	
From continuing operations				
Basic earnings per share	<u>\$ 3.12</u>		<u>\$ 4.35</u>	
Diluted earnings per share	<u>\$ 3.09</u>		<u>\$ 4.12</u>	

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

(Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Shareholders of the Corporation														Non-controlling Interests	Total Equity
	Share Capital		Certificate of Entitlement to New Shares from Convertible Bonds	Capital Surplus	Retained Earnings				Exchange Difference on Translating Foreign Operations	Others		Treasury Shares	Total			
	Ordinary Shares	Preferred Shares			Legal Reserve	Special Reserve	Unappropriated Earnings	Total		Unrealized Gain/Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (loss) on Hedging Instruments					
BALANCE AT 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	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,485,089)	(2,485,089)	
Net income for the year ended December 31, 2020	-	-	-	-	-	-	25,099,309	25,099,309	-	-	-	-	25,099,309	2,892,084	27,991,393	
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	-	95,736	95,736	2,136,685	(4,623,001)	(121)	-	(2,390,701)	(104,797)	(2,495,498)	
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	-	25,195,045	25,195,045	2,136,685	(4,623,001)	(121)	-	22,708,608	2,787,287	25,495,895	
Difference between consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	-	-	-	(444,384)	-	-	-	-	-	-	-	-	(444,384)	(295,506)	(739,890)	
Changes in ownership interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(26,225)	(26,225)	
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	-	136,699	-	-	-	-	-	-	-	-	136,699	-	136,699	
Dividends from subsidiaries over claims extinguished by prescription	-	-	-	349	-	-	-	-	-	-	-	-	349	57	406	
Basis adjustment for loss 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)	-	-	-	-	-	
Convertible bonds converted to ordinary shares	29,005	-	688,542	1,410,428	-	-	-	-	-	-	-	-	2,127,975	-	2,127,975	
Reversal of special reserve recognized from asset disposals	-	-	-	-	-	(9,202)	9,202	-	-	-	-	-	-	-	-	
BALANCE AT DECEMBER 31, 2020	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	
Appropriation of 2020 earnings																
Legal reserve	-	-	-	-	2,530,554	-	(2,530,554)	-	-	-	-	-	-	-	-	
Cash dividends distributed by the Corporation	-	-	-	-	-	-	(20,594,434)	(20,594,434)	-	-	-	-	(20,594,434)	-	(20,594,434)	
Preferred share dividends distributed by the Corporation	-	-	-	-	-	-	(350,000)	(350,000)	-	-	-	-	(350,000)	-	(350,000)	
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,069,608)	(2,069,608)	
Net income for the year ended December 31, 2021	-	-	-	-	-	-	20,256,366	20,256,366	-	-	-	-	20,256,366	944,890	21,201,256	
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	-	222,050	222,050	(6,545,319)	(2,652,028)	250	-	(8,975,047)	(91,086)	(9,066,133)	
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	-	20,478,416	20,478,416	(6,545,319)	(2,652,028)	250	-	11,281,319	853,804	12,135,123	
Difference between consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	-	-	-	(22,400)	-	-	(732,293)	(732,293)	-	-	-	-	(754,693)	6,182,760	5,428,067	
Changes in ownership interests of subsidiaries	-	-	-	(1,404)	-	-	(91,235)	(91,235)	-	-	-	-	(92,639)	1,452,148	1,359,509	
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	-	9,304	-	-	-	-	-	-	-	-	9,304	-	9,304	
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	-	-	-	-	-	-	1,029,880	1,029,880	-	(1,029,880)	-	-	-	-	-	
Convertible bonds converted to ordinary shares	3,838,333	-	(688,542)	6,301,695	-	-	-	-	-	-	-	-	9,451,486	-	9,451,486	
Equity component of issuance of convertible bonds	-	-	-	1,337,823	-	-	-	-	-	-	-	-	1,337,823	-	1,337,823	
BALANCE AT DECEMBER 31, 2021	\$ 61,252,340	\$ 2,000,000	\$ -	\$ 56,757,470	\$ 21,881,915	\$ 13,039,860	\$ 39,018,077	\$ 73,939,852	\$ (16,068,895)	\$ 26,988,909	\$ -	\$ (392,343)	\$ 204,477,333	\$ 21,177,340	\$ 225,654,673	

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

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax from continuing operations	\$ 26,078,084	\$ 35,819,083
Profit (loss) before income tax from discontinued operations	<u>1,051,097</u>	<u>(465,777)</u>
Income before income tax	<u>27,129,181</u>	<u>35,353,306</u>
Adjustments for:		
Depreciation expense	6,603,392	6,844,158
Amortization expense	460,289	420,925
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	(19,025)	(32,170)
Finance costs	1,732,162	1,986,208
Interest income	(1,539,799)	(1,363,489)
Dividend income	(1,747,166)	(1,567,644)
Share-based compensation	24,325	4,808
Share of profit of associates and joint ventures	(4,149,749)	(3,200,243)
Loss (gain) on disposal of property, plant and equipment, net	(327,659)	101,742
Loss on disposal of investment properties	4,298	-
Loss on disposal of intangible assets	46	-
Gain on disposal of investments, net	(755,170)	-
Non-financial asset impairment loss	6,756	101,299
Reversal of write-downs of inventories	(11,949)	(72,989)
Unrealized loss (gain) on foreign exchange, net	51,499	(135,851)
Gain on lease modification	-	5,939
Changes in operating assets and liabilities:		
Financial assets mandatorily classified as at fair value through profit or loss	-	175,844
Notes receivable	3,688,015	2,284,125
Accounts receivable	(1,842,995)	(679,413)
Notes and accounts receivable from related parties	(244,940)	21,721
Other receivables	(833,954)	(50,258)
Other receivables from related parties	(3,668)	385,021
Inventories	(4,996,513)	320,090
Prepayments	(1,735,035)	(418,327)
Other current assets	(31,241)	(186,551)
Contract liabilities	(387,900)	137,727
Notes and accounts payable	3,785,009	(1,308,160)
Other payables	(194,313)	258,701
Other payables to related parties	1,843,557	(389,063)
Other current liabilities	(312,001)	76,969
Net defined benefit liabilities	<u>285,985</u>	<u>(36,242)</u>
Cash generated from operations	<u>26,481,437</u>	<u>39,038,183</u>
Income tax paid	<u>(7,509,067)</u>	<u>(7,758,907)</u>
Net cash generated from operating activities	<u>18,972,370</u>	<u>31,279,276</u>

(Continued)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ (1,510,555)	\$ (34,101)
Disposal of financial assets at fair value through other comprehensive income	2,182,067	1,057,782
Purchase of financial assets at amortized cost	-	(26,198,078)
Disposal of financial assets at amortized cost	969,204	-
Acquisition of long-term equity investments accounted for using the equity method	(762,498)	(233,942)
Acquisition of subsidiaries	(1,645,144)	-
Disposal of subsidiary	(126,538)	-
Payments for property, plant and equipment	(16,552,788)	(9,572,441)
Proceeds from disposal of property, plant and equipment	173,692	64,452
Payments for intangible assets	(2,178,073)	(46,651)
Payments for right-of-use assets	(669,869)	(1,085,531)
Payments for investment properties	(3,334)	-
Decrease in finance lease receivables	1,782,651	2,278,219
Decrease (increase) in other non-current assets	(71,547)	181,983
Interest received	1,973,325	1,174,062
Dividends received	<u>3,148,657</u>	<u>2,466,331</u>
Net cash used in investing activities	<u>(13,290,750)</u>	<u>(29,947,915)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	17,043,656	4,533,158
Increase in short-term bills payable	522,017	371,631
Issuance of bonds	38,567,539	19,960,000
Increase in long-term loans	8,934,525	4,351,860
Repayments of long-term loans	(13,301,379)	(6,533,621)
Increase in long-term bills payable	34,700,000	35,828,000
Decrease in long-term bills payable	(27,000,000)	(42,656,000)
Repayment of the principal portion of lease liabilities	(399,972)	(417,687)
Increase (decrease) in other non-current liabilities	(129,667)	48,249
Cash dividends paid	(23,014,042)	(16,479,137)
Issuance of subsidiary's ordinary shares for cash	1,392,274	-
Treasury shares transferred to employees	93,025	19,471
Payment for buy-back of treasury shares	-	(171,600)
Acquisitions of subsidiaries	(957,841)	(739,890)
Interest paid	(2,054,380)	(1,896,447)
Payments for buy-back of ordinary shares	<u>(900)</u>	<u>-</u>
Net cash generated from (used in) financing activities	<u>34,394,855</u>	<u>(3,782,013)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(388,055)</u>	<u>311,554</u>
		(Continued)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

	2021	2020
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 39,688,420	\$ (2,139,098)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>51,433,522</u>	<u>53,572,620</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 91,121,942</u>	<u>\$ 51,433,522</u>

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

(Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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 February 25, 2022.

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

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

The initial application of the 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 issuance, 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 issue by International Accounting Standards 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 IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 4)

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

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

Current assets include:

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

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; and
- 3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

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

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the 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 the detailed information on subsidiaries (including the percentages of ownership and main businesses).

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

For each business combination, the Group measures the non-controlling interests at either fair value or the share in the recognized amounts of the acquiree's identifiable net assets. Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets, in the event of liquidation, may be initially measured at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of the measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value.

When a business combination is achieved in stages, the Group's previously held equity interest in an acquiree is remeasured to fair value at the acquisition date, and the resulting gain or loss is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are recognized on the same basis as would be required if those interests were directly disposed of by the Group.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

f. Foreign currencies

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

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

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

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

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

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

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

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognized in other comprehensive income.

g. Inventories

Inventories consist of raw materials, supplies, finished goods and work in process, etc. Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost at the end of the reporting period.

h. Investments in associates and joint ventures

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

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

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

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

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

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

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate and a joint venture. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on its initial recognition as a financial asset. The difference between the previous carrying amount of the associate and joint venture attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate and the joint venture. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate and joint venture on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

When a group entity transacts with its associate and joint venture, profit and loss resulting from the transactions with the associate and joint venture are recognized in the Group's consolidated financial statements only to the extent that interests in the associate and the joint venture are not related to the Group.

i. Property, plant and equipment

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

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

Freehold land is not depreciated.

Depreciation of property, plant and equipment (including assets held under finance leases) is recognized using the straight-line method. Each significant part is depreciated separately. If a lease term is shorter than the assets' useful lives, such assets are depreciated over the lease term. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

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

j. Investment properties

Investment properties are properties held to earn rentals or for capital appreciation and land held for a currently undetermined future use.

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

For a transfer of classification from investment properties to property, plant and equipment, the deemed cost of the property for subsequent accounting is its carrying amount at the commencement of owner-occupation. On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

k. Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the date of the acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit or groups of cash-generating units was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit or groups of cash-generating units is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation that is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

l. Intangible assets

1) Intangible assets acquired separately

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

When the Group has a right to charge for usage of concession infrastructure (as a consideration for providing construction services in a service concession arrangement), it is initially recognized as an intangible asset at its fair value. The intangible asset is subsequently measured at cost less accumulated amortization and any accumulated impairment loss.

2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date. Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

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

m. Impairment of property, plant and equipment, right-of-use assets, intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets, excluding goodwill, in order to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Group assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

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

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

n. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on their remeasurement recognized in profit or loss. Fair value is determined in the manner described in Note 32.

ii. Financial assets at amortized cost

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

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

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents and trade receivables at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

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

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

A financial asset is credit impaired when one or more of the following events have occurred:

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;
- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable), lease receivables, as well as contract assets.

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

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

For internal credit risk management purposes, without considering the collateral held, the Group determines that a financial asset is in default when internal or external information show that the debtor is unlikely to pay its creditors, unless there is reasonable and corroborative information to support a more lagged default criterion.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

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

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

2) Equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Corporation's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Corporation's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except for financial liabilities at FVTPL, all financial liabilities are carried at amortized cost using the effective interest method.

Financial liabilities are classified as at FVTPL when any such financial liability is either held for trading or is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in other gains or losses. Fair value is determined in the manner described in Note 32.

b) Derecognition of financial liabilities

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

4) Convertible bonds

The component parts of compound instruments (i.e. convertible bonds) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

5) Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

o. Hedge accounting

The effects of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in other comprehensive income. The gains or losses relating to the ineffective portion are recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the line item relating to the hedged item in the same period as when the hedged item affects profit or loss. If the hedge of forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and included in the initial cost of the non-financial asset or non-financial liability.

p. Revenue recognition

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

- 1) Revenue from the sale of goods is recognized when the goods are delivered to customer' specific location and the ownership of the goods is transferred to customer.
- 2) Service income is recognized by reference to the stage of completion of the contract or when services are provided. Freight revenue is recognized by reference to the proportion of the voyage period.
- 3) Revenue from electric power is calculated according to the volume of electric power sold and the energy rate.

q. Leases

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

For a contract that contains a lease component and non-lease components, the Group allocates the consideration in the contract to each component on the basis of the relative stand-alone price and accounts for each component separately.

1) The Group as lessor

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

Under finance leases, the lease payments comprise in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives payable. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Group's net investment outstanding in respect of leases.

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

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

2) The Group as lessee

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

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

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decrease the scope of the lease, and recognizes in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the consolidated balance sheets.

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

r. Borrowing costs

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

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

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

s. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable. Relevant grants of an asset are recognized as deferred revenue or a reduction of the asset's cost on a straight-line basis.

t. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for a defined benefit plan except that remeasurement is recognized in profit or loss.

u. Share-based payment arrangements

The fair value at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. It is recognized as an expense in full at the grant date if vested immediately. The grant date of issued ordinary shares for cash which are reserved for employees and treasury shares transferred to employees is the date on which the number of shares that the employees purchase is confirmed.

v. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, and in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

a. Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The calculation of the value in use requires management to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

b. Impairment of property, plant and equipment

The impairment loss of property, plant and equipment in relation to production was based on the recoverable amounts of those assets, which are the higher of their fair value less costs of disposal and their value in use. Any changes in the market prices or future cash flows will affect the recoverable amounts of those assets and may lead to the recognition of additional impairment losses or the reversal of impairment losses.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2021	2020
Cash on hand	\$ 9,014	\$ 7,934
Checking accounts and demand deposits	38,476,321	30,351,013
Cash equivalents		
Time deposits with original maturities of less than 3 months	48,383,576	17,683,667
Bonds with repurchase agreements	<u>4,253,031</u>	<u>3,390,908</u>
	<u>\$ 91,121,942</u>	<u>\$ 51,433,522</u>

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

	<u>December 31</u>	
	2021	2020
Cash in banks	0.01%-3.00%	0.01%-3.00%
Bonds with repurchase agreements	0.19%-0.30%	0.19%-0.40%

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

	<u>December 31</u>	
	2021	2020
Current	\$ 15,508,688	\$ 15,769,277
Non-current	<u>15,468,807</u>	<u>16,475,021</u>
	<u>\$ 30,977,495</u>	<u>\$ 32,244,298</u>

The market rate intervals of financial assets at amortized cost at the end of the reporting period were as follows:

	<u>December 31</u>	
	2021	2020
	0.01%-4.26%	0.07%-4.26%

Refer to Note 34 for information relating to pledged financial assets at amortized cost.

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31</u>	
	2021	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	\$ -	\$ 17,092
Non-derivative financial assets		
Domestic listed shares	256,588	234,963
Domestic emerging market shares	<u>107,225</u>	<u>101,931</u>
	<u>\$ 363,813</u>	<u>\$ 353,986</u>
<u>Financial liabilities at FVTPL - current</u>		
Held for trading		
Derivative instruments (not under hedge accounting)		
Redemption options and put options of convertible bonds	<u>\$ 213,062</u>	<u>\$ -</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
<u>Current</u>		
Domestic investments		
Listed shares	\$ 6,335,655	\$ 5,544,326
Convertible preference shares	<u>51,888</u>	<u>52,145</u>
	<u>\$ 6,387,543</u>	<u>\$ 5,596,471</u>
<u>Non-current</u>		
Domestic investments		
Unlisted shares	\$ 8,964,202	\$ 7,239,178
Privately placed listed shares	1,255,794	-
Foreign investments		
Listed shares	<u>17,615,868</u>	<u>24,664,109</u>
	<u>\$ 27,835,864</u>	<u>\$ 31,903,287</u>

The Corporation subscribed 37,520 thousand privately placed ordinary shares of Phihong Technology Co., Ltd. via private placement in consideration of \$1,510,555 thousand in December 2021. After the private placement, the Corporation owns 9.9998% of shares in Phihong Technology Co., Ltd. The privately placed ordinary shares may not be transferred to others within 3 years under the relevant laws and regulations.

The Group successively disposed foreign listed shares of China Conch Venture Holdings Limited in the year of 2021, and the proceeds from disposal were \$2,182,067 thousand. The gain on disposal in the amount of \$1,029,880 thousand was reclassified from unrealized gain on financial assets at FVTOCI to retained earnings.

Refer to Note 34 for information relating to investments in equity instruments at FVTOCI pledged as collateral for credit accommodations.

9. NOTES AND ACCOUNTS RECEIVABLE

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Notes receivable	\$ 25,650,868	\$ 29,529,951
Less: Allowance for impairment loss	<u>(11,144)</u>	<u>(11,144)</u>
	<u>25,639,724</u>	<u>29,518,807</u>
Accounts receivable	10,009,817	9,654,937
Less: Allowance for impairment loss	<u>(165,815)</u>	<u>(132,295)</u>
	<u>9,844,002</u>	<u>9,522,642</u>
	<u>\$ 35,483,726</u>	<u>\$ 39,041,449</u>

The Group recognizes allowance for impairment loss on account 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 on analysis of their current financial positions. The Group recognizes an allowance for impairment loss of 100% against past due receivables which have 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 of recovery of the receivable. For accounts receivables 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:

	December 31	
	2021	2020
Up to 90 days	\$ 21,322,063	\$ 23,631,396
91-180 days	13,245,451	14,264,510
181-365 days	875,253	1,123,626
Over 365 days	<u>40,959</u>	<u>21,917</u>
	<u>\$ 35,483,726</u>	<u>\$ 39,041,449</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 Year Ended December 31	
	2021	2020
Balance at January 1	\$ 143,439	\$ 105,937
Add: Net remeasurement of loss allowance	24,558	38,461
Add: Acquisitions through business combinations	18,008	-
Less: Amounts written off	(3,896)	(2,597)
Foreign exchange translation gains and losses	<u>(5,150)</u>	<u>1,638</u>
Balance at December 31	<u>\$ 176,959</u>	<u>\$ 143,439</u>

10. FINANCE LEASE RECEIVABLES

	December 31	
	2021	2020
<u>Undiscounted lease payments</u>		
Year 1	\$ 5,550,758	\$ 5,457,252
Year 2	5,578,575	5,550,758
Year 3	6,127,364	5,578,575
Year 4	6,285,029	6,127,364
Year 5	6,294,158	6,285,029
Year 6 onwards	<u>8,716,844</u>	<u>15,011,003</u>
	38,552,728	44,009,981
Less: Unearned finance income	11,529,733	14,708,766
Less: Accumulated impairment	<u>47,878</u>	<u>47,878</u>
Net investment in leases presented as finance lease receivables	<u>\$ 26,975,117</u>	<u>\$ 29,253,337</u>
Current (included in accounts receivable)	\$ 2,640,694	\$ 2,278,220
Non-current	<u>24,334,423</u>	<u>26,975,117</u>
	<u>\$ 26,975,117</u>	<u>\$ 29,253,337</u>

The Group's electric power selling contracts signed with Taiwan Power Company 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. DISCONTINUED OPERATIONS

On March 19, 2021, the Board of Directors of the Corporation approved to sell all its 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. The Corporation has completed the share transaction on August 17, 2021. Please refer to Note 28 for detailed information relating to the disposal.

The above transactions met the criteria of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations". Therefore, gain (loss) on disposal of Taiwan Prosperity Chemical Corporation was presented as income (loss) from discontinued operations. To coordinate with the discontinued operations presentation of consolidated income statement for the year ended December 31, 2021, the Group reclassified the income/loss of discontinued operations for the year ended December 31, 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:

	January 1, 2021 to August 17, 2021	For the Year Ended December 31, 2020
Operating revenue	\$ 8,113,370	\$ 8,456,024
Operating costs	<u>(7,143,150)</u>	<u>(8,271,921)</u>
Gross profit	970,220	184,103
Operating expenses	<u>(367,972)</u>	<u>(479,496)</u>
Profit (loss) from operations	602,248	(295,393)
Finance costs	(61,699)	(93,358)
Other income and expenses	<u>(10,866)</u>	<u>(77,026)</u>
Income (loss) before income tax	529,683	(465,777)
Income tax benefit (expense)	<u>2,462</u>	<u>(17,682)</u>
Net profit (loss) for the year	532,145	(483,459)
Gain on disposal (Note 28)	<u>521,414</u>	<u>-</u>
Profit (loss) from discontinued operations	<u>\$ 1,053,559</u>	<u>\$ (483,459)</u>
Profit (loss) from discontinued operations attributable to:		
Shareholders of the Corporation	\$ 1,073,939	\$ (180,487)
Non-controlling interests	<u>(20,380)</u>	<u>(302,972)</u>
	<u>\$ 1,053,559</u>	<u>\$ (483,459)</u>

(Continued)

	January 1, 2021 to August 17, 2021	For the Year Ended December 31, 2020
Net cash inflow (outflow) from:		
Operating activities	\$ 56,445	\$ 582,639
Investing activities	520,746	(33,067)
Financing activities	<u>597,907</u>	<u>617,078</u>
Net cash inflow	<u>\$ 1,175,098</u>	<u>\$ 1,166,650</u> (Concluded)

The carrying amounts of assets and liabilities of Taiwan Prosperity Chemical Corporation at the date of disposal are disclosed in Note 28.

12. INVENTORIES

	<u>December 31</u>	
	2021	2020
Finished goods	\$ 2,508,696	\$ 2,248,212
Work in process	3,332,257	1,610,246
Raw materials	<u>7,571,558</u>	<u>4,083,297</u>
	<u>\$ 13,412,511</u>	<u>\$ 7,941,755</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2021 and 2020 was \$72,555,570 thousand and \$61,203,061 thousand, respectively.

The cost of goods sold included reversal of write-downs of inventory as follows:

	<u>For the Year Ended December 31</u>	
	2021	2020
Reversal of write-downs of inventory	<u>\$ 16,323</u>	<u>\$ 24,566</u>

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

13. SUBSIDIARIES

a. Subsidiaries included in consolidated financial statements

The consolidated financial statements include subsidiaries which are as follows:

Investor	Investee	Main Business	<u>Proportion of Ownership (%)</u>		Remark
			<u>2021</u>	<u>2020</u>	
Taiwan Cement Corporation	Taiwan Transport & Storage Corporation	Warehousing, transportation and sale of sand and gravel	83.9	83.9	1)
	TCC Investment Corporation	Investment	100.0	100.0	

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)		Remark
			December 31		
			2021	2020	
	Kuan-Ho Refractories Industry Corporation	Production and sale of refractory materials	95.3	95.3	
	Hong Kong Cement Manufacturing Co., Ltd. ("HKCMCL")	Investment holding	84.7	84.7	
	Ta-Ho Maritime Corporation	Marine transportation	64.8	64.8	
	Taiwan Cement Engineering Corporation	Engineering services	99.2	99.2	1)
	TCC Green Energy Corporation	Renewable energy generation	100.0	100.0	
	TCC Chemical Corporation	Leasing property and energy technology services	100.0	100.0	
	TCC Information Systems Corporation	Information software design	99.4	99.4	
	Taiwan Prosperity Chemical Corporation	Processing and sale of chemical material	-	71.1	1)
	Tung Chen Mineral Corporation	Afforestation and sale of limestone	99.5	99.5	
	Jin Chang Minerals Corporation	Afforestation and sale of limestone	100.0	100.0	
	Hoping Industrial Port Corporation	Hoping Industrial Port management	100.0	100.0	
	TCC International Ltd. ("TCCI")	Investment holding	100.0	100.0	
	TCCMOLI Holdings (Singapore) Pte. Ltd. ("TCCMOLI")	Investment holding	100.0	100.0	5)
	Ho-Ping Power Company	Thermal power generation	59.5	59.5	
	HPC Power Service Corporation	Business consulting	60.0	60.0	
	E.G.C. Cement Corporation	Sale of cement	50.6	50.6	
	Feng Sheng Enterprise Company Limited	Sale of ready-mixed concrete	45.4	45.4	3)
	Trans Philippines Mineral Corporation ("TPMC")	Mining excavation	40.0	40.0	3)
	Taicorn Minerals Corporation ("TMC")	Mining excavation	72.7	72.7	
	Ta-Ho RSEA Environment Co., Ltd.	Waste collection and treatment	66.6	66.6	
	Ho Sheng Mining Co., Ltd.	Mining excavation and sale of limestone	100.0	100.0	
	TCC International Holdings Ltd. ("TCCIH")	Investment holding	38.3	38.3	
	Taiwan Cement (Dutch) Holdings B.V. ("TCC Dutch")	Investment holding	100.0	100.0	
	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)
	TCC Recycle Energy Technology Company	Investment holding	63.3	18.2	2)
Taiwan Transport & Storage Corporation	E.G.C. Cement Corporation	Sale of cement	49.4	49.4	
	Ta-Ho Maritime Corporation	Marine transportation	29.2	29.2	7)
	Tai-Jie Transport & Storage Corporation	Transportation	100.0	100.0	
TCC Investment Corporation	Union Cement Traders Inc.	Import and export trading	100.0	100.0	
	Ho-Ping Power Company	Thermal power generation	0.5	0.5	
	Taiwan Prosperity Chemical Corporation	Processing and sale of chemical material	-	0.2	1)
	Ta-Ho Maritime Corporation	Marine transportation	-	-	
	TCC Recycle Energy Technology Company	Investment holding	1.9	4.9	2)
HKCMCL	TCC Development Ltd.	Property leasing	100.0	100.0	
Ta-Ho Maritime Corporation	Ta-Ho Maritime Holdings Ltd.	Investment	100.0	100.0	
TCC Information Systems Corporation	Taicem Information (Samoa) Pte., Ltd.	Investment	100.0	100.0	
Hoping Industrial Port Corporation	Taiwan Prosperity Chemical Corporation	Processing and sale of chemical material	-	2.3	1)
	TCC Recycle Energy Technology Company	Investment holding	0.7	1.8	2)

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)		Remark
			December 31		
			2021	2020	
TCCI	TCCIH	Investment holding	61.7	61.7	
TPMC	TMC	Mining excavation	18.2	18.2	
Union Cement Traders Inc.	Taiwan Transport & Storage Corporation	Warehousing, transportation and sale of sand and gravel	0.7	0.7	
	TCC Recycle Energy Technology Company	Investment holding	1.9	4.8	2)
Ho-Ping Power Company	Ho-Ping Renewable Energy Company	Renewable energy generation	100.0	100.0	
TCC Green Energy Corporation	Chang-Wang Wind Power Co., Ltd.	Renewable energy generation	100.0	100.0	
	TCC Nan-Chung Green Energy Corporation	Renewable energy generation	100.0	100.0	
	TCC Kao-Cheng Green Energy Corporation	Renewable energy generation	100.0	100.0	
	TCC Chang-Ho Green Energy Corporation	Renewable energy generation	100.0	100.0	
	TCC Chia-Chien Green Energy Corporation	Renewable energy generation	100.0	100.0	
	TCC Yun-Kai Green Energy Corporation	Renewable energy generation	100.0	100.0	
	TCC Lien-Hsin Green Energy Corporation	Renewable energy generation	100.0	100.0	
	TCC Ping-Chih Green Energy Corporation	Renewable energy generation	100.0	100.0	
	Chia-Ho Green Energy Corporation	Renewable energy generation	100.0	100.0	4)
	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	
	THC International S.A.	Marine transportation	100.0	100.0	
	Ta-Ho Maritime (Singapore) Pte. Ltd.	Marine transportation	100.0	100.0	
Taicem Information (Samoa) Pte., Ltd.	Fuzhou TCC Information Technology Co., Ltd.	Software product and equipment maintenance	100.0	100.0	
Ta-Ho Maritime (Hong Kong) Limited	Da Tong (Guigang) International Logistics Co., Ltd.	Logistics and transportation	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	
TCC Dutch	Guigang Da-Ho Shipping Co., Ltd.	Marine transportation	100.0	100.0	
	Taiwan Cement Europe Holdings B.V. (TCEH)	Investment holding	100.0	-	4)
TCEH	NHOA S.A.	Investment holding	65.2	-	8)
NHOA S.A.	NHOA ENERGY S.R.L.	Renewable energy and energy storage system construction	100.0	-	8)
	ELECTRO POWER SYSTEM MANUFACTURING	Renewable energy and energy storage system construction	100.0	-	8)
	Comores Énergie Nouvelles S.A.R.L.	Renewable energy and energy storage system construction	60.0	-	8)
NHOA ENERGY S.R.L.	FREE2MOVE ESOLUTIONS S.P.A.	Electric vehicle charging equipment	49.9	-	3), 8)
	NHOA AMERICAS LLC	Renewable energy and energy storage system construction	100.0	-	8)
	NHOA AUSTRALIA PTY LTD	Renewable energy and energy storage system construction	100.0	-	8)
	ATLANTE S.R.L	Renewable energy and charging equipment	100.0	-	4)
TCC Recycle Energy Technology Company	E-One Moli Energy Corp.	Manufacturing and sales of Lithium battery	100.0	-	2)
E-One Moli Energy Corp.	E-One Holdings Ltd.	Investment holding	100.0	-	2)
	Molie Quantum Energy Corporation	Manufacturing and sales of batteries, power generation machinery and electronic components	100.0	-	2)
E-One Holdings Ltd.	E-One Moli Holdings (Canada) Ltd.	Investment holding	100.0	-	2)
E-One Moli Holdings (Canada) Ltd.	E-One Moli Energy (Canada) Ltd.	Battery research and development and sales	100.0	-	2)

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)		Remark	
			2021	2020		
TCCIH	Upper Value Investment Limited	Investment holding	100.0	100.0		
	Upper Value Investments Ltd. (“UPPV”)	Investment holding	100.0	100.0		
	TCC Hong Kong Cement (BVI) Holdings Ltd.	Investment holding	100.0	100.0		
Upper Value Investment Limited	Ulexite Investments Ltd.	Investment holding	100.0	100.0		
	Prime York Ltd.	Investment holding	100.0	100.0		
	Prosperity Minerals (International) Ltd.	Investment holding	100.0	100.0		
TCC Hong Kong Cement (BVI) Holdings Ltd.	TCC Hong Kong Cement Development Ltd.	Investment holding	100.0	100.0		
	TCC Hong Kong Cement (QHC) Ltd.	Investment holding	100.0	100.0		
	TCC Hong Kong Cement (Yargoan) Ltd.	Investment holding	100.0	100.0		
	TCC Hong Kong Cement (Philippines) Ltd.	Investment holding	100.0	100.0		
	TCC Hong Kong Cement (International) Ltd.	Investment holding	100.0	100.0		
	Hong Kong Cement Company Limited (“HKCCL”)	Sale of cement	100.0	100.0		
	TCC Hong Kong Cement (QHC) Ltd.	Chiefolk Company Ltd.	Investment holding	70.0	70.0	
	Chiefolk Company Ltd.	TCC International (Liuzhou) Ltd.	Investment holding	100.0	100.0	
TCC International (Liuzhou) Ltd.	TCC Liuzhou Company Ltd.	Investment holding	100.0	100.0		
TCC Liuzhou Company Ltd.	TCC Liuzhou Construction Materials Co., Ltd.	Manufacturing and sale of slag powder	60.0	60.0		
TCC Hong Kong Cement (Philippines) Ltd.	TCC Cement Corp.	Cement processing services	100.0	100.0		
TCC Hong Kong Cement (International) Ltd. TCCI (HK)	TCC International (Hong Kong) Co., Ltd. (“TCCI (HK)”)	Investment holding	100.0	100.0		
	TCC Guigang Mining Industrial Company Limited	Mining excavation	52.5	52.5		
	Jiangsu TCC Investment Co., Ltd.	Investment holding	100.0	100.0		
	Jingyang Industrial Limited	Investment holding	100.0	100.0		
	TCC International (Guangxi) Ltd.	Investment holding	100.0	100.0		
	TCC Shaoguan Cement Co., Ltd.	Manufacturing and sale of cement	100.0	100.0		
	TCC Yingde Mining Industrial Company Limited	Mining excavation	48.9	48.9		
	TCC Yingde Cement Co., Ltd.	Manufacturing and sale of cement	100.0	100.0		
	TCC Jiangsu Mining Industrial Company Limited	Mining excavation	100.0	100.0		
	TCC Fuzhou Yangyu Port Co., Ltd.	Service of port facility	100.0	100.0		
	TCC (Dong Guan) Cement Company Ltd.	Manufacturing and sale of cement	100.0	100.0		
	TCC Fuzhou Cement Co., Ltd.	Manufacturing and sale of cement	100.0	100.0		
	TCC Huaihua Cement Company Limited	Manufacturing and sale of cement	31.0	31.0		
	Jiangsu TCC Investment Co., Ltd.	Jurong TCC Cement Co., Ltd.	Manufacturing and sale of cement	21.5	21.5	
		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	
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		
	TCC (Hangzhou) Recycle Resource Technology Environmental Limited	Recycle Resource technology development, business management and sales	82.1	82.1	4)	

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)		Remark
			December 31		
			2021	2020	
TCC (Gui Gang) Cement Ltd.	TCC Huaying Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	
	TCC Guigang Mining Industrial Company Limited	Mining excavation	47.5	47.5	
	Guigang TCC Dong Yuan Environmental Technology Company Limited	Dangerous waste treatment	100.0	100.0	
	TCC (Hangzhou) Recycle Resource Technology Environmental Limited	Recycle Resource technology development, business management and sales	17.9	17.9	
TCC Yingde Cement Co., Ltd.	TCC Yingde Mining Industrial Company Limited	Mining excavation	34.8	34.8	
	Scitus Luzhou Concrete Co., Ltd.	Sale of ready-mixed concrete	25.0	25.0	
	Scitus Luzhou Cement Co., Ltd.	Manufacturing and sale of cement	10.0	10.0	
	Scitus Naxi Cement Co., Ltd.	Manufacturing and sale of cement	10.0	10.0	
	Scitus Hejiang Cement Co., Ltd.	Manufacturing and sale of cement	10.0	10.0	
	Beijing TCC Environmental Technology Co., Ltd.	Technology development, enterprise management and sales	100.0	100.0	
	TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	Environmental protection, cement and enterprise management consulting	100.0	100.0	
TCC Jiangsu Mining Industrial Company Limited	TCC Yingde Mining Industrial Company Limited	Mining excavation	16.3	16.3	
TCC Huaihua Cement Company Limited	TCC Jingzhou Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	
	TCC Huaihua Concrete Company Limited	Sale of ready-mixed concrete	100.0	100.0	
UPPV	Wayly Holdings Ltd.	Investment holding	100.0	100.0	
	TCC International (China) Co., Ltd.	Investment holding	100.0	100.0	
	Kong On Cement Holdings Ltd.	Investment holding	65.0	65.0	
	Mega East Ltd.	Investment holding	100.0	100.0	
	Prosperity Minerals (China) Ltd.	Investment holding	100.0	100.0	
	Sure Kit Ltd.	Investment holding	100.0	100.0	
	Hensford Ltd.	Investment holding	100.0	100.0	
	Kiton Ltd.	Investment holding	100.0	100.0	
	Prosperity Cement Investment Ltd.	Investment holding	100.0	100.0	
	Scitus Cement (China) Holdings Ltd. (“Scitus Holdings”)	Investment holding	100.0	100.0	
Wayly Holdings Ltd.	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Manufacturing and sale of cement	100.0	100.0	
TCC International (China) Co., Ltd.	TCC New (Hangzhou) Management Company Limited	Operation management	100.0	100.0	
Kong On Cement Holdings Ltd.	Guizhou Kong On Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	
Mega East Ltd.	Guangan Changxing Cement Company Ltd.	Manufacturing and sale of cement	100.0	100.0	6)
Sure Kit Ltd.	TCC Chongqing Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	
Hensford Ltd.	TCC Anshun Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	
Kiton Ltd.	TCC Liaoning Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	
Prosperity Cement Investment Ltd.	Yingde Dragon Mountain Cement Co., Ltd.	Manufacturing and sale of cement	100.0	100.0	
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	
TCC New (Hangzhou) Management Company Limited	Kaili TCC Environment Technology Co., Ltd.	Waste collection and treatment	100.0	100.0	

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)		Remark
			2021	2020	
Scitus Holdings	Scitus Cement (China) Operating Co., Ltd.	Investment holding	100.0	100.0	
	Hexagon XIV Holdings Ltd.	Investment holding	100.0	100.0	
	Hexagon XIII Holdings Ltd.	Investment holding	100.0	100.0	
	Hexagon IX Holdings Ltd.	Investment holding	100.0	100.0	
	Hexagon VIII Holdings Ltd.	Investment holding	100.0	100.0	
	Hexagon V Holdings Ltd.	Investment holding	100.0	100.0	
	Hexagon IV Holdings Ltd.	Investment holding	100.0	100.0	
	Hexagon III Holdings Ltd.	Investment holding	100.0	100.0	
	Hexagon II Holdings Ltd.	Investment holding	100.0	100.0	
	Hexagon Holdings Ltd.	Investment holding	100.0	100.0	
Hexagon IX Holdings Ltd.	Scitus Hejiang Cement Co., Ltd.	Manufacturing and sale of cement	90.0	90.0	
Hexagon IV Holdings Ltd.	Scitus Luzhou Cement Co., Ltd.	Manufacturing and sale of cement	90.0	90.0	
Hexagon III Holdings Ltd.	Scitus Naxi Cement Co., Ltd.	Manufacturing and sale of cement	90.0	90.0	
Hexagon XIV Holdings Ltd.	Scitus Luzhou Concrete Co., Ltd.	Sales of ready-mixed concrete	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	
Jurong TCC Cement Co., Ltd.	TCC Huaihua Cement Company Limited	Manufacturing and sale of cement	69.0	69.0	
TCC (Hangzhou) Environmental Protection Company Limited	TCC Yongren (Hangzhou) Environmental Protection Technology Company Limited	Resource recycling technology consultation, biomass energy technology and fuel sales, solid waste treatment	100.0	-	4)
	TCC Yongren (Hangzhou) Environmental Technology Company Limited	Resource recycling technology consultation, solid waste treatment, biomass fuel sales	100.0	-	4)
	TCC Yongren (Hangzhou) Renewable Resources Technology Company Limited	Resource reusing technology and development, solid waste treatment, biomass fuel processing and sales	100.0	-	4)
	TCC Yongren (Hangzhou) Renewable Resources Development Company Limited	Resource regeneration technology research and development, solid waste treatment, biomass fuel processing and sales	100.0	-	4)
TCC Yongren (Hangzhou) Environmental Protection Technology Company Limited	TCC (Shaoguan) Environment Technology Co., Ltd.	Biomass fuel processing and sales, solid waste treatment, urban and kitchen waste treatment	100.0	-	4)

(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 all issued shares of Taiwan Prosperity Chemical Corporation. The Corporation completed the transaction and lost the control of Taiwan Prosperity Chemical Corporation in August 2021. The Corporation successively purchased shares of Taiwan Cement Engineering Corporation and Taiwan Transport & Storage Corporation in 2021 and 2020. Refer to Notes 28 and 29 for information relating to the aforementioned equity acquisition transaction.

- 2) TCC Recycle Energy Technology Company increased its capital by \$10,000,000 thousand by cash in August 2021. The Group invested \$9,232,894 thousand in TCC Recycle Energy Technology Company and its subsidiaries. Due to the non-subscription by other shareholders, the shares held by the Group increased from 29.7% to 67.8% and the Group obtained the right to control TCC Recycle Energy Technology Company and its subsidiaries. Thus TCC Recycle Energy Technology Company was included in the consolidated entities from August 2021. Please refer to Note 27 for details.
- 3) Although the Group's percentages of ownership in Feng Sheng Enterprise Company Limited, TPMC and FREE2MOVE ESOLUTION S.P.A. were less than 50%, the Group still has control over those entities. Thus, Feng Sheng Enterprise Company Limited, TPMC and FREE2MOVE ESOLUTION S.P.A. are considered as subsidiaries of the Group. According to the agreement, other shareholders' investment in FREE2MOVE ESOLUTION S.P.A. will be paid in January 2022 and January 2023. As of December 31, 2021, the uncollected amount is accounted as other receivables from related parties (including current and non-current).
- 4) TCC Sustainable Energy Investment Corporation, TCC Energy Storage Technology Corporation, Chia-Ho Green Energy Corporation, TCC (Hangzhou) Recycle Resource Technology Environmental Limited and Jurong TCC Environmental Co., Ltd. were established in 2020. TCC Tung-Li Green Energy Corporation, Tuo Shan Recycle Technology Company, TCEH, TCC Yongren (Hangzhou) Environmental Protection Technology Company Limited, TCC Yongren (Hangzhou) Environmental Technology Company Limited, TCC Yongren (Hangzhou) Renewable Resources Technology Company Limited, TCC Yongren (Hangzhou) Renewable Resources Development Company Limited, TCC (Shaoguan) Environment Technology Co., Ltd. and ATLANTE S.R.L were established in 2021.
- 5) TCCMOLI was in the process of liquidation at the end of December 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 2021 and 2020. Refer to Note 29 for information relating to the aforementioned equity acquisition transaction.
- 8) TCEH acquired 60.5% ordinary shares of NHOA S.A. from Group Engie SA and the right to control NHOA S.A. and its subsidiaries in July 2021. TCEH filed a simple compulsory tender offer to acquire 4.7% of NHOA S.A. by cash in September 2021. Please refer to Note 27 and 29 for details relating to the share purchase transaction.

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

	Proportion of Ownership and Voting Rights Held by Non-controlling Interests	
	December 31	
	2021	2020
Taiwan Prosperity Chemical Corporation	-	26.4%
Ho-Ping Power Company	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 the shares purchased from Taiwan Prosperity Chemical Corporation and Hoping Industrial Port Corporation, amounting \$685,845 thousand. Since then Taiwan Prosperity Chemical Corporation has become 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. The Board of Directors of the Corporation approved the resolution in March 2021 to sell all the shares of Taiwan Prosperity Chemical Corporation. The Corporation completed the transaction and lost the control of Taiwan Prosperity Chemical Corporation in August 2021. Please refer to Notes 11, 28 and 29 for details.

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
Current assets	\$ 4,699,229
Non-current assets	3,910,575
Current liabilities	(3,893,618)
Non-current liabilities	<u>(3,682,570)</u>
Equity	<u>\$ 1,033,616</u>
Equity attributable to:	
Owners of Taiwan Prosperity Chemical Corporation	\$ 760,847
Non-controlling interests of Taiwan Prosperity Chemical Corporation	<u>272,769</u>
	<u>\$ 1,033,616</u>

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

Ho-Ping Power Company

	December 31	
	2021	2020
Current assets	\$ 7,780,140	\$ 8,307,788
Non-current assets	25,636,219	28,361,144
Current liabilities	(2,876,141)	(2,749,424)
Non-current liabilities	<u>(2,971,023)</u>	<u>(3,197,644)</u>
Equity	<u>\$ 27,569,195</u>	<u>\$ 30,721,864</u>
Equity attributable to:		
Owners of Ho-Ping Power Company	\$ 16,538,050	\$ 18,429,651
Non-controlling interests of Ho-Ping Power Company	<u>11,031,145</u>	<u>12,292,213</u>
	<u>\$ 27,569,195</u>	<u>\$ 30,721,864</u>
	For the Year Ended December 31	
	2021	2020
Operating revenue	<u>\$ 10,202,413</u>	<u>\$ 14,119,957</u>
Net profit for the year	\$ 1,492,151	\$ 7,268,550
Other comprehensive income (loss) for the year	<u>(1,269)</u>	<u>29</u>
Total comprehensive income for the year	<u>\$ 1,490,882</u>	<u>\$ 7,268,579</u>
Net profit attributable to:		
Owners of Ho-Ping Power Company	\$ 895,291	\$ 4,361,131
Non-controlling interests of Ho-Ping Power Company	<u>596,860</u>	<u>2,907,419</u>
	<u>\$ 1,492,151</u>	<u>\$ 7,268,550</u>
Total comprehensive income attributable to:		
Owners of Ho-Ping Power Company	\$ 894,530	\$ 4,361,147
Non-controlling interests of Ho-Ping Power Company	<u>596,352</u>	<u>2,907,432</u>
	<u>\$ 1,490,882</u>	<u>\$ 7,268,579</u>
Net cash inflow (outflow) from:		
Operating activities	\$ 3,150,755	\$ 9,800,045
Investing activities	402,821	(1,436,935)
Financing activities	<u>(4,653,460)</u>	<u>(8,093,594)</u>
Net cash inflow (outflow)	<u>\$ (1,099,884)</u>	<u>\$ 269,516</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

	December 31	
	2021	2020
Investments in associates	<u>\$ 46,781,575</u>	<u>\$ 50,133,844</u>
Material associates		
Cimpor Global Holdings B.V.	\$ 25,112,660	\$ 28,748,060
Associates that are not individually material		
Prosperity Conch Cement Company Limited	7,680,842	7,247,911
International CSRC Investment Holdings Co., Ltd.	6,938,448	6,249,094
CCC USA Corp.	1,731,743	1,679,436
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.	1,635,580	1,742,842
ONYX Ta-Ho Environmental Services Co., Ltd.	1,220,989	815,179
Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd.	866,291	1,140,060
Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd.	670,734	-
Sichuan Taichang Building Material Group Company Limited	557,605	488,397
Quon Hing Concrete Co., Ltd.	149,229	130,615
Hong Kong Concrete Co., Ltd.	142,636	151,692
Guigang Conch-TCC New Material Technology Co., Ltd.	35,376	4,065
Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd.	33,114	3,929
Synpac Ltd.	6,328	6,539
TCC Recycle Energy Technology Company	-	1,726,025
Chia Huan Tung Cement Corporation	-	-
Shih Hsin Storage & Transportation Co., Ltd.	-	-
	<u>\$ 46,781,575</u>	<u>\$ 50,133,844</u>

For the amounts of the Group's investments accounted for using the equity method provided as loan guarantees, refer to Note 34.

a. Material associates

	Proportion of Ownership	
	December 31	
	2021	2020
Cimpor Global Holdings B.V.	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.

	December 31	
	2021	2020
Current assets	\$ 16,828,990	\$ 21,428,951
Non-current assets	53,046,441	62,427,768
Current liabilities	(12,938,762)	(15,901,917)
Non-current liabilities	(9,283,937)	(12,355,266)
Non-controlling interests	<u>(7,614,841)</u>	<u>(9,159,987)</u>
Equity attributable to the Group	<u>\$ 40,037,891</u>	<u>\$ 46,439,549</u>
Proportion of the Group's ownership	40%	40%
Equity attributable to the Group	\$ 16,015,156	\$ 18,575,820
Goodwill	<u>9,097,504</u>	<u>10,172,240</u>
Carrying amount	<u>\$ 25,112,660</u>	<u>\$ 28,748,060</u>
	For the Year Ended December 31	
	2021	2020
Operating revenue	<u>\$ 28,295,693</u>	<u>\$ 24,994,515</u>
Net income for the year	\$ 3,400,061	\$ 2,144,866
Other comprehensive loss	<u>(4,794,273)</u>	<u>(2,881,463)</u>
Total comprehensive loss for the year	<u>\$ (1,394,212)</u>	<u>\$ (736,597)</u>

b. Aggregate information of associates that are not individually material

	Proportion of Ownership	
	December 31	
	2021	2020
Prosperity Conch Cement Company Limited	25.0%	25.0%
International CSRC Investment Holdings Co., Ltd. (Note 1)	19.2%	19.2%
CCC USA Corp.	33.3%	33.3%
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.	30.0%	30.0%
ONYX Ta-Ho Environmental Services Co., Ltd.	50.0%	50.0%
Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd.	30.0%	30.0%
Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd. (Note 6)	40.0%	-
Sichuan Taichang Building Material Group Company Limited	30.0%	30.0%
Quon Hing Concrete Co., Ltd.	50.0%	50.0%
Hong Kong Concrete Co., Ltd.	31.5%	31.5%

(Continued)

	Proportion of Ownership	
	December 31	
	2021	2020
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%
Synpac Ltd.	25.0%	25.0%
Yingjing Xinan New material Co., Ltd. (Note 4)	30.0%	30.0%
TCC Recycle Energy Technology Company (Note 5)	-	29.7%
Chia Huan Tung Cement Corporation (Note 1)	-	-
Shih Hsin Storage & Transportation Co., Ltd. (Note 1)	-	-
		(Concluded)

	For the Year Ended December 31	
	2021	2020
The Group's share of:		
Net income for the year	\$ 2,884,277	\$ 2,438,386
Other comprehensive loss	<u>(145,655)</u>	<u>(129,665)</u>
Total comprehensive income for the year	<u>\$ 2,738,622</u>	<u>\$ 2,308,721</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 \$5,023 thousand in Guigang Conch-TCC New Material Technology Co., Ltd. for the year ended December 31, 2020. In addition, the Group increased its investment, and the investment amounts for the year ended December 31, 2021 was \$36,442 thousand. The Group owns 40% shares of Guigang Conch-TCC New Material Technology Co., Ltd.

Note 3: The Group invested \$3,731 thousand in Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd. for the year ended December 31, 2020. In addition, the Group increased its investment, and the investment amounts for the year ended December 31, 2021, was \$29,375 thousand. The Group owns 45% shares of Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd.

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 \$165,871 thousand and \$167,446 thousand on December 31, 2021 and 2020, respectively.

Note 5: TCC Recycle Energy Technology Company increased capital in August 2021. Due to the non-subscription by the original shareholders of TCC Recycle Energy Technology Company, the shares held by the Group increased to 67.8% and the Group also obtained the right of control of TCC Recycle Energy Technology Company. Thus TCC Recycle Energy Technology Company was included in the consolidated entities from August 2021. The Group recognized a gain on disposal of investment of \$233,810 thousand. Please refer to Note 27 for details.

Note 6: The Group invested in Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd. for the year ended December 31, 2021. The Group invested \$699,477 thousand and owned 40% shares of Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd.

The Group holds less than 50% of the issued share capital of some associates, but it is the single largest shareholder. Considering the voting rights of the other shareholders, the shareholding spread is not significant. Therefore, the Group is not in a position to dominate certain company-related activities and therefore has no control over them. The Group's management considers that it does exercise significant influence over those companies; thus, the Group accounts for them as associates and adopts equity method of accounting.

The investments accounted for by using the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2021 and 2020 were based on the associates' audited financial statements for the same years then ended except Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd. and Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd. The Group considered that there would be no significant adjustments if such financial statements were to be audited.

15. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Miscellaneous Equipment	Property in Construction	Total
<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	1,861,979	113,190	1,013,009	606,674	11,275,586	14,870,438
Disposals	(310,481)	(359,691)	(1,926,214)	(521,637)	(2,530,920)	(5,648,943)
Acquisitions through business combinations (Note 27)	811,145	2,404,772	4,183,676	413,563	225,197	8,038,353
Reclassification	(560,204)	499,968	(17,593,376)	14,278	(4,780,199)	(22,419,533)
Effects of exchange rate changes	(1,763)	(302,632)	(479,724)	(109,671)	(47,856)	(941,646)
Balance at December 31, 2021	<u>\$ 25,912,225</u>	<u>\$ 51,746,756</u>	<u>\$ 80,969,973</u>	<u>\$ 15,474,043</u>	<u>\$ 11,884,990</u>	<u>\$ 185,987,987</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	-	(329,387)	(1,806,054)	(374,023)	-	(2,509,464)
Depreciation expenses	-	1,366,918	3,647,889	712,514	-	5,727,321
Impairment losses	-	558	6,198	-	-	6,756
Acquisitions through business combinations (Note 27)	-	999,335	2,886,929	326,820	-	4,213,084
Reclassification	-	(127,223)	(18,601,738)	(488,468)	-	(19,217,429)
Effects of exchange rate changes	-	(101,533)	(281,141)	(25,234)	(751)	(408,659)
Balance at December 31, 2021	<u>\$ 808,904</u>	<u>\$ 21,210,406</u>	<u>\$ 57,214,150</u>	<u>\$ 8,479,352</u>	<u>\$ 79,143</u>	<u>\$ 87,791,955</u>
Carrying amount at December 31, 2021	<u>\$ 25,103,321</u>	<u>\$ 30,536,350</u>	<u>\$ 23,755,823</u>	<u>\$ 6,994,691</u>	<u>\$ 11,805,847</u>	<u>\$ 98,196,032</u>
<u>Accumulated depreciation and impairment</u>						
<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	2,069,883	223,780	1,426,047	458,863	3,424,908	7,603,481
Disposals	(18,843)	(34,917)	(846,546)	(323,847)	-	(1,224,153)
Reclassification	1,383,983	270,425	1,469,518	135,124	(2,272,981)	986,069
Effects of exchange rate changes	-	470,363	804,422	(131,103)	74,876	1,218,558
Balance at December 31, 2020	<u>\$ 24,111,549</u>	<u>\$ 49,391,149</u>	<u>\$ 95,772,602</u>	<u>\$ 15,070,836</u>	<u>\$ 7,743,182</u>	<u>\$ 192,089,318</u>
Balance at January 1, 2020	\$ 274,188	\$ 17,858,784	\$ 67,448,532	\$ 7,963,743	\$ 78,797	\$ 93,624,044
Disposals	-	(27,222)	(750,860)	(279,877)	-	(1,057,959)
Depreciation expenses	-	1,356,231	4,028,862	635,287	-	6,020,380
Impairment losses	-	36,094	65,205	-	-	101,299
Reclassification	534,716	-	-	(280)	-	534,436
Effects of exchange rate changes	-	177,851	570,328	8,870	1,097	758,146
Balance at December 31, 2020	<u>\$ 808,904</u>	<u>\$ 19,401,738</u>	<u>\$ 71,362,067</u>	<u>\$ 8,327,743</u>	<u>\$ 79,894</u>	<u>\$ 99,980,346</u>
Carrying amount at December 31, 2020	<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>

The related assets and liabilities of Taiwan Prosperity Chemical Corporation were reclassified as disposal groups held for sale in the first quarter of 2021 and disposed in August 2021. For further information, refer to Notes 11 and 28.

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, for the year ended December 31, 2020, it recognized an impairment loss of \$51,656 thousand (included in loss from discontinued operations). The Group applied value in use to measure the recoverable amount of such equipment, and the discount rate before tax used was 18.21%.

For the years ended December 31, 2021 and 2020, the Group recognized impairment losses of \$6,756 thousand and \$49,643 thousand, respectively, after assessing that the recoverable amounts of part of its property, plant and equipment of cement segment were zero due to factors such as idling as a result of decrease in market demand or natural disasters.

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 34.

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

	For the Year Ended December 31	
	2021	2020
Acquisitions of property, plant and equipment	\$ 14,870,438	\$ 7,603,481
Increase in prepayments for equipment	1,949,584	1,879,881
Decrease (increase) in payables for equipment	(260,515)	89,079
Increase in other non-current liabilities	<u>(6,719)</u>	<u>-</u>
	<u>\$ 16,552,788</u>	<u>\$ 9,572,441</u>

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2021	2020
<u>Carrying amount</u>		
Land	\$ 13,023,670	\$ 12,538,669
Buildings	1,484,025	658,456
Machinery	421,625	200,348
Other	<u>63,464</u>	<u>53,652</u>
	<u>\$ 14,992,784</u>	<u>\$ 13,451,125</u>
	For the Year Ended December 31	
	2021	2020
Additions to right-of-use assets	<u>\$ 2,178,217</u>	<u>\$ 1,365,883</u>
Depreciation charge for right-of-use assets		
Land	\$ 573,152	\$ 519,581
Buildings	160,280	159,217
Machinery	99,079	103,135
Other	<u>23,053</u>	<u>21,075</u>
	<u>\$ 855,564</u>	<u>\$ 803,008</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 years ended December 31, 2021 and 2020.

b. Lease liabilities

	December 31	
	2021	2020
<u>Carrying amount</u>		
Current	<u>\$ 407,652</u>	<u>\$ 315,451</u>
Non-current	<u>\$ 3,261,791</u>	<u>\$ 1,978,361</u>

Range of discount rate for lease liabilities was as follows:

	December 31	
	2021	2020
Land	1.79%-4.90%	1.79%-4.90%
Buildings	0.71%-4.75%	1.79%-4.75%
Machinery	1.85%-2.20%	1.21%-2.05%
Other	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 Year Ended December 31	
	2021	2020
Expenses relating to short-term leases	<u>\$ 1,238,816</u>	<u>\$ 1,032,470</u>
Expenses relating to low-value asset leases	<u>2,512</u>	<u>1,675</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>283,132</u>	<u>218,917</u>
Total cash outflow for leases	<u>\$ (2,016,924)</u>	<u>\$ (1,715,145)</u>

The Group leases certain assets which 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

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1, 2021	\$ 5,422,848	\$ 1,360,858	\$ 6,783,706
Additions	-	3,334	3,334
Disposals	-	(93,565)	(93,565)
Reclassification	-	13	13
Effects of exchange rate changes	-	(845)	(845)
Balance at December 31, 2021	<u>\$ 5,422,848</u>	<u>\$ 1,269,795</u>	<u>\$ 6,692,643</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2021	\$ 546,871	\$ 785,401	\$ 1,332,272
Depreciation expenses	-	20,507	20,507
Disposals	-	(89,267)	(89,267)
Reclassification	-	3,791	3,791
Effects of exchange rate changes	-	(340)	(340)
Balance at December 31, 2021	<u>\$ 546,871</u>	<u>\$ 720,092</u>	<u>\$ 1,266,963</u>
Carrying amount at December 31, 2021	<u>\$ 4,875,977</u>	<u>\$ 549,703</u>	<u>\$ 5,425,680</u>
<u>Cost</u>			
Balance at January 1, 2020	\$ 6,806,831	\$ 1,362,059	\$ 8,168,890
Reclassification	(1,383,983)	-	(1,383,983)
Effects of exchange rate changes	-	(1,201)	(1,201)
Balance at December 31, 2020	<u>\$ 5,422,848</u>	<u>\$ 1,360,858</u>	<u>\$ 6,783,706</u>

(Continued)

	Land	Buildings	Total
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2020	\$ 1,081,587	\$ 765,094	\$ 1,846,681
Depreciation expenses	-	20,770	20,770
Reclassification	(534,716)	-	(534,716)
Effects of exchange rate changes	-	(463)	(463)
Balance at December 31, 2020	<u>\$ 546,871</u>	<u>\$ 785,401</u>	<u>\$ 1,332,272</u>
Carrying amount at December 31, 2020	<u>\$ 4,875,977</u>	<u>\$ 575,457</u>	<u>\$ 5,451,434</u> (Concluded)

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

The fair values of the investment properties were determined by independent qualified professional valuers or the Group's management using market prices of similar properties. As of December 31, 2021 and 2020, the fair values of investment properties were \$13,566,958 thousand and \$13,495,806 thousand, respectively.

The investment properties pledged as collateral for bank borrowings are set out in Note 34.

18. INTANGIBLE ASSETS

	Goodwill	Operational Concession	Mining Rights	Technical Expertise	Others	Total
<u>Cost</u>						
Balance at January 1, 2021	\$ 11,784,778	\$ 7,681,476	\$ 3,335,578	\$ -	\$ 1,203,169	\$ 24,005,001
Additions	-	-	1,801,497	-	376,576	2,178,073
Disposals	-	-	(47,411)	-	-	(47,411)
Acquisitions through business combinations (Note 27)	4,708,627	-	-	1,296,259	346,823	6,351,709
Reclassification	-	-	719,959	-	-	719,959
Effects of exchange rate changes	(354,595)	-	(37,029)	(75,608)	(34,889)	(502,121)
Balance at December 31, 2021	<u>\$ 16,138,810</u>	<u>\$ 7,681,476</u>	<u>\$ 5,772,594</u>	<u>\$ 1,220,651</u>	<u>\$ 1,891,679</u>	<u>\$ 32,705,210</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	-	151,111	204,365	-	104,813	460,289
Disposals	-	-	(47,365)	-	-	(47,365)
Acquisitions through business combinations (Note 27)	-	-	-	-	236,766	236,766
Effects of exchange rate changes	-	-	(16,201)	-	(20,181)	(36,382)
Balance at December 31, 2021	<u>\$ 156,000</u>	<u>\$ 1,511,110</u>	<u>\$ 1,904,654</u>	<u>\$ -</u>	<u>\$ 1,482,585</u>	<u>\$ 5,054,349</u>
Carrying amount at December 31, 2021	<u>\$ 15,982,810</u>	<u>\$ 6,170,366</u>	<u>\$ 3,867,940</u>	<u>\$ 1,220,651</u>	<u>\$ 409,094</u>	<u>\$ 27,650,861</u>
<u>Cost</u>						
Balance at January 1, 2020	\$ 11,603,510	\$ 7,681,476	\$ 3,184,609	\$ -	\$ 1,190,994	\$ 23,660,589
Additions	-	-	29,675	-	16,976	46,651
Reclassification	-	-	80,429	-	281	80,710
Effects of exchange rate changes	181,268	-	40,865	-	(5,082)	217,051
Balance at December 31, 2020	<u>\$ 11,784,778</u>	<u>\$ 7,681,476</u>	<u>\$ 3,335,578</u>	<u>\$ -</u>	<u>\$ 1,203,169</u>	<u>\$ 24,005,001</u>
<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	-	151,111	213,378	-	56,436	420,925
Effects of exchange rate changes	-	-	20,533	-	(4,888)	15,645
Balance at December 31, 2020	<u>\$ 156,000</u>	<u>\$ 1,359,999</u>	<u>\$ 1,763,855</u>	<u>\$ -</u>	<u>\$ 1,161,187</u>	<u>\$ 4,441,041</u>
Carrying amount at December 31, 2020	<u>\$ 11,628,778</u>	<u>\$ 6,321,477</u>	<u>\$ 1,571,723</u>	<u>\$ -</u>	<u>\$ 41,982</u>	<u>\$ 19,563,960</u>

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
Technical expertise	5 years
Others	3-17 years

19. BORROWINGS

a. Short-term loans

	December 31	
	2021	2020
Secured borrowings		
Bank loans	\$ <u>25,000</u>	\$ <u>100,000</u>
Unsecured borrowings		
Bank loans - unsecured	47,727,752	33,867,794
Bank loans - letters of credit	<u>687,762</u>	<u>707,660</u>
	<u>48,415,514</u>	<u>34,575,454</u>
	\$ <u>48,440,514</u>	\$ <u>34,675,454</u>
Interest rate	0.56%-1.30%	0.62%-1.15%

b. Short-term bills payable

	December 31	
	2021	2020
Commercial paper	\$ 6,775,000	\$ 6,250,000
Less: Unamortized discount on bills payable	<u>5,954</u>	<u>2,971</u>
	<u>\$ 6,769,046</u>	<u>\$ 6,247,029</u>
Interest rate	0.83%-1.11%	0.85%-1.15%

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

	December 31	
	2021	2020
Secured borrowings	\$ 2,162,800	\$ 5,278,160
Unsecured borrowings	<u>21,624,453</u>	<u>24,525,321</u>
	23,787,253	29,803,481
Less: Current portions	<u>7,091,417</u>	<u>4,805,000</u>
	<u>\$ 16,695,836</u>	<u>\$ 24,998,481</u>

(Continued)

	December 31	
	2021	2020
Long-term bills payable	\$ 12,700,000	\$ 5,000,000
Less: Discount on bills payable	<u>19,914</u>	<u>8,673</u>
	<u>\$ 12,680,086</u>	<u>\$ 4,991,327</u>
Interest rate		
Long-term bank loans	0.68%-3.75%	1.01%-1.89%
Long-term bills payable	1.19%-1.25%	1.19%
		(Concluded)

Long-term loans consist of unsecured borrowings, secured borrowings and earmarked loans. The principals of long-term unsecured and secured borrowings are due in September 2027, and the interests are paid monthly. The principals of earmarked loans are 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 and a seven-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 Group disposed of all its interests in Taiwan Prosperity Chemical Corporation in August 2021, refer to Note 28.

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

	December 31	
	2021	2020
Domestic unsecured bonds		
1 st issued in 2018	\$ 12,000,000	\$ 12,000,000
1 st issued in 2019	12,600,000	12,600,000
1 st issued in 2020	20,000,000	20,000,000
1 st issued in 2021	<u>16,600,000</u>	<u>-</u>
	61,200,000	44,600,000
Less: Discount on bonds payable	<u>(110,690)</u>	<u>(83,620)</u>
	<u>61,089,310</u>	<u>44,516,380</u>
Overseas unsecured convertible bonds		
1 st issued in 2018	-	10,308,070
1 st issued in 2021	22,200,000	-
Less: Discount on bonds payable	<u>(1,762,865)</u>	<u>(927,080)</u>
	<u>20,437,135</u>	<u>9,380,990</u>
	<u>\$ 81,526,445</u>	<u>\$ 53,897,370</u>

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 December 31, 2021, the Corporation has issued a portion 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.

The Corporation issued domestic unsecured bonds at par value in the total amount of NT\$16,600,000 thousand on August 31, 2021. According to the issuance conditions, the unsecured bonds are classified into bonds A, bonds B, bonds C and bonds D, with a fixed coupon rate of 0.59%, 0.68%, 0.78% and 0.95% per annum, and with the issuance amounts of NT\$5,800,000 thousand, NT\$3,100,000 thousand, NT\$1,200,000 thousand and NT\$6,500,000 thousand, respectively. The bonds will be repaid in a one-off payment on August 31, 2026, August 31, 2028, August 31, 2031 and August 31, 2036, respectively, while the interests will be paid annually.

b. Overseas unsecured convertible bonds

1) Overseas unsecured convertible bonds 1st issued in 2018

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 maturity date. The conversion price after the issuance of convertible corporate 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 have been adjusted from NT\$41 per share to NT\$29.87 per share since August 18, 2021, i.e. the ex-dividend date. Bondholders can request the Corporation to convert the bonds at the 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 December 31, 2021, a total of 386,734 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.

2) Overseas unsecured convertible bonds 1st issued in 2021

In September 2021, 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 November 26, 2021 (Ref. No. Jin-Guan-Zheng-Fa-Zi 1100373764). The bonds which have durations of 5 years were listed on the Singapore Stock Exchange on December 7, 2021. This zero-coupon overseas convertible bonds have a face value of US\$800,000 thousand.

Bondholders may request the Corporation to convert the bonds into the Corporation's ordinary shares at the price of NT\$59.8 per share at any time within the period from the following day after three months from the issuance date to 10 days prior to maturity date. The conversion price after the issuance of convertible corporate 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. Bondholders can request the Corporation to convert the bonds at the fixed exchange rate of US\$1= NT\$27.75, which is to be divided by the conversion price per share on the conversion date. As of December 31, 2021, no conversion had been requested.

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 1.69% per annum on initial recognition.

	Convertible Bonds
Proceeds from issuance at October 2018 (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	<u>374,463</u>
Liability component at December 31, 2019	11,155,018
Interest charged at an effective interest rate	358,292
Convertible bonds converted to ordinary shares (71,755 thousand shares has been converted)	<u>(2,132,320)</u>
Liability component at December 31, 2020	<u>9,380,990</u>
Interest charged at an effective interest rate	77,474
Convertible bonds converted to ordinary shares (314,979 thousand shares has been converted)	(9,458,464)
Proceeds from issuance at December 2021 (less transaction costs of \$232,461 thousand)	21,967,539
Redemption of option derivatives (accounting for financial liabilities measured at FVTPL) and transaction costs	(215,282)
Equity component at the date of issue (less transaction costs component of \$14,157 thousand)	<u>(1,337,823)</u>
Liability component at the date of issue (less transaction costs allocated to the liability component of \$216,026 thousand)	20,414,434
Interest charged at an effective interest rate	<u>22,701</u>
Liability component at December 31, 2021	<u>\$ 20,437,135</u>

21. OTHER PAYABLES

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Salaries and bonuses payable	\$ 2,392,053	\$ 2,583,574
Deposits and retention money	1,272,813	1,126,321
Payables for equipment	1,081,568	845,305
Taxes payable	562,434	869,035
Interest payable	380,429	348,060
Payables for electricity	290,708	468,672
Freight payables	170,245	387,098
Others	<u>4,087,946</u>	<u>4,033,564</u>
	<u>\$ 10,238,196</u>	<u>\$ 10,661,629</u>

22. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

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

b. Defined benefit plan

The defined benefit plan adopted by the Corporation and its subsidiaries in the Republic of China, which is in accordance with the Labor Standards Act, is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Group contributes amounts equal to a specified percentage of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plan were as follows:

	December 31	
	2021	2020
Present value of defined benefit obligation	\$ (1,008,358)	\$ (1,065,946)
Fair value of plan assets	<u>2,715,472</u>	<u>2,565,126</u>
	<u>\$ 1,707,114</u>	<u>\$ 1,499,180</u>
Net defined benefit asset	<u>\$ 1,850,315</u>	<u>\$ 1,572,025</u>
Net defined benefit liability	<u>\$ 143,201</u>	<u>\$ 72,845</u>

Movements in net defined benefit asset were as follows:

	Present Value of Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Asset
Balance at January 1, 2021	\$ (1,065,946)	\$ 2,565,126	\$ 1,499,180
Service costs			
Current service costs	(14,724)	-	(14,724)
Net interest income (expense)	<u>(4,504)</u>	<u>9,404</u>	<u>4,900</u>
Recognized in profit or loss	<u>(19,228)</u>	<u>9,404</u>	<u>(9,824)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	282,466	282,466
Actuarial loss - changes in demographic assumptions	(24,188)	-	(24,188)
Actuarial gain - changes in financial assumptions	5,747	-	5,747
Actuarial gain - experience adjustments	<u>2,264</u>	<u>-</u>	<u>2,264</u>
Recognized in other comprehensive income (loss)	<u>(16,177)</u>	<u>282,466</u>	<u>266,289</u>
Contributions from the employer	-	12,959	12,959
Benefits paid	61,871	(54,572)	7,299
Disposal of subsidiary	109,475	(114,319)	(4,844)
Business combinations	(90,099)	14,408	(75,691)
Others	<u>11,746</u>	<u>-</u>	<u>11,746</u>
Balance at December 31, 2021	<u>\$ (1,008,358)</u>	<u>\$ 2,715,472</u>	<u>\$ 1,707,114</u>
Balance at January 1, 2020	\$ (1,109,834)	\$ 2,446,775	\$ 1,336,941
Service costs			
Current service costs	(5,336)	-	(5,336)
Net interest income (expense)	<u>(7,344)</u>	<u>15,610</u>	<u>8,266</u>
Recognized in profit or loss	<u>(12,680)</u>	<u>15,610</u>	<u>2,930</u>

(Continued)

	Present Value of Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Asset
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	\$ -	\$ 156,394	\$ 156,394
Actuarial loss - changes in demographic assumptions	(52)	-	(52)
Actuarial loss - changes in financial assumptions	(22,691)	-	(22,691)
Actuarial loss - experience adjustments	<u>(7,654)</u>	<u>-</u>	<u>(7,654)</u>
Recognized in other comprehensive income (loss)	<u>(30,397)</u>	<u>156,394</u>	<u>125,997</u>
Contributions from the employer	-	30,613	30,613
Benefits paid	84,266	(84,266)	-
Others	<u>2,699</u>	<u>-</u>	<u>2,699</u>
Balance at December 31, 2020	<u>\$ (1,065,946)</u>	<u>\$ 2,565,126</u>	<u>\$ 1,499,180</u> (Concluded)

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

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

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

	December 31	
	2021	2020
Discount rates	0.50%-0.63%	0.38%-0.50%
Long-term average rates of salary increase	1.50%-2.25%	1.50%-2.25%

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

	December 31	
	2021	2020
Discount rates		
0.25% increase	<u>\$ (18,152)</u>	<u>\$ (21,483)</u>
0.25% decrease	<u>\$ 18,709</u>	<u>\$ 22,160</u>
Expected rates of salary increase		
0.25% increase	<u>\$ 18,807</u>	<u>\$ 21,406</u>
0.25% decrease	<u>\$ (17,643)</u>	<u>\$ (20,865)</u>

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

	December 31	
	2021	2020
The expected contributions to the plan for the next year	<u>\$ 10,370</u>	<u>\$ 13,756</u>
The average duration of the defined benefit obligation	7-13 years	7-13 years

23. EQUITY

a. Share capital

1) Ordinary shares

	December 31	
	2021	2020
Number of shares authorized (in thousands)	<u>7,000,000</u>	<u>7,000,000</u>
Shares authorized	<u>\$ 70,000,000</u>	<u>\$ 70,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>6,125,234</u>	<u>5,741,401</u>
Shares issued	<u>\$ 61,252,340</u>	<u>\$ 57,414,007</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 include common 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, respectively, which were approved by the FSC. The subscription base dates was August 18, 2020 as determined by the board of directors.

The Corporation 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 form convertible bonds

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

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

b. Capital surplus

	December 31	
	2021	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
Conversion of bonds	10,540,825	3,174,361
Difference between the consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	-	22,400
Treasury share transactions	204,127	204,127
Donations	31,537	31,537
Forfeited share options	16,456	13,542
Exercised employee share options	7,652	564

(Continued)

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
<u>May only be used to offset a deficit (Note 2)</u>		
Changes in percentage of ownership interests in subsidiaries	\$ 114,834	\$ 116,238
Dividends distributed by subsidiaries not yet received by shareholders	2,510	2,510
<u>May not be used for any purpose</u>		
Equity component of convertible bond	1,337,823	1,064,769
Changes in interests in associates accounted for using the equity method	<u>325,339</u>	<u>316,035</u>
	<u>\$ 56,757,470</u>	<u>\$ 49,122,450</u>
		(Concluded)

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.

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 approved in the shareholders' general meetings in July 2021 and 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	\$ 2,530,554	\$ 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)

Note 1: The number of ordinary shares outstanding was affected by the Corporation's purchase of treasury shares which has not been transferred to employees. 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.

As of February 25, 2022, the appropriation of earnings for 2021 had not yet been proposed by the Corporation's board of directors. Information on the appropriation of the earnings proposed by the Corporation's board of directors and approved by shareholder's general meeting is available at the Market Observation Post System website of the Taiwan Stock Exchange.

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, and such special reserve of \$0 thousand and \$9,202 thousand was reversed for the years ended December 31, 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 Year Ended December 31	
	2021	2020
Balance at January 1	\$ (9,523,576)	\$ (11,660,261)
Recognized during the year		
Exchange differences on translating foreign operations	(1,313,568)	2,237,171
Share of exchange differences of associates and joint ventures accounted for using the equity method	<u>(5,231,751)</u>	<u>(100,486)</u>
Balance at December 31	<u>\$ (16,068,895)</u>	<u>\$ (9,523,576)</u>

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

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ <u>30,670,817</u>	\$ <u>35,395,116</u>
Recognized during the year		
Unrealized loss - equity instruments	(2,820,559)	(4,617,447)
Share from associates and joint ventures	<u>168,531</u>	<u>(5,554)</u>
Other comprehensive loss recognized in the year	(2,652,028)	(4,623,001)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	<u>(1,029,880)</u>	<u>(101,298)</u>
Balance at December 31	<u>\$ 26,988,909</u>	<u>\$ 30,670,817</u>

3) Cash flow hedges

	For the Year Ended December 31	
	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	(250)
Transferred to initial carrying amount of hedged items	<u>-</u>	<u>(129)</u>
Balance at December 31	<u>\$ -</u>	<u>\$ (250)</u>

f. Non-controlling interests

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ 14,758,236	\$ 14,777,799
Net income	944,890	2,892,084
Other comprehensive income (loss) in the period		
Exchange differences on translation of foreign operations	(100,746)	(17,980)
Unrealized gain (loss) on financial assets at FVTOCI	10,162	(85,759)
Gain on changes in fair value of hedging instruments	-	87
Remeasurement of defined benefit plan	(502)	(1,145)
Transferred to the initial carrying amount of hedged items	-	(87)
Changes in ownership interests of subsidiaries	(31,361)	(26,225)
Dividends from claims extinguished by prescription transferred to capital surplus	-	57
Dividends paid by subsidiaries	(2,069,608)	(2,485,089)
Non-controlling interests arising from acquisition of subsidiaries (Note 27)	6,385,908	-
Issuance of subsidiary's ordinary shares for cash	1,483,509	-
Acquisitions of non-controlling interests in subsidiaries (Note 29)	<u>(203,148)</u>	<u>(295,506)</u>
Balance at December 31	<u>\$ 21,177,340</u>	<u>\$ 14,758,236</u>

g. Treasury shares

(In Thousands of Shares)

	For the Year Ended December 31	
	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 December 31	<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 year ended December 31, 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 Year Ended December 31	
	2021	2020
An analysis of depreciation by account		
Property, plant and equipment	\$ 5,599,019	\$ 5,383,290
Right-of-use assets	829,916	700,234
Investment properties	<u>20,507</u>	<u>20,770</u>
	<u>\$ 6,449,442</u>	<u>\$ 6,104,294</u>
An analysis of depreciation by function		
Operating costs	\$ 6,021,621	\$ 5,712,873
Operating expenses	425,757	390,572
Non-operating expenses	<u>2,064</u>	<u>849</u>
	<u>\$ 6,449,442</u>	<u>\$ 6,104,294</u>
An analysis of amortization of intangible assets by function		
Operating costs	\$ 389,346	\$ 372,820
Operating expenses	<u>70,943</u>	<u>48,105</u>
	<u>\$ 460,289</u>	<u>\$ 420,925</u>

b. Employee benefits expense

	For the Year Ended December 31	
	2021	2020
Retirement benefit plans		
Defined contribution plans	\$ 544,852	\$ 200,614
Defined benefit plans	<u>9,456</u>	<u>(3,932)</u>
	<u>554,308</u>	<u>196,682</u>
Share-based payments		
Equity-settled	24,325	4,808
Cash-settled	<u>105,960</u>	<u>-</u>
	<u>130,285</u>	<u>4,808</u>
Other employee benefits	<u>7,877,215</u>	<u>6,905,729</u>
Total of employee benefits expense	<u>\$ 8,561,808</u>	<u>\$ 7,107,219</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 5,745,436	\$ 4,771,562
Operating expenses	<u>2,816,372</u>	<u>2,335,657</u>
	<u>\$ 8,561,808</u>	<u>\$ 7,107,219</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. The total amount of compensation of employees and remuneration of directors were \$106,914 thousand and \$210,453 thousand for the year ended December 31, 2021. The Corporation may settle compensation of employees and remuneration of directors in cash were \$107,954 thousand and \$256,965 thousand for the year ended December 31, 2020 which was approved by the Corporation's board of directors in March 2021.

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.

There was no difference between the actual amounts of employees' compensation 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 Year Ended December 31	
	2021	2020
Interest on bank borrowings	\$ 805,611	\$ 893,554
Interest on corporate bonds	627,393	793,471
Interest on lease liabilities	55,481	30,416
Other finance costs	<u>181,978</u>	<u>175,409</u>
	<u>\$ 1,670,463</u>	<u>\$ 1,892,850</u>

e. Interest income

	For the Year Ended December 31	
	2021	2020
Interest on bank deposits	\$ 1,527,381	\$ 1,336,101
Others	<u>8,599</u>	<u>20,236</u>
	<u>\$ 1,535,980</u>	<u>\$ 1,356,337</u>

f. Other income

	For the Year Ended December 31	
	2021	2020
Government grants	\$ 118,848	\$ 240,160
Rental income	16,367	13,257
Gain on disposal of investment (Note 14)	233,756	-
Others	<u>698,878</u>	<u>179,124</u>
	<u>\$ 1,067,849</u>	<u>\$ 432,541</u>

g. Other expenses

	<u>For the Year Ended December 31</u>	
	2021	2020
Loss on work stoppages	\$ 130,284	\$ 134,954
Others	<u>660,733</u>	<u>244,608</u>
	<u>\$ 791,017</u>	<u>\$ 379,562</u>

25. INCOME TAX RELATING TO CONTINUING OPERATIONS

a. Major components of tax expense recognized in profit or loss

	<u>For the Year Ended December 31</u>	
	2021	2020
Current tax		
In respect of the current year	\$ 5,527,508	\$ 7,115,473
Income tax on unappropriated earnings	94,120	205,999
Adjustments for prior years	<u>(112,501)</u>	<u>(230,742)</u>
	<u>5,509,127</u>	<u>7,090,730</u>
Deferred tax		
In respect of the current year	<u>421,260</u>	<u>253,501</u>
Income tax expense recognized in profit or loss	<u>\$ 5,930,387</u>	<u>\$ 7,344,231</u>

A reconciliation of income before income tax and income tax expense recognized in profit or loss was as follows:

	<u>For the Year Ended December 31</u>	
	2021	2020
Income before income tax	<u>\$ 26,078,084</u>	<u>\$ 35,819,083</u>
Income tax expense at the statutory rate	\$ 5,215,616	\$ 7,163,817
Non-deductible expenses in determining taxable income	669,573	156,484
Tax-exempt income	(760,854)	(888,036)
Unrecognized loss carryforwards and deductible temporary differences	(271,482)	(109,329)
Loss carryforwards utilized in the current year	(134,387)	(78,365)
Effects of different tax rate of subsidiaries operating in other jurisdictions	786,563	1,052,528
Income tax on unappropriated earnings	94,120	205,999
Adjustments for prior years	(112,501)	(230,742)
Others	<u>443,739</u>	<u>71,875</u>
Income tax expense recognized in profit or loss	<u>\$ 5,930,387</u>	<u>\$ 7,344,231</u>

b. Income tax recognized in other comprehensive income

For the Year Ended December 31
2021 **2020**

Deferred tax

Deferred tax in the current year

 Remeasurement on defined benefit plan

\$ 53,780

\$ 25,212

c. Current tax assets and liabilities

December 31
2021 **2020**

Current tax assets

 Tax refund receivable (included in other receivables)

\$ 130,898

\$ 54,412

Current tax liabilities

 Current income tax liabilities

\$ 2,490,823

\$ 3,914,955

d. Deferred income tax assets and liabilities

The movements of deferred income tax assets (included in other non-current assets) and deferred income tax liabilities were as follows:

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Acquisitions Through Business Combinations	Disposal of Subsidiary	Others	Closing Balance
<u>Deferred income tax assets</u>							
Loss carryforwards	\$ 206,678	\$ 2,039	\$ -	\$ -	\$ (203,566)	\$ -	\$ 5,151
Defined benefit plan	27,371	(2,515)	260	-	(2,828)	-	22,288
Inventories	122,133	(4,809)	-	-	-	(578)	116,746
Others	<u>280,025</u>	<u>(34,042)</u>	<u>-</u>	<u>-</u>	<u>(20,708)</u>	<u>3,707</u>	<u>228,982</u>
	<u>\$ 636,207</u>	<u>\$ (39,327)</u>	<u>\$ 260</u>	<u>\$ -</u>	<u>\$ (227,102)</u>	<u>\$ 3,129</u>	<u>\$ 373,167</u>
<u>Deferred income tax liabilities</u>							
Land value increment tax	\$ 5,083,375	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,083,375
Finance leases	3,093,646	(219,478)	-	-	-	-	2,874,168
Property, plant and equipment	1,503,371	92,244	-	-	-	(5,102)	1,590,513
Retained earnings from foreign subsidiaries	1,771,373	314,498	-	-	-	(262,342)	1,823,529
Defined benefit plan	291,309	285	54,040	-	-	-	345,634
Others	<u>11,196</u>	<u>194,384</u>	<u>-</u>	<u>920</u>	<u>(248)</u>	<u>(606)</u>	<u>205,646</u>
	<u>\$ 11,754,270</u>	<u>\$ 381,933</u>	<u>\$ 54,040</u>	<u>\$ 920</u>	<u>\$ (248)</u>	<u>\$ (268,050)</u>	<u>\$ 11,922,865</u>

For the year ended December 31, 2020

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Others	Closing Balance
<u>Deferred income tax assets</u>					
Loss carryforwards	\$ 206,650	\$ 28	\$ -	\$ -	\$ 206,678
Allowance for impaired receivables	5,459	(5,459)	-	-	-
Defined benefit plan	29,409	(1,707)	(331)	-	27,371
Inventories	122,153	(853)	-	833	122,133
Others	<u>267,392</u>	<u>12,675</u>	<u>-</u>	<u>(42)</u>	<u>280,025</u>
	<u>\$ 631,063</u>	<u>\$ 4,684</u>	<u>\$ (331)</u>	<u>\$ 791</u>	<u>\$ 636,207</u>
<u>Deferred income tax liabilities</u>					
Land value increment tax	\$ 5,092,973	\$ (9,598)	\$ -	\$ -	\$ 5,083,375
Finance leases	3,253,903	(160,257)	-	-	3,093,646
Property, plant and equipment	1,383,077	103,631	-	16,663	1,503,371
Retained earnings from foreign subsidiaries	1,582,522	340,832	-	(151,981)	1,771,373
Defined benefit plan	264,339	2,089	24,881	-	291,309
Others	<u>12,120</u>	<u>(830)</u>	<u>-</u>	<u>(94)</u>	<u>11,196</u>
	<u>\$ 11,588,934</u>	<u>\$ 275,867</u>	<u>\$ 24,881</u>	<u>\$ (135,412)</u>	<u>\$ 11,754,270</u>

e. Unrecognized deferred income tax assets in respect of loss carryforwards

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Loss carryforwards		
Expire in 2021	\$ -	\$ 746,084
Expire in 2022	1,333,520	548,502
Expire in 2023	873,426	808,578
Expire in 2024	865,142	759,539
Expire in 2025	990,779	1,736,460
Expire in 2026	1,281,534	24,007
Expire in 2027	435,584	723,371
Expire in 2028	37,706	10,004
Expire in 2029	192,615	1,219,287
Expire in 2030	392,916	627,648
Expire in 2031	<u>1,279,008</u>	<u>-</u>
	<u>\$ 7,682,230</u>	<u>\$ 7,203,480</u>

f. Unused loss carryforwards information

Loss carryforwards as of December 31, 2021 were comprised of:

Unused Amount	Expiry Year
\$ 1,343,735	2022
873,426	2023
865,142	2024
990,779	2025
1,281,534	2026
435,584	2027
50,580	2028
195,282	2029
392,916	2030
<u>1,279,008</u>	2031
<u>\$ 7,707,986</u>	

g. Unrecognized deferred income tax liabilities in respect of investments

As of December 31, 2021 and 2020, the taxable temporary differences in respect of investments in subsidiaries and associates for which no deferred income tax liabilities have been recognized were \$97,109,400 thousand and \$84,233,708 thousand, respectively.

h. Income tax assessments

The information of income tax assessments for the Group is as follows:

Year	Company
2018	Taiwan Cement Corporation, Ta-Ho Maritime Corporation
2019	Ho Sheng Mining Co., Ltd., Union Cement Traders Inc., TCC Information Systems Corporation, Taiwan Cement Engineering Corporation, Tung Chen Mineral Corporation, Jin Chang Minerals Corporation, Hoping Industrial Port Corporation, HPC Power Service Corporation, Ho-Ping Power Company, E.G.C. Cement Corporation, Feng Sheng Enterprise Company, TCC Green Energy Corporation, Kuan-Ho Refractories Industry Corporation, Taiwan Transport & Storage Corporation, TCC Chemical Corporation, Ta-Ho RSEA Environment Co., Ltd., TCC Recycle Energy Technology Company
2020	TCC Investment Corporation

26. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Year Ended December 31	
	2021	2020
Basic earnings (loss) per share		
From continuing operations	\$ 3.12	\$ 4.35
From discontinued operations	<u>0.18</u>	<u>(0.03)</u>
	<u>\$ 3.30</u>	<u>\$ 4.32</u>
Diluted earnings (loss) per share		
From continuing operations	\$ 3.09	\$ 4.12
From discontinued operations	<u>0.18</u>	<u>(0.03)</u>
	<u>\$ 3.27</u>	<u>\$ 4.09</u>

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

	For the Year Ended December 31	
	2021	2020
Profit for the year attributable to owners of the Corporation (Note)	\$ 19,906,366	\$ 24,749,309
Loss (profit) for the period used in the computation of basic earnings per share from discontinued operations	<u>(1,073,939)</u>	<u>180,487</u>
Profit used in the computation of basic earnings per share from continuing operations	18,832,427	24,929,796
Effect of potentially dilutive ordinary shares:		
Interest on convertible bonds	<u>67,416</u>	<u>277,794</u>
Profit used in the computation of diluted earnings per share from continuing operations	<u>\$ 18,899,843</u>	<u>\$ 25,207,590</u>
<u>Number of shares (in thousands)</u>		
Weighted average number of ordinary shares in computation of basic earnings per share	6,034,789	5,735,314
Effect of potentially dilutive ordinary shares:		
Compensation of employees	2,784	3,070
Convertible bonds	<u>79,950</u>	<u>379,498</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>6,117,523</u>	<u>6,117,882</u>

Note: Preference share dividends of \$350,000 thousand were deducted in 2021 and 2020, respectively.

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

27. BUSINESS COMBINATIONS

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
NHOA S.A.	Investment, construction of renewable energy storage system	July 20, 2021	60.5	<u>\$ 4,391,545</u>
TCC Recycle Energy Technology Company	Investment, manufacture of Lithium batteries	August 12, 2021	38.1	<u>\$ 9,232,894</u>

On April 19, 2021, the Board of Directors of the Corporation resolved to acquire 60.5% of the ordinary shares of Engie EPS in order to expand the Group's energy storage business. The Group acquired 7,721,453 shares of Engie EPS from Engie SA group for a cash payment of EUR17.10 per share on July 20, 2021, and Engie EPS changed its name to NHOA S.A. on the same day.

The Group subscribed TCC Recycle Energy Technology Company with \$9,232,894 thousand, leading to an increase of the percentage of ownership in TCC Recycle Energy Technology Company from 29.7% to 67.8% with non-subscription by other shareholders and subsequently gaining control of it.

b. Consideration transferred

	NHOA S.A.	TCC Recycle Energy Technology Company
Cash	<u>\$ 4,391,545</u>	<u>\$ 9,232,894</u>

c. Assets acquired and liabilities assumed at the date of acquisition

	NHOA S.A.	TCC Recycle Energy Technology Company
Current assets		
Cash and cash equivalents	\$ 354,778	\$ 11,624,517
Trade and other receivables	157,970	539,584
Inventories	99,534	1,237,632
Other current assets	410,460	258,499
Non-current assets		
Property, plant and equipment	215,757	3,609,512
Intangible assets	1,406,316	-
Other non-current assets	526,800	689,442

(Continued)

	NHOA S.A.	TCC Recycle Energy Technology Company
Current liabilities		
Short-term borrowings	\$ (132,667)	\$ (11,129)
Trade and other payables	(325,981)	(694,593)
Long-term borrowings (expired within a year)	(332,600)	(300,000)
Other current liabilities	(432,490)	(398,269)
Non-current liabilities		
Long-term borrowings	(758,169)	-
Other non-current liabilities	<u>(404,164)</u>	<u>(123,469)</u>
Net assets acquired	<u>\$ 785,544</u>	<u>\$ 16,431,726</u> (Concluded)

A tentative set of accounting principle was applied in the acquisition of NHOA S.A. as of the consolidated balance sheet date.

d. Non-controlling interests

The non-controlling interests recognized at the acquisition date were measured by the proportion of identifiable net assets owned. As mentioned above, the measurement of non-controlling interests as of December 31, 2021 was only tentative.

e. Goodwill recognized on acquisitions

	NHOA S.A.	TCC Recycle Energy Technology Company
Consideration transferred	\$ 4,391,545	\$ 9,232,894
Fair value of equity at acquisition date	-	1,915,550
Non-controlling interests	1,090,248	5,295,660
Fair value of identifiable net liabilities assumed	<u>(785,544)</u>	<u>(16,431,726)</u>
Goodwill recognized on acquisitions	<u>\$ 4,696,249</u>	<u>\$ 12,378</u>

The total amount of acquired goodwill is not tax-deductible.

As of December 31, 2021, the Group had not finished identifying the difference between the investment cost and net fair value of NHOA S.A.

f. Net cash outflow (inflow) on the acquisition of subsidiaries

	NHOA S.A.	TCC Recycle Energy Technology Company
Consideration paid in cash	\$ 4,391,545	\$ 9,232,894
Less: Cash and cash equivalent balances acquired	<u>(354,778)</u>	<u>(11,624,517)</u>
	<u>\$ 4,036,767</u>	<u>\$ (2,391,623)</u>

g. Impact of acquisitions on the results of the Group

The financial results of the acquirees since the acquisition dates were as follows:

	NHOA S.A.	TCC Recycle Energy Technology Company
Operating revenue	<u>\$ 813,458</u>	<u>\$ 2,312,668</u>
Net income (loss)	<u>\$ (305,325)</u>	<u>\$ (117,651)</u>

Had the acquisition happened at the beginning of 2021, the Group's revenue would have been \$109,525,695 thousand, and the profit would have been \$20,496,659 thousand for the year ended December 31, 2021, respectively. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the acquisition year, nor is it intended to be a projection of future results.

28. DISPOSAL OF SUBSIDIARY

On March 19, 2021, the Corporation's Board of Directors resolved to enter into a sale agreement to dispose of all its interests in Taiwan Prosperity Chemical Corporation for Chang Chun Plastic Co., Ltd. by receiving 2,400,000 thousand in cash. According to the agreement, Taiwan Prosperity Chemical Corporation should pay \$400,000 thousand to TCC Chemical Corporation as the consideration of ending the machinery lease agreement before the acquisition date. The disposal was completed on August 17, 2021, the date the control of Taiwan Prosperity Chemical Corporation passed to the acquirer.

a. Consideration received from disposal

Consideration received in cash and cash equivalents	<u>\$ 2,800,000</u>
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b. Analysis of assets and liabilities on the date control was lost

Current assets	
Cash and cash equivalents	\$ 2,926,538
Trade receivables	2,112,486
Other receivables	1,065,671
Inventories	779,911
Other current assets	88,596
Non-current assets	
Property, plant and equipment	2,429,783
Other non-current assets	461,935
Current liabilities	
Short-term borrowings	(3,179,197)
Trade payables	(569,283)
Other payables	(775,303)
Other current liabilities	(32,872)
Non-current liabilities	
Long-term borrowings (including expired within a year)	(2,995,760)
Other non-current liabilities	<u>(33,919)</u>
Net assets disposed of	<u>\$ 2,278,586</u>

c. Gain on disposal of subsidiary	
Consideration received	\$ 2,800,000
Net assets disposed of	<u>(2,278,586)</u>
	<u>\$ 521,414</u>
d. Net cash outflow on disposal of subsidiary	
Consideration received in cash and cash equivalents	\$ 2,800,000
Less: Cash and cash equivalent balances disposed of	<u>(2,926,538)</u>
	<u>\$ (126,538)</u>

29. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

For the year ended December 31, 2021

- a. During 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>	<u>Taiwan Cement Corporation</u>
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>	<u>Taiwan Cement Corporation</u>
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	\$ (22,402)
Unappropriated earnings	<u>(351,793)</u>
	<u>\$ (374,195)</u>

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

Acquirer	Taiwan Cement Corporation
Acquiree	Taiwan Cement Engineering Corporation
Cash consideration paid	\$ (141)
The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests	<u>141</u>
Differences arising from equity transactions	<u>\$ -</u>

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

Acquirer	Taiwan Transport and Storage Corporation
Acquiree	Ta-Ho Maritime Corporation
Cash consideration paid	\$ (1,908)
The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests	<u>1,900</u>
Differences arising from equity transactions	<u>\$ (8)</u>

Acquirer	Taiwan Transport and Storage Corporation
Acquiree	Ta-Ho Maritime Corporation
<u>Line items adjusted for equity transactions</u>	
Unappropriated earnings	<u>\$ (8)</u>

- d. During 2021, the Group acquired a portion of the shares of NHOA S.A., and the proportion of ownership was increased from 60.5% to 65.2%.

Acquirer	TCEH
Acquiree	NHOA S.A.
Cash consideration paid	\$ (329,447)
The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests	<u>(51,045)</u>
Differences arising from equity transactions	<u>\$ (380,492)</u>

<u>Acquirer</u>	<u>TCEH</u>
Acquiree	NHOA S.A.

Line items adjusted for equity transactions

Unappropriated earnings	\$ (380,492)
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- e. During 2021, the Group acquired a portion of the shares of Taiwan Transport & Storage Corporation, and the proportion of ownership was 84.5%.

<u>Acquirer</u>	<u>TCEH</u>
Acquiree	NHOA S.A.

Cash consideration paid	\$ -
The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests	<u>2</u>

Differences arising from equity transactions	<u>\$ 2</u>
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<u>Acquirer</u>	<u>TCEH</u>
Acquiree	NHOA S.A.

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>\$ 2</u>
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The above transactions were accounted for as equity transactions since there was no change in the Group's control over these subsidiaries.

For the year ended December 31, 2020

- a. During 2020, the Group acquired a portion of the shares of Taiwan Cement Engineering Corporation, and the proportion of ownership increased from 99.0% to 99.2%.

<u>Acquirer</u>	<u>Taiwan Cement Corporation</u>
Acquiree	<u>Taiwan Cement Engineering Corporation</u>

Cash consideration paid	\$ (934)
The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests	<u>939</u>

Differences arising from equity transactions	<u>\$ 5</u>
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Acquirer	Taiwan Cement Corporation
Acquiree	Taiwan Cement Engineering 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	\$ <u>5</u>
b. During 2020, the Group acquired a portion of the shares of Taiwan Prosperity Chemical Corporation, and the proportion of ownership increased from 42.5% to 73.6%.	

Acquirer	Taiwan Cement Corporation
Acquiree	Taiwan Prosperity Chemical Corporation
Cash consideration paid	\$ (738,955)
The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests	<u>294,563</u>
Differences arising from equity transactions	<u>\$ (444,392)</u>

Acquirer	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	<u>\$ (444,392)</u>

c. During 2020, the Group acquired a portion of the shares of Taiwan Transport and Storage Corporation, and the proportion of ownership was 84.5%.

Acquirer	Taiwan Cement Corporation
Acquiree	Taiwan Transport and Storage Corporation
Cash consideration paid	\$ (1)
The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests	<u>2</u>
Differences arising from equity transactions	<u>\$ 1</u>

Acquirer	Taiwan Cement Corporation
	Taiwan Transport and Storage Corporation
Acquiree	
<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	\$ <u>1</u>
d. During 2020, the Group acquired a portion of the shares of Ta-Ho Maritime Corporation, and the proportion of ownership was 94%.	

Acquirer	Taiwan Transport and Storage Corporation
	Ta-Ho Maritime Corporation
Acquiree	
Cash consideration paid	\$ -
The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests	<u>2</u>
Differences arising from equity transactions	\$ <u>2</u>

Acquirer	Taiwan Transport and Storage Corporation
	Ta-Ho Maritime Corporation
Acquiree	

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>2</u>
--	-------------

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

30. CASH FLOWS INFORMATION

Changes in liabilities arising from financing activities:

For the year ended December 31, 2021

	Opening Balance	Cash Flows	Acquisition of Subsidiaries	Disposal of Subsidiary	Effect of Exchange Rate	Closing Balance
Short-term borrowings	\$ 34,675,454	\$ 17,043,656	\$ 143,796	\$ (3,179,197)	\$ (243,195)	\$ 48,440,514
Long-term borrowings (including expired within a year)	<u>29,803,481</u>	<u>(4,366,854)</u>	<u>1,390,769</u>	<u>(2,995,760)</u>	<u>(44,383)</u>	<u>23,787,253</u>
	<u>\$ 64,478,935</u>	<u>\$ 12,676,802</u>	<u>\$ 1,534,565</u>	<u>\$ (6,174,957)</u>	<u>\$ (287,578)</u>	<u>\$ 72,227,767</u>

For the year ended December 31, 2020

	Opening Balance	Cash Flows	Effect of Exchange Rate	Closing Balance
Short-term borrowings	\$ 30,445,048	\$ 4,533,158	\$ (302,752)	\$ 34,675,454
Long-term borrowings (including expired within a year)	<u>32,177,173</u>	<u>(2,181,761)</u>	<u>(191,931)</u>	<u>29,803,481</u>
	<u>\$ 62,622,221</u>	<u>\$ 2,351,397</u>	<u>\$ (494,683)</u>	<u>\$ 64,478,935</u>

31. 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.

32. FINANCIAL INSTRUMENTS

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

December 31, 2021

<u>Financial liabilities</u>	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial liabilities at amortized cost					
Convertible bonds payable	<u>\$ 20,437,135</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,599,380</u>	<u>\$ 20,599,380</u>

December 31, 2020

<u>Financial liabilities</u>	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
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>

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

1) Fair value hierarchy

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets mandatorily classified as at FVTPL				
Domestic listed shares	\$ 256,588	\$ -	\$ -	\$ 256,588
Domestic emerging market shares	<u>107,225</u>	<u>-</u>	<u>-</u>	<u>107,225</u>
	<u>\$ 363,813</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 363,813</u>
Financial assets at FVTOCI				
Equity instrument investment				
Domestic listed shares	\$ 6,335,655	\$ -	\$ -	\$ 6,335,655
Foreign listed shares	17,615,868	-	-	17,615,868
Domestic privately placed listed shares	-	1,255,794	-	1,255,794
Domestic unlisted shares	-	-	8,964,202	8,964,202
Domestic convertible preference shares	<u>51,888</u>	<u>-</u>	<u>-</u>	<u>51,888</u>
	<u>\$ 24,003,411</u>	<u>\$ 1,255,794</u>	<u>\$ 8,964,202</u>	<u>\$ 34,223,407</u>
Financial liabilities at FVTOCI				
Derivatives - put options and redemption options of convertible bond payables	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 213,062</u>	<u>\$ 213,062</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>
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>

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

For domestic listed private shares with no market price available as reference, their fair values are estimated using the evaluation method. The estimations and assumptions used by the Group in the evaluation method are consistent with those used by market participants in pricing the financial instruments. The relevant information is available to the Group.

The evaluation method used by the Group for estimating fair value is the Black-Scholes model.

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

	For the Year Ended December 31, 2021
Financial assets at FVTOCI	
Equity instrument investment	
Balance at January 1, 2021	\$ 7,239,178
Recognized in other comprehensive income	<u>1,725,024</u>
Balance at December 31, 2021	<u>\$ 8,964,202</u>
Financial assets at FVTPL	
Derivative instrument investment	
Balance at January 1, 2021	\$ 17,092
Recognized in loss	(10,114)
Convertible bonds converted into ordinary shares	<u>(6,978)</u>
Balance at December 31, 2021	<u>\$ -</u>
Financial liabilities at FVTPL	
Derivative instrument investment	
Balance at January 1, 2021	\$ -
Additions	215,282
Recognized in loss	<u>(2,220)</u>
Balance at December 31, 2021	<u>\$ 213,062</u>
	For the Year Ended December 31, 2020
Financial assets at FVTOCI	
Equity instrument investment	
Balance at January 1, 2020	\$ 6,971,622
Additions	1
Recognized in other comprehensive income	321,524
Disposals	<u>(53,969)</u>
Balance at December 31, 2020	<u>\$ 7,239,178</u>

(Continued)

	For the Year Ended December 31, 2020
Financial assets at FVTPL	
Derivative instrument investment	
Balance at January 1, 2020	\$ 1,235
Recognized in income	20,202
Convertible bonds converted into ordinary shares	<u>(4,345)</u>
Balance at December 31, 2020	<u>\$ 17,092</u> (Concluded)

4) 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. The historical volatility used were 21.37% and 23.69% on December 31, 2021 and 2020, 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.

	<u>December 31</u>	
	2021	2020
Comprehensive discount for lack of marketability and non-controlling interests	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 have increased (decreased) as follows:

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

	<u>December 31</u>	
	2021	2020
Discount for lack of marketability	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 have increased (decreased) as follows:

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Discount for lack of marketability		
1% increase	<u>\$ (3,798)</u>	<u>\$ (2,932)</u>
1% decrease	<u>\$ 3,798</u>	<u>\$ 2,932</u>

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

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Discount rate	5.4%	6.1%
Dividend growth rate	1.4%	1.3%
Discount for lack of marketability	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 have increased (decreased) as follows:

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Discount for lack of marketability		
1% increase	<u>\$ (70,428)</u>	<u>\$ (52,570)</u>
1% decrease	<u>\$ 70,428</u>	<u>\$ 52,570</u>

c. Categories of financial instruments

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
<u>Financial assets</u>		
Financial assets at FVTPL		
Financial assets mandatorily classified at FVTPL	\$ 363,813	\$ 353,986
Financial assets measured at amortized cost (1)	184,263,079	151,045,326
Financial assets at FVTOCI		
Equity instrument investment	34,223,407	37,499,758
<u>Financial liabilities</u>		
Financial liabilities at FVTPL		
Held for trading	213,062	-
Financial liabilities measured at amortized cost (2)	194,855,668	146,422,478

- 1) The balances include loans and receivables 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, and finance lease receivables.

- 2) The balances include financial liabilities measured at amortized cost, which comprise short-term loans, short-term bills payables, notes and accounts payable, other payables (including related parties transactions), bonds payable, long-term loans (including current portion), and long-term notes payable.

d. Financial risk management objectives and policies

The risk control and hedging strategy 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.

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 listed shares, and these investments was subject to fluctuations in market prices. The Group has periodically evaluated the investment's performance, and no significant market risk was anticipated.

The Group signed coal purchasing contracts with the suppliers, and also purchased foreign currency bank deposit at the spot rate to avoid exchange rate exposure to its forecasted purchases. When the forecasted purchases take place, the amounts originally deferred and recognized in equity will be reclassified to the carrying amount of the materials purchased.

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 position 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 functional currency (including those eliminated upon consolidation) at the end of the reporting period are set out in Note 37.

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 Year Ended December 31		For the Year Ended December 31	
	2021	2020	2021	2020
NTD	<u>\$ (168,048)</u>	<u>\$ (7,256)</u>	<u>\$ -</u>	<u>\$ -</u>
RMB	<u>\$ (2,998)</u>	<u>\$ (2,465)</u>	<u>\$ (4,373)</u>	<u>\$ (483)</u>
HKD	<u>\$ 15,367</u>	<u>\$ 54,104</u>	<u>\$ -</u>	<u>\$ -</u>

b) Interest rate risk

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

	December 31	
	2021	2020
Cash flow interest rate risk		
Financial assets	\$ 38,476,321	\$ 30,351,013
Financial liabilities	72,227,767	64,478,935

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 a 50 basis point increase or decrease was used, representing 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 position 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 years ended December 31, 2021 and 2020 would have increased/decreased by \$153,905 thousand and \$121,404 thousand, respectively.

For the Group's position 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 years ended December 31, 2021 and 2020 would have increased/decreased by \$288,911 thousand and \$257,916 thousand, respectively.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed shares and emerging market shares. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments. Sensitivity analyses were used for evaluating the exposure to equity price risks.

The sensitively analyses were based on the exposure of equity price at the end of reporting period. If equity instruments/commodity prices of financial assets at FVTPL had been 5% higher/lower, profit or loss for the years ended December 31, 2021 and 2020 would have increased/decreased by \$18,191 thousand and \$16,845 thousand, respectively. If equity instruments/commodity prices of financial assets at FVTOCI had been 5% higher/lower, other comprehensive income (loss) for the years ended December 31, 2021 and 2020 would have increased/decreased by \$1,711,170 thousand and \$1,874,988 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 assesses the operations and financial positions of customers and monitors the collectability of accounts receivable. The Group also required credit enhancements by bank guarantees or collateral for certain customers or in certain geographical locations.

The credit risk on liquid funds and derivatives was limited because the counterparties are banks with high credit ratings which were 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 December 31, 2021 and 2020, the amount of unused financing facilities was \$84,194,479 thousand and \$116,754,202 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.

December 31, 2021

	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	\$ 700,853	\$ 18,618,235	\$ 4,428,778	\$ 146,445	\$ 3,560
Lease liabilities	84,059	71,114	395,217	1,778,707	3,249,186
Variable interest rate liabilities	12,203,957	29,138,877	17,063,801	16,824,248	65,230
Fixed interest rate liabilities	<u>600,000</u>	<u>6,875,000</u>	<u>12,576,844</u>	<u>40,716,112</u>	<u>46,209,100</u>
	<u>\$ 13,588,869</u>	<u>\$ 54,703,226</u>	<u>\$ 34,464,640</u>	<u>\$ 59,465,512</u>	<u>\$ 49,527,076</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
Non-interest bearing Lease liabilities	\$ 23,747,866	\$ 146,445	\$ 3,495	\$ 20	\$ 45	\$ -
Variable interest rate liabilities	550,390	1,778,707	1,330,736	839,092	411,392	667,966
Fixed interest rate liabilities	58,406,635	16,824,248	65,230	-	-	-
	<u>20,051,844</u>	<u>40,716,112</u>	<u>11,641,790</u>	<u>34,567,310</u>	<u>-</u>	<u>-</u>
	<u>\$ 102,756,735</u>	<u>\$ 59,465,512</u>	<u>\$ 13,041,251</u>	<u>\$ 35,406,422</u>	<u>\$ 411,437</u>	<u>\$ 667,966</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 Lease liabilities	\$ 1,072,780	\$ 15,698,938	\$ 2,863,365	\$ 126,164	\$ 1,633
Variable interest rate liabilities	75,157	104,347	390,405	1,766,586	2,049,825
Fixed interest rate liabilities	6,893,570	28,248,879	5,207,790	25,561,821	71,565
	<u>250,000</u>	<u>6,000,000</u>	<u>484,620</u>	<u>29,739,450</u>	<u>35,080,160</u>
	<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
Non-interest bearing Lease liabilities	\$ 19,635,083	\$ 126,164	\$ 1,633	\$ -	\$ -	\$ -
Variable interest rate liabilities	569,909	1,766,586	834,504	314,387	193,266	707,668
Fixed interest rate liabilities	40,350,239	25,561,821	71,565	-	-	-
	<u>6,734,620</u>	<u>29,739,450</u>	<u>6,979,960</u>	<u>28,100,200</u>	<u>-</u>	<u>-</u>
	<u>\$ 67,289,851</u>	<u>\$ 57,194,021</u>	<u>\$ 7,887,662</u>	<u>\$ 28,414,587</u>	<u>\$ 193,266</u>	<u>\$ 707,668</u>

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 had 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 values of the transferred but unsettled bills receivable, and as of December 31, 2021 and 2020, the face values of these unsettled bills receivable were \$2,342,843 thousand and \$2,308,323 thousand, respectively. The unsettled bills receivable will be due in 12 months and 11 months, after December 31, 2021 and 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 year ended December 31, 2021 and 2020, the Group did not recognize 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.

33. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Corporation and its subsidiaries, which are related parties of the Corporation, have been eliminated upon 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
Onyx Ta-Ho Energy Recovery Co., Ltd	Subsidiary of associates
Onyx Ta-Ho Lu-Tsao Environment Co., Ltd.	Subsidiary of associates
ULPU International Co., Ltd.	Subsidiary of associates
E-ONE Moli Energy Corporation	Subsidiary of associates (classified as subsidiary of associates until August 2021 and has been reported as consolidated entity ever since.)
E-ONE Moli Energy (Canada) Ltd.	Subsidiary of associates (classified as subsidiary of associates until August 2021 and has been reported as consolidated entity ever since.)
Onyx Ta-Ho Environmental Services Co., Ltd.	Associate
Shih Hsin Storage & Transportation Co., Ltd. (process of liquidation finished in 2020)	Associate
Chia Huan Tung Cement Corporation (process of liquidation finished in 2020)	Associate
Quon Hing Concrete Co., Ltd. (Quon Hing)	Associate
Prosperity Conch Cement Company Limited	Associate
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.	Associate
Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd.	Associate
Hong Kong Concrete Co., Ltd.	Associate
International CSRC Investment Holdings Co., Ltd.	Associate
TCC Recycle Energy Technology Company	Associate (classified as associate until August 2021 and has been reported as consolidated entity ever since.)
Guigang Conch-TCC New Material Technology Co., Ltd.	Associate
Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd.	Associate
Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd.	Associate
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	Management personnel in substance
FDC International Hotels Corporation	Management personnel in substance
Chia Hsin Prosperity Management and Development Corp.	Management personnel in substance
Goldsun Development & Construction Co., Ltd.	Investor with significant influence over the Group

(Continued)

Related Party	Relationship with the Group
China Hi-Ment Corporation	The Group acts as key management personnel
Rong Gong Enterprise Co.	The Group acts as key management personnel
O-Bank Co., Ltd. (O-Bank)	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
Union Steel Development Corporation	The Group acts as key management of its parent company
CTCI Beijing Co., Ltd.	The Group acts as key management of its parent company
CTCI Resources Engineering Inc.	The Group acts as key management of its parent company
CTCI Smart Engineering Inc.	The Group acts as key management of its parent company
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
Dr. Cecilla Koo Botanic Conservation and Environmental Protection Foundation	Same key management personnel
Circular Commitment Company	Same key management personnel
Continental Carbon India Ltd.	Same key management personnel
Continental Carbon Eco Technology Private Limited	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
Tangshan Jidong Cement Co., Ltd.	Related party in substance
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
FCA AUSTRIA GMBH	Related party in substance
FCA BELGIUM S.A.	Related party in substance
FCA GERMANY AG	Related party in substance
FCA SWITZERLAND S.A.	Related party in substance
GROUPE PSA ITALIA SPA	Related party in substance
LEASYS RENT SPA	Related party in substance
FIAT CHRYSLER AUTOMOBILES ITALY SPA	Related party in substance
Fiat Chrysler Automobiles N.V.	Related party in substance
LEASYS SPA	Related party in substance

(Concluded)

b. Operating transactions

Continuing operations

	For the Year Ended December 31	
	2021	2020
<u>Sales</u>		
Management personnel in substance	\$ 698,337	\$ 458,162
Related party in substance	577,550	-
Associates	496,518	469,774
The Group acts as key management personnel	257,875	256,835
Same key management personnel	213,373	172,070
The Group acts as key management of its parent company	39	-
Investors with significant influence over the Group	<u>-</u>	<u>33,515</u>
	<u>\$ 2,243,692</u>	<u>\$ 1,390,356</u>
<u>Purchases of goods and operating expenses</u>		
The Group acts as key management personnel	\$ 863,125	\$ 760,215
Management personnel in substance	77,066	73,908
Associates	58,560	59,360
Related party in substance	13,822	-
Same key management personnel	10,110	7,419
The Group acts as key management of its parent company	<u>72</u>	<u>161</u>
	<u>\$ 1,022,755</u>	<u>\$ 901,063</u>

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

	December 31	
	2021	2020
<u>Associates</u>		
Quon Hing	\$ 126,567	\$ 116,879
Others	<u>14,186</u>	<u>32,460</u>
	<u>140,753</u>	<u>149,339</u>
<u>Management personnel in substance</u>		
Chia Hsin Cement	123,932	73,133
Others	<u>2,572</u>	<u>1,831</u>
	<u>126,504</u>	<u>74,964</u>
<u>Related party in substance</u>		
LEASYS RENT SPA	50,414	-
Others	<u>42,385</u>	<u>-</u>
	<u>92,799</u>	<u>-</u>
<u>The Group acts as key management personnel</u>		
China Hi-Ment	46,333	29,638
Others	<u>28,767</u>	<u>3,036</u>
	<u>75,100</u>	<u>32,674</u>
Same key management personnel	<u>22,047</u>	<u>16,889</u>
	<u>\$ 457,203</u>	<u>\$ 273,866</u>

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

	December 31	
	2021	2020
The Group acts as key management personnel	\$ 242,055	\$ 147,713
Management personnel in substance	10,064	2,686
Associates	1,404	5,293
Same key management personnel	<u>44</u>	<u>172</u>
	<u>\$ 253,567</u>	<u>\$ 155,864</u>

The price and terms of the above transactions were by contracts. 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 Year Ended December 31	
	2021	2020
<u>Purchases of goods and operating expenses</u>		
Same key management personnel	<u>\$ 2,560</u>	<u>\$ 42,750</u>

c. Other receivables

	December 31	
	2021	2020
<u>Included in other receivables from related parties</u>		
Related party in substance		
Fiat Chrysler Automobiles N.V.	<u>\$ 238,032</u>	<u>\$ -</u>
Associates		
Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd.	139,695	-
Quon Hing	7,624	1,653
International CSRC Investment Holdings Co., Ltd.	595	482
E-One Moli Energy Corporation	4	1,031
Others	<u>662</u>	<u>4</u>
	<u>148,580</u>	<u>3,170</u>
The Group acts as key management personnel	<u>1,745</u>	<u>-</u>
Same key management personnel	<u>461</u>	<u>252</u>
Management personnel in substance	<u>150</u>	<u>363</u>
	<u>\$ 388,968</u>	<u>\$ 3,785</u>

Classified as other non-current assets

Related party in substance		
Fiat Chrysler Automobiles N.V.	<u>\$ 147,204</u>	<u>\$ -</u>

Other receivables from related parties above included share subscriptions receivable, dividend receivables and interest receivables.

d. Other payables to related parties

	December 31	
	2021	2020
The Group act as key management personnel		
CTCI Corporation	\$ 706,635	\$ -
The Group acts as key management of its parent company		
CTCI Smart Engineering Inc.	614,250	-
Others	<u>61,398</u>	<u>-</u>
	<u>675,648</u>	<u>-</u>
Associates		
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.	3,892	3,929
Others	<u>722</u>	<u>69</u>
	<u>4,614</u>	<u>3,998</u>
Management personnel in substance		
L'Hotel de Chine Corporation	3,299	2,765
FDC International Hotels Corporation	180	1,013
Others	<u>681</u>	<u>508</u>
	<u>4,160</u>	<u>4,286</u>
	<u>\$ 1,391,057</u>	<u>\$ 8,284</u>

e. Prepayments for property, plant and equipment

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

f. Acquisitions of property, plant and equipment

Related Party Category/Name	December 31	
	2021	2020
The Group acts as key management of its parent company		
CTCI Smart Engineering Inc.	\$ 585,000	\$ -
CTCI Resources Engineering Inc.	<u>559,777</u>	<u>-</u>
	<u>1,144,777</u>	<u>-</u>
The Group acts as key management personnel		
CTCI Corporation	<u>752,675</u>	<u>-</u>
Associates		
E-One Moli Energy Corporation	<u>65,000</u>	<u>3,322</u>
Management personnel in substance		
Chia Hsin Property Management and Development Corp.	<u>-</u>	<u>1,686,428</u>
	<u>\$ 1,962,452</u>	<u>\$ 1,689,750</u>

g. Lease arrangements

Related Party Category/Name	December 31	
	2021	2020
<u>Acquisition of right-of-use assets</u>		
Management personnel in substance		
Chia Hsin R.M.C. Corp.	\$ 23,313	\$ -
Chia Hsin Property Management and Development Corp.	<u>-</u>	<u>39</u>
	<u>23,313</u>	<u>39</u>
Same Key management personnel		
Linyuan Advanced Materials Technology Co., Ltd.	<u>-</u>	<u>2,500</u>
	<u>\$ 23,313</u>	<u>\$ 2,539</u>

Line Item	Related Party Category/Name	December 31	
		2021	2020
Lease liabilities	Management personnel in substance		
	Chia Hsin R.M.C. Corp.	\$ 20,699	\$ 2,085
	Chia Hsin Cement Corporation	<u>-</u>	<u>10,593</u>
		<u>\$ 20,699</u>	<u>\$ 12,678</u>

Related Party Category/Name	For the Year Ended December 31	
	2021	2020
<u>Interest expense</u>		
Management personnel in substance	<u>\$ 308</u>	<u>\$ 501</u>

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

Related Party Category/Name	December 31	
	2021	2020
<u>Disposal</u>		
Right-of-use assets		
Management personnel in substance		
Chia Hsin Property Management and Development Corp.	<u>\$ -</u>	<u>\$ 1,922</u>
Lease liabilities		
Management personnel in substance		
Chia Hsin Property Management and Development Corp.	<u>\$ -</u>	<u>\$ 1,953</u>

Gain on lease modification for the year ended December 31, 2020 is \$31 thousand.

h. Loans to related parties

Interest revenue

Related Party Category/Name	For the Year Ended December 31	
	2021	2020
Associates		
Onyx Ta-Ho Energy Recovery Co., Ltd.	\$ <u> -</u>	\$ <u> 148</u>

The interest rate of related party financing is equivalent to the market rate.

i. Acquisition of financial assets

For the year ended December 31, 2020

Related Party Category/Name	Line Item	Number of Shares	Underlying Assets	Purchase Price
The Group acts as key management personnel				
O-Bank	Financial assets at FVTOCI	5,370,112	Shares	\$ <u>34,100</u>

j. Disposal of financial assets

For the year ended December 31, 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	Shares	\$ <u>53,969</u>	\$ <u> -</u>

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

	For the Year Ended December 31	
	2021	2020
Short-term employee benefits	\$ 558,473	\$ 577,390
Post-employment benefits	6,191	5,710
Share-based payment		
Cash-settled	105,960	-
Equity-settled	<u>8,187</u>	<u>2,867</u>
	<u>\$ 678,811</u>	<u>\$ 585,967</u>

34. 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:

	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
Financial assets at FVTOCI (including current and non-current portion)	\$ 313,250	\$ 278,880
Property, plant and equipment	3,134,392	3,168,464
Investment accounted for using the equity method	54,541	50,093
Investment properties	837,936	845,666
Guarantee deposits (included in other non-current assets)	1,034,520	-
Pledged bank deposits (included in financial assets measured at amortized cost)		
Current	471,859	272,124
Non-current	<u>1,821,134</u>	<u>1,713,403</u>
	<u>\$ 7,667,632</u>	<u>\$ 6,328,630</u>

35. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

Name	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
The Corporation	\$ 437,292	\$ 145,571
Taiwan Prosperity Chemical Corporation(Note)	-	1,150,104
Ho-Ping Power Company	635,545	457,930
Kuan-Ho Refractories Industry Corporation	13,766	8,804
TCC Recycle Energy Technology Company (Note)	40,867	-

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

Name	<u>December 31</u>	
	<u>2021</u>	<u>2020</u>
The Corporation	\$ 22,120	\$ 22,120
Ho-Ping Power Company	1,148,000	1,148,000
Taiwan Prosperity Chemical Corporation (Note)	-	151,565
TCCI (Group)	987,479	786,037
Taiwan Transport & Storage Corporation	28,502	28,150
TCC Recycle Energy Technology Company (Note)	12,863	-

Note: The Corporation fully disposed of its interest held in Taiwan Prosperity Chemical Corporation in August 2021, refer to Note 28. The entities in the Group included TCC Recycle Energy Technology Company since August 2021, refer to Note 27.

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 September 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 has been concluded.

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 case has been concluded.

The related assets of Ta-Ho RSEA Environment Co., Ltd. were disposed in 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\$60,125 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 December 31, 2021, 72.0% of the construction has been completed.
- g. 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 RMB \$566,888 thousand. As of December 31, 2021, 25.7% of the construction has been completed.

- h. 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 December 31, 2021, 40.0% of the construction has been completed.
- i. 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.
- j. On September 27, 2021, the Board of Directors of the Corporation resolved the plan to repayments of foreign currency bank loans, improvements to the financial structure of the Group and Group's energy policy investment plan, planning to participate in various energy storage development projects.

The Corporation invested US\$0.35 billion, US\$0.39 billion, \$2 billion and \$4.5 billion in TCCIH, TCC Dutch, TCC Energy Storage Technology Corporation and TCC Green Energy Corporation, respectively. As of the date the consolidated financial statements were authorized and issued, the Corporation has invested US\$0.35 billion, US\$0.39 billion, \$2 billion and \$4 billion in TCCIH, TCC Dutch, TCC Energy Storage Technology Corporation and TCC Green Energy Corporation, respectively.

- k. The Board of Directors of TCC Energy Storage Technology Corporation, the Group's subsidiary, resolved on September 27, 2021, to actively participate in the power trading platform and complementary services market merchandise transactions. It intended to build the large-scale energy storage systems in the Corporation's Su'ao factory, the total amount of investment is approximately \$1.5 billion.
- l. The Board of Directors of TCC Green Energy Corporation, the Group's subsidiary, resolved on September 27, 2021, to invest via an investment plan of its subsidiary, TCC Lien-Hsin Green Energy Corporation, to actively participate in the power trading platform and complementary services market merchandise transactions. It intended to build the large-scale energy storage systems in the Corporation's Ho-Ping factory, the total amount of investment is approximately \$4 billion. As of December 31, 2021, 6.1% of construction has been completed.
- m. The Board of Directors of Ho-Ping Power Company, the Group's subsidiary, resolved on September 27, 2021, to actively participate in the power trading platform and complementary services market merchandise transactions. It intended to build the large-scale energy storage systems in the Ho-Ping Industrial Park of Hualien, the total amount is yet to be discussed by the Board of Directors.
- n. The Board of Directors of Molie Quantum Energy Corporation, the Group's subsidiary, resolved on September 27, 2021 to build the plant and purchase production line equipment on the leased land in Kaohsiung Linhai Industrial Park, the total amount of investment is approximately \$12 billion. On October 20, 2021, Molie Quantum Energy Corporation signed contracts with Ruentex Engineering & Construction Co., Ltd. for the construction of land at the Lithium battery factory site for a total amount of \$4.8 billion, and signed with CTCI Smart Engineering Corporation the electrical and mechanical works of the Lithium battery factory with a total amount of \$3,900,000 thousand, as of December 31, 2021, 20.1%, 10.5% and 11.2% of construction has been completed, respectively.
- o. On September 27, 2021, the Board of Directors of the Corporation resolved the expansion of the DAKA Regeneration Resource Utilization Center, the original factory of the Corporation's local Commission, and entered into a contract with CTCI Resources Engineering Inc. to use the cement kiln heat to jointly dispose of waste living in Hualien County, with a total amount not exceeding \$3,450,000 thousand. As of the date the consolidated financial statements were authorized and issued, 17.4% construction has been completed.

- p. On September 27, 2021, the Board of Directors of the TCCIH proposed to increase the capital of RMB350,000 thousand for long-term investment to TCC (Hangzhou) Environment Co., Ltd. As of the date the consolidated financial statements were authorized and issued, 100% of investment has been completed.
- q. TCC Lien-Hsin Green Energy Corporation plans to build a large-scale energy storage system in Hualien Hoping Industrial park. TCC Lien-Hsin Green Energy Corporation signed a procuring equipment contract, including energy storage systems and maintenance services afterward for a total amount of US\$93,205 thousand with NHOA ENERGY S.R.L. on October 26, 2021. As of December 31, 2021, 9.5% of construction has been completed.
- r. TCC Energy Storage Technology Corporation plans to build large-scale energy storage systems in the Corporation's Su'ao factory. TCC Energy Storage Technology Corporation signed a procuring equipment contract, including energy storage systems and maintenance services afterward for a total amount of US\$29,415 thousand with NHOA ENERGY S.R.L. on October 26, 2021. As of December 31, 2021, 9.0% of construction has been completed.
- s. The Board of Directors of TCC Green Energy Corporation, the Group's subsidiary, resolved on November 11, 2021, to the Group's energy policy investment plan, planning to invest in the construction of energy storage systems in the Middle and the East Taiwan, the total amount of investment is approximately \$0.62 billion.
- t. The Board of Directors of TCC Energy Storage Technology Corporation, the Group's subsidiary, resolved on November 11, 2021, to the Group's energy policy investment plan, planning to invest in the construction of energy storage systems in the East Taiwan, the total amount of investment is approximately \$0.5 billion.

36. OTHER ITEMS

Due to the impact of the COVID-19 pandemic, which has evolved globally, governments all over the world have successively implemented various epidemic prevention measures. Although the domestic epidemic situation has slowed down and the government's regulations have been loosened, many countries are still under lockdown measures and economic recession is expected to occur globally. 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 Group's operations. However, the extent of the actual impact to the Group still depends on the subsequent development of the epidemic.

Due to the impact of the dual control implementation of energy policy in China since September 2021, the amount of coal and electricity usage has been limited. Since the actual restriction and timing of issuance of the policy are varied in every district, the Group has committed to optimizing the shipping process to mitigate the impact on the Group's operations. However, the actual impact on the Group still depends on the subsequent development of the policy.

37. 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:

December 31, 2021

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 811,337	27.680 (USD:NTD)	\$ 22,457,808
USD	294,855	7.800 (USD:HKD)	8,162,222
EUR	33,500	8.820 (EUR:HKD)	1,048,623
Non-monetary items			
USD	62,792	27.680 (USD:NTD)	1,738,071
EUR	801,809	31.320 (EUR:NTD)	25,112,660
<u>Financial liabilities</u>			
Monetary items			
USD	364,245	7.800 (USD:HKD)	10,083,103
USD	52,449	27.680 (USD:NTD)	1,451,795
EUR	33,500	8.820 (EUR:HKD)	1,048,623

December 31, 2020

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<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

The realized and unrealized foreign exchange gains (losses) were \$(87,583) thousand and \$15,289 thousand for the years ended December 31, 2021 and 2020, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of foreign currency transactions and functional currencies of the group entities.

38. 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 or disposed of at costs or prices of at least NT\$300 million or 20% of the share capital (Table 4)
 - 5) Acquisitions of individual real estate at costs of at least NT\$300 million or 20% of the share capital (Table 5)
 - 6) Disposals of individual real estate at prices of at least NT\$300 million or 20% of the share capital (Table 6)
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the share capital (Table 7)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the share capital (Table 8)
 - 9) Trading in derivative instruments (Notes 7, 20 and 32)
 - 10) Intercompany relationships and significant intercompany transactions (Table 11)
 - 11) Information on investees (Table 9)
- b. Information on investments in mainland China (Table 10)
 - 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 year, 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 year.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.
 - 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 year and the purposes.

- e) The highest balance during the year, the end of year balance, the interest rate range, and total current year interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.
- 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)

39. 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. Energy segment - thermal power generation
- d. Other segments - land and marine transportation
 - production and sale of refractory materials
 - others

The Group 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 year. Refer to Note 28 for the business unit that has been sold by the Corporation in August 2021. 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.

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

- a. Segments revenue and results

	<u>Segment Revenue</u>		<u>Segment Income</u>	
	<u>For the Year Ended December 31</u>		<u>For the Year Ended December 31</u>	
	2021	2020	2021	2020
Cement segment	\$ 89,891,395	\$ 88,001,253	\$ 16,751,926	\$ 20,960,575
Energy segment	13,541,229	14,282,124	2,764,937	10,304,635
Other segments	<u>3,608,828</u>	<u>3,627,846</u>	<u>480,065</u>	<u>628,965</u>
	<u>\$ 107,041,452</u>	<u>\$ 105,911,223</u>	19,996,928	31,894,175
Share of profits of associates and joint ventures			4,149,749	3,200,243
Dividend income			1,747,166	1,567,644

(Continued)

	Segment Revenue		Segment Income	
	For the Year Ended December 31		For the Year Ended December 31	
	2021	2020	2021	2020
Interest income			\$ 1,535,980	\$ 1,356,337
Net gain (loss) on disposal of property			327,659	(100,296)
Impairment loss recognized on non-financial assets			(6,756)	(49,643)
Administrative costs and director's remuneration			(210,453)	(256,965)
Finance costs			(1,670,463)	(1,892,850)
Foreign exchange gains (losses), net			(87,583)	15,289
Net gain on financial assets and liabilities at fair value through profit and loss			19,025	32,170
Other income and expenses, net			<u>276,832</u>	<u>52,979</u>
Income before tax from continuing operations			<u>\$ 26,078,084</u>	<u>\$ 35,819,083</u> (Concluded)

Segment income represented profit before tax earned by each segment without allocation of central administration costs, director's remuneration, share of profits of associates and joint ventures, dividend income, interest income, net gain (loss) on disposal of property, plant and equipment, impairment loss recognized on non-financial assets, finance costs, net foreign exchange gains (losses), net gain on financial assets and liabilities at fair value through profit and loss and income tax expense.

b. Geographical information

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

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2021	2020	2021	2020
Taiwan	\$ 41,785,030	\$ 40,860,270	\$ 69,952,935	\$ 65,693,013
Asia	64,439,782	65,050,953	78,116,100	73,330,763
Europe	<u>816,640</u>	<u>-</u>	<u>6,695,803</u>	<u>-</u>
	<u>\$ 107,041,452</u>	<u>\$ 105,911,223</u>	<u>\$ 154,764,838</u>	<u>\$ 139,023,776</u>

Non-current assets exclude financial instruments, deferred income tax assets, and net defined benefit asset.

c. Information about major customers

The only single customer who contributed 10% or more to the Group's revenue was as follows:

	For the Year Ended December 31	
	2021	2020
Taiwan Power Company	<u>\$ 11,183,628</u>	<u>\$ 14,282,124</u>

40. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- a. On February 25, 2022, the Board of Directors of the Corporation resolved the Group's energy policy investment plan, planning to invest in the construction of energy storage systems in the Corporation's Hoping factory in Hualien, and the total amount of investment is approximately \$0.66 billion.
- b. On February 25, 2022, the Board of Directors of Molie Quantum Energy Corporation, the Group's subsidiary, resolved to increase the capital expenditures from \$12 billion to around \$18.65 billion in response to the rising costs, the expansion of production and the acquisition of automation equipment.

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

FINANCINGS PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 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	1.44	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 998,932	\$ 998,932	
2.	TCC Investment Corporation	Jin Chang Minerals Corporation	Other receivables from related parties	Yes	130,000	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	1,911,398	1,911,398	
3	Taiwan Green Energy Corporation	Chang-Wang Wind Power Co., Ltd.	Other receivables from related parties	Yes	30,000	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	3,731,370	3,731,370	
4	TCC Development Ltd.	TCC International Holdings Ltd.	Other receivables from related parties	Yes	268,129	259,077	259,077	0.28	The need for short-term financing	-	Operating capital	-	-	-	861,872	861,872	
5	TCCI	TCCIH	Other receivables from related parties	Yes	3,424,200	3,321,600	-	-	The need for short-term financing	-	Operating capital	-	-	-	114,241,779	228,483,558	
		TCC Dutch	Other receivables from related parties	Yes	1,663,000	1,566,000	1,049,220	0.83	The need for short-term financing	-	Operating capital	-	-	-	114,241,779	228,483,558	
		TCEH	Other receivables from related parties	Yes	665,200	626,400	-	-	The need for short-term financing	-	Operating capital	-	-	-	114,241,779	228,483,558	
6	Yingde Dragon Mountain Cement Co., Ltd.	TCC Yingde Cement Co., Ltd.	Other receivables from related parties	Yes	874,174	865,956	865,956	3.05	The need for short-term financing	-	Operating capital	-	-	-	17,231,540	34,463,080	
		TCC Liaoning Cement Company Limited	Other receivables from related parties	Yes	996,558	987,190	779,360	3.05	The need for short-term financing	-	Operating capital	-	-	-	17,231,540	34,463,080	
		TCC (Guigang) Cement Ltd.	Other receivables from related parties	Yes	7,430,479	7,360,626	7,360,626	3.05	The need for short-term financing	-	Operating capital	-	-	-	17,231,540	34,463,080	
7	TCC (Guigang) Cement Ltd.	TCC (Hangzhou) Recycle Resource Technology Limited	Other receivables from related parties	Yes	43,709	43,298	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		Guigang TCC DongYuan Environmental Technology Company Limited	Other receivables from related parties	Yes	131,126	129,893	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		TCC Huaying Cement Company Limited	Other receivables from related parties	Yes	1,258,811	1,246,977	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		TCC Anshun Cement Company Limited	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	874,174	865,956	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		TCC Jingzhou Cement Company Limited	Other receivables from related parties	Yes	655,631	649,467	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		TCC Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	284,107	281,436	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	1,223,844	1,212,338	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		TCC Yingde Cement Co., Ltd.	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		Scitus Luzhou Concrete Co., Ltd.	Other receivables from related parties	Yes	87,417	86,596	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	

(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			
8	TCC Yingde Cement Co., Ltd.	Beijing TCC Environment Technology Co., Ltd.	Other receivables from related parties	Yes	\$ 87,417	\$ 86,596	\$ 69,276	3.48	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 33,473,137	\$ 66,946,274	
		TCC (Hangzhou) Environmental Protection Technology Limited	Other receivables from related parties	Yes	2,989,675	2,961,570	2,831,676	3.48	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		TCC Shaoguan Cement Co., Limited	Other receivables from related parties	Yes	4,001,108	4,001,108	3,999,831	3.48	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		TCC (Dong Guan) Cement Co., Limited	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		TCC Anshun Cement Co., Limited	Other receivables from related parties	Yes	874,174	865,956	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		Guangan Changxing Cement Co., Ltd.	Other receivables from related parties	Yes	874,174	865,956	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	874,174	865,956	519,574	3.48	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		TCC Jingzhou Cement Company Limited	Other receivables from related parties	Yes	218,544	216,489	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		TCC Chongqing Cement Company Limited	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	655,631	649,467	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	786,757	779,360	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	218,544	216,489	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		TCC Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	437,087	432,978	43,298	3.48	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		TCC Liaoning Cement Company Limited	Other receivables from related parties	Yes	218,544	216,489	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
9	TCC Fuzhou Cement Co., Ltd.	TCC Liaoning Cement Company Limited	Other receivables from related parties	Yes	305,961	303,085	-	-	The need for short-term financing	-	Operating capital	-	-	-	1,003,138	3,009,414	
		TCC New (Hangzhou) Management Company Limited	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	1,003,138	3,009,414	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	218,544	216,489	-	-	The need for short-term financing	-	Operating capital	-	-	-	1,003,138	3,009,414	
10	TCC International Holdings Ltd.	TCC Yingde Cement Co., Ltd.	Other receivables from related parties	Yes	212,793	210,793	208,886	-	The need for short-term financing	-	Operating capital	-	-	-	157,413,695	314,827,390	
11	Prime York Ltd.	Upper Value Investment Limited	Other receivables from related parties	Yes	187,323	180,999	180,999	-	The need for short-term financing	-	Operating capital	-	-	-	3,313,389	6,626,778	
12	Jurong TCC Cement Co., Ltd.	TCC Anshun Cement Company Limited	Other receivables from related parties	Yes	874,174	865,956	-	-	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		TCC Chongqing Cement Co., Ltd.	Other receivables from related parties	Yes	874,174	865,956	-	-	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		TCC Guangan Changxing Cement Company Ltd.	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		TCC Liaoning Cement Company Limited	Other receivables from related parties	Yes	305,961	303,085	-	-	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		TCC Yingde Cement Co., Ltd.	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	655,631	649,467	43,298	3.48	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	1,311,261	1,298,934	337,723	3.48	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		TCC Huaihua Concrete Company Limited	Other receivables from related parties	Yes	131,126	129,893	43,298	3.48	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	305,961	303,085	216,489	3.48	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
Kaili TCC Environment Technology Co., Ltd.	Other receivables from related parties	Yes	218,365	216,489	164,532	3.48	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878			

(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			
13	TCC Anshun Cement Company Limited	Anshun Xin Tai Construction Materials Company Limited	Other receivables from related parties	Yes	\$ 87,417	\$ 86,596	\$ -	-	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 7,224,247	\$ 14,448,494	
		Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	262,252	259,787	259,787	3.48	The need for short-term financing	-	Operating capital	-	-	-	7,224,247	14,448,494	
		Scitus Luzhou Concrete Co., Ltd.	Other receivables from related parties	Yes	131,126	129,893	-	-	The need for short-term financing	-	Operating capital	-	-	-	7,224,247	14,448,494	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	131,126	129,893	8,660	3.48	The need for short-term financing	-	Operating capital	-	-	-	7,224,247	14,448,494	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	131,126	129,893	-	-	The need for short-term financing	-	Operating capital	-	-	-	7,224,247	14,448,494	
		TCC Chongqing Cement Company Limited	Other receivables from related parties	Yes	874,174	865,956	-	-	The need for short-term financing	-	Operating capital	-	-	-	7,224,247	14,448,494	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	655,631	649,467	173,191	3.48	The need for short-term financing	-	Operating capital	-	-	-	7,224,247	14,448,494	
14	Guangan Changxing Cement Co., Ltd.	TCC Huaying Cement Company Limited	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	5,953,441	11,906,882	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	131,126	129,893	-	-	The need for short-term financing	-	Operating capital	-	-	-	5,953,441	11,906,882	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	87,417	86,596	-	-	The need for short-term financing	-	Operating capital	-	-	-	5,953,441	11,906,882	
15	Wayly Holdings Ltd.	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	57,600	55,655	55,655	-	The need for short-term financing	-	Operating capital	-	-	-	1,727,043	3,454,086	
16	TCC Chongqing Cement Company Limited	Guangan Changxing Cement Co., Ltd.	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	9,366,636	18,733,272	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	218,544	216,489	138,553	3.48	The need for short-term financing	-	Operating capital	-	-	-	9,366,636	18,733,272	
		Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	131,126	129,893	43,298	3.48	The need for short-term financing	-	Operating capital	-	-	-	9,366,636	18,733,272	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	218,544	216,489	-	-	The need for short-term financing	-	Operating capital	-	-	-	9,366,636	18,733,272	
		TCC Huaying Cement Company Limited	Other receivables from related parties	Yes	109,272	108,245	-	-	The need for short-term financing	-	Operating capital	-	-	-	9,366,636	18,733,272	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	655,631	649,467	532,130	3.48	The need for short-term financing	-	Operating capital	-	-	-	9,366,636	18,733,272	
		TCC Jingzhou Cement Company Limited	Other receivables from related parties	Yes	87,417	86,596	-	-	The need for short-term financing	-	Operating capital	-	-	-	9,366,636	18,733,272	
		Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	131,126	129,893	86,596	3.48	The need for short-term financing	-	Operating capital	-	-	-	9,366,636	18,733,272	
17	TCC New (Hangzhou) Management Company Limited	Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	270,994	268,446	86,596	3.48	The need for short-term financing	-	Operating capital	-	-	-	406,407	812,814	
		Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	240,398	238,138	190,510	3.48	The need for short-term financing	-	Operating capital	-	-	-	406,407	812,814	
		Scitus Luzhou Concrete Co., Ltd.	Other receivables from related parties	Yes	34,967	34,638	-	-	The need for short-term financing	-	Operating capital	-	-	-	406,407	812,814	
18	Prosperity Minerals (China) Ltd.	TCC New (Hangzhou) Management Company Limited	Other receivables from related parties	Yes	348,563	345,286	342,053	-	The need for short-term financing	-	Operating capital	-	-	-	857,352	1,714,704	
19	Da Tong (Guigang) International Logistics Co., Ltd.	Guigang Da-Ho Shipping Co., Ltd.	Other receivables from related parties	Yes	131,126	129,893	-	-	The need for short-term financing	-	Operating capital	-	-	-	932,345	1,864,691	
20	Hong Kong Cement Co., Ltd.	TCC International Holdings Ltd.	Other receivables from related parties	Yes	472,711	458,547	458,547	0.34	The need for short-term financing	-	Operating capital	-	-	-	1,031,993	2,063,986	
21	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	131,126	129,893	-	-	The need for short-term financing	-	Operating capital	-	-	-	3,710,029	7,420,058	
		Kaili TCC Environment Technology Co., Ltd.	Other receivables from related parties	Yes	174,835	173,191	173,191	3.48	The need for short-term financing	-	Operating capital	-	-	-	3,710,029	7,420,058	

(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			
22	Union Cement Traders Inc.	Jin Chang Minerals Corporation	Other receivables from related parties	Yes	\$ 300,000	\$ -	\$ -	-	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 450,642	\$ 450,642	
		Tai-Jie Transport & Storage Corporation	Other receivables from related parties	Yes	50,000	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	450,642	450,642	
23	TCC Huaihua Cement Company Limited	TCC Jingzhou Cement Company Limited	Other receivables from related parties	Yes	87,417	86,596	-	-	The need for short-term financing	-	Operating capital	-	-	-	4,855,411	9,710,822	
24	Scitus Luzhou Cement Co., Ltd.	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	87,417	86,596	8,660	3.48	The need for short-term financing	-	Operating capital	-	-	-	3,391,476	6,782,952	
25	E-One Moli Energy Corp.	E-one Moli Energy (Canada) Ltd.	Other receivables from related parties	Yes	835,500	400,468	-	-	The need for short-term financing	-	Operating capital	-	-	-	2,952,939	5,905,878	
26	E-one Moli Energy (Canada) Ltd	E-One Moli Energy Corp.	Other receivables from related parties	Yes	563,500	183,092	98,612	0.70	The need for short-term financing	-	Operating capital	-	-	-	1,323,144	2,646,288	

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

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

- 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.
- 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.
- 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 1,200% and 600%, 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. The aggregate and individual financing limits for E-One Moli Energy (Canada) Ltd. were 600% and 300%, 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 YEAR ENDED DECEMBER 31, 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	\$ 102,238,667	\$ 1,420,000	\$ 1,420,000	\$ 750,000	\$ -	0.69	\$ 204,477,333	Y	N	N	
		TCC Investment Corporation	b	102,238,667	2,570,000	2,570,000	1,580,000	-	1.26	204,477,333	Y	N	N	
		TCC Chemical Corporation	b	102,238,667	1,499,117	1,499,117	366,117	-	0.73	204,477,333	Y	N	N	
		Jin Chang Minerals Corporation	b	102,238,667	68,848	31,257	31,257	31,257	0.02	204,477,333	Y	N	N	
		Ho Sheng Mining Co., Ltd.	b	102,238,667	99,884	99,884	99,884	99,884	0.05	204,477,333	Y	N	N	
		TCCI	b	102,238,667	6,294,080	5,840,480	469,800	-	2.86	204,477,333	Y	N	N	
1	Ho Sheng Mining Co., Ltd.	Taiwan Cement Corporation	c	1,147,519	137,462	137,462	137,462	-	35.94	1,147,519	N	Y	N	
2	TCC Green Energy Corporation	TCC Chemical Corporation	a	9,328,426	6,117	6,117	6,117	-	0.07	9,328,426	N	N	N	
3	TCCIH	TCC Yingde Cement Co., Ltd.	b	78,706,847	2,273,407	1,814,799	-	-	1.15	157,413,695	Y	N	Y	
		Jurong TCC Cement Co., Ltd.	b	78,706,847	2,020,490	1,966,297	-	-	1.25	157,413,695	Y	N	Y	
		TCC Fuzhou Cement Co., Ltd.	b	78,706,847	1,147,977	1,132,395	-	-	0.72	157,413,695	Y	N	Y	
		TCC Liaoning Cement Company Limited	b	78,706,847	869,231	857,067	-	-	0.54	157,413,695	Y	N	Y	
		TCC (Guigang) Cement Ltd.	b	78,706,847	7,417,299	4,510,560	-	-	2.87	157,413,695	Y	N	Y	
		TCC Chongqing Cement Co., Limited	b	78,706,847	1,753,088	1,180,338	-	-	0.75	157,413,695	Y	N	Y	
		Guizhou Kong On Cement Company Limited	b	78,706,847	288,204	279,568	-	-	0.18	157,413,695	Y	N	Y	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	b	78,706,847	285,350	276,800	-	-	0.18	157,413,695	Y	N	Y	
		Guangan Changxing Cement Company Ltd.	b	78,706,847	305,961	303,085	-	-	0.19	157,413,695	Y	N	Y	
		TCC Anshun Cement Company Limited	b	78,706,847	655,631	649,467	-	-	0.41	157,413,695	Y	N	Y	
TCC Huaihua Cement Company Limited	b	78,706,847	830,465	822,658	-	-	0.52	157,413,695	Y	N	Y			
TCC Jingzhou Cement Company Limited	b	78,706,847	262,252	259,787	-	-	0.17	157,413,695	Y	N	Y			
4	TCC (Guigang) Cement Ltd.	Guigang Conch - TCC New Material Technology Co., Ltd.	f	14,088,140	129,893	129,893	86,596	-	0.46	28,176,279	N	N	Y	
5	TCC Dutch	NHOA S. A.	b	13,343,834	1,098,599	1,034,520	1,034,520	1,034,520	3.88	26,687,668	Y	N	N	
		NHOA AUSTRALIA PTY LTD	b	13,343,834	2,510,232	2,510,232	2,510,232	-	9.41	26,687,668	Y	N	N	

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

- a. i For endorsements/guarantees 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 endorsements/guarantees 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 use lease agreement.
- c. Jin Chang Minerals Corporation guaranteed by deposit contract.
- d. NHOA S.A. guaranteed by deposit.

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.

(Continued)

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 the 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.

(Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 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	\$ 106,063	-	\$ 106,063	
	Taiwan Television Enterprise, Ltd.	The Corporation serves as supervisor	FVTPL - current	13,573	107,225	-	107,225	
	Chinatrust Financial Holding Co., Ltd.	-	FVTPL - current	3,576	92,787	-	92,787	
	China Hi-Ment Corporation	The Corporation serves as director	FVTOCI - current	30,196	1,369,396	-	1,369,396	
	Taishin Financial Holding Co., Ltd.	-	FVTOCI - current	66,766	1,265,211	-	1,265,211	
	CTCI Corporation	The Corporation serves as director	FVTOCI - current	9,054	336,822	-	336,822	
	Chia Hsin Cement Corporation	Directors	FVTOCI - current	27,419	568,953	-	568,953	
	O-Bank	The Corporation serves as director	FVTOCI - current	32,809	262,470	-	262,470	
	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	1,177,376	9.4	1,177,376	
	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	55,698	6,002,580	6.6	6,002,580	
	Excel Corporation	-	FVTOCI - non-current	600	-	9.5	-	
	Privately placed shares - Phihong Technology Co., Ltd.	-	FVTOCI - non-current	37,520	1,255,794	9.998	1,255,794	
	<u>Convertible preference shares</u>							
	O-Bank	The Corporation serves as director	FVTOCI - current	2,956	29,854	-	29,854	
Taiwan Transport & Storage Corporation	<u>Ordinary shares</u>							
	Chia Hsin Cement Corporation	Director of parent company	FVTOCI - current	8,632	179,104	-	179,104	
TCC Investment Corporation	<u>Ordinary shares</u>							
	O-Bank	The Corporation serves as director	FVTOCI - current	24,214	193,714	-	193,714	21,000 thousand shares were pledged
	Taishin Financial Holding Co., Ltd.	-	FVTOCI - current	12,772	242,025	-	242,025	
	Chia Hsin Cement Corporation	Director of parent company	FVTOCI - current	8,334	172,929	-	172,929	7,000 thousand shares were pledged
	China Conch Venture Holdings Limited	-	FVTOCI - non-current	11,110	1,502,260	-	1,502,260	
	Chinatrust Investment Co., Ltd.	The Corporation serves as director	FVTOCI - non-current	10,884	433,613	3.5	433,613	
	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	22,034	-	22,034	
Ta-Ho Maritime Corporation	<u>Ordinary shares</u>							
	Prosperity Dielectrics Co., Ltd.	-	FVTPL - current	951	57,738	-	57,738	
	Chia Hsin Cement Corporation	Director of parent company	FVTOCI - current	25,761	534,546	-	534,546	
	Chinatrust Investment Co., Ltd.	The Corporation serves as director	FVTOCI - non-current	6,612	263,409	2.1	263,409	
TCC Chemical Corporation	<u>Ordinary shares</u>							
	Taiwan Stock Exchange Corporation	The Corporation serves as director	FVTOCI - non-current	3,180	342,750	-	342,750	
Hoping Industrial Port Corporation	<u>Ordinary shares</u>							
	Chinatrust Investment Co., Ltd.	The Corporation serves as director	FVTOCI - non-current	10,444	416,077	3.3	416,077	
E.G.C. Cement Corporation	<u>Ordinary shares</u>							
	Feng Yu United Engineering Company	-	FVTPL - current	119	-	0.1	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 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	29,493	\$ 558,895	-	\$ 558,895	
	CTCI Corporation	The Corporation serve as director	FVTOCI - current	13,365	497,190	-	497,190	
	Chia Hsin Cement Corporation	Director of parent company	FVTOCI - current	7,441	154,400	-	154,400	
	Videoland Inc.	-	FVTOCI - non-current	6,437	304,878	5.6	304,878	
TCCI (Group)	<u>Ordinary shares</u>							
	Anhui Conch Cement Co., Ltd.	-	FVTOCI - non-current	116,568	16,113,608	-	16,113,608	
	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: See Tables 9 and 10 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 YEAR ENDED DECEMBER 31, 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/Units (In Thousands)	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)	131,960	\$ 2,800,000 (Note 2)	\$ 2,278,586 (Note 2)	\$ 521,414 (Note 2)	\$ 857,853 (Note 3)	-	\$ -
	TCC Energy Storage Technology Corporation	Investments accounted for using the equity method	-	Subsidiary	100	984	200,500	2,005,000	-	-	-	-	(26,917) (Note 3)	200,600	1,979,067 (Note 8)
	TCC Recycle Energy Technology Company	Investments accounted for using the equity method	-	Subsidiary	117,364	1,244,337	923,289	9,232,894	-	-	-	-	(143,600) (Note 8)	1,040,653	10,333,631 (Note 8)
	TCC Green Energy Corporation	Investments accounted for using the equity method	-	Subsidiary	320,899	3,149,254	630,000	6,300,000	-	-	-	-	(69,675) (Note 3)	950,899	9,379,579 (Note 8)
	Phihong Technology Co., Ltd.	FVTOCI - non-current	-	-	-	-	37,520 (Note 7)	1,510,555 (Note 7)	-	-	-	-	(254,761) (Note 5)	37,520	1,255,794
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)	-	(192,892) (Note 5)	11,110	1,502,260
Ta-Ho Maritime Corporation	Ta-Ho Maritime Holdings Ltd.	Investments accounted for using the equity method	-	Subsidiary	19,300	4,665,395	25,000	695,250	-	-	-	-	90,747 (Note 3)	44,300	5,451,392 (Note 8)
TCC Green Energy Corporation	TCC Chia-Chien Green Energy Corporation	Investments accounted for using the equity method	-	Subsidiary	100,200	930,205	130,000	1,300,000	-	-	-	-	(48,901) (Note 3)	230,200	2,181,304 (Note 8)
	TCC Lien-Hsin Green Energy Corporation	Investments accounted for using the equity method	-	Subsidiary	1,200	9,051	400,000	4,000,000	-	-	-	-	(1,707) (Note 3)	401,200	4,007,344 (Note 8)
Ta-Ho Maritime Holdings Ltd.	THC International S.A.	Investments accounted for using the equity method	-	Subsidiary	39,310	3,725,099	25,000	695,250	-	-	-	-	8,423 (Note 3)	64,310	4,428,772 (Note 8)
TCC Dutch	TCEH	Investments accounted for using the equity method	-	Subsidiary	-	-	75,001	10,627,883	-	-	-	-	(1,131,425) (Note 3)	75,001	9,496,458 (Note 8)
TCEH	NHOA S.A.	Investments accounted for using the equity method	Note 6	Subsidiary	-	-	16,635	7,595,278	-	-	-	-	(920,917) (Note 3)	16,635	6,674,361 (Note 8)
TCC Yingde Cement Co., Ltd.	Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd.	Investments accounted for using the equity method	-	Associates	-	-	-	699,477	-	-	-	-	(28,743) (Note 3)	-	670,734
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	-	-	-	-	(17,164) (Note 3)	-	908,283 (Note 8)
NHOA S.A.	NHOA ENERGY S.R.L.	Investments accounted for using the equity method	-	Subsidiary	-	-	-	1,002,240	-	-	-	-	1,326,589 (Note 3)	1,000	2,328,829 (Note 8)
NHOA ENERGY S.R.L.	NHOA AUSTRALIA PTY LTD	Investments accounted for using the equity method	-	Subsidiary	-	-	25,200	505,225	-	-	-	-	428 (Note 3)	25,210	505,653 (Note 8)
TCC Recycle Energy Technology Company	E-One Moli Energy Corp.	Investments accounted for using the equity method	-	Subsidiary	566,311	5,105,395	1,000,000	10,000,000	-	-	-	-	(340,700) (Note 3)	1,566,311	14,764,695 (Note 8)
E-One Moli Energy Corp.	Molie Quantum Energy Corporation	Investments accounted for using the equity method	-	Subsidiary	-	-	1,000,100	10,001,000	-	-	-	-	(79,844) (Note 3)	1,000,100	9,921,156 (Note 8)

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: On March 19, 2021, the board of directors of the Corporation approved to sell 100% of the total issued shares of Taiwan Prosperity Chemical Corporation, for the total consideration of NT\$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 NT\$400,000 thousand to TCC Chemical Corporation as the consideration of the termination. The Group completed its disposition and lost control on August 17, 2021. Refer to Note 28.

Note 3: Including the profit and loss parts of subsidiaries recognized under the equity method and adjustments to shareholder's equity.

Note 4: Including accumulated gain from retained earnings in the amount of NT\$1,029,880 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: Purchase 7,722 thousand shares for NT\$4,391,545 thousand from Engie SA Group, acquire 596 thousand shares for NT\$329,447 thousand from open market and acquire 8,317 thousand shares for NT\$2,874,286 from NHOA S.A. issuance of ordinary shares for cash.

Note 7: The subscription of 37,520 thousand shares of Phihong Technology Co., Ltd. was via private placement for consideration of \$1,510,555 thousand. After the private placement, the Corporation owns 9.9998% of shares of Phihong Technology Co., Ltd. The private placement of ordinary shares may not be transferred to others within 3 years under the relevant laws and regulations.

Note 8: All intercompany transactions have been eliminated upon consolidation.

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Taiwan Cement Corporation	Factory expansion construction	2021.9.27	\$ 3,347,752	By negotiation	CTCI Resources Engineering Inc.	The Group acts as key management of its parent company	-	-	-	\$ -	Negotiated price	For operating purpose	None
Molie Quantum Energy Corporation	Factory expansion construction	2021.5.1	407,300	By negotiation	CTCI Corporation	The Group acts as key management personnel	-	-	-	-	Negotiated price	For operating purpose	None
	Factory expansion construction	2021.8.20	466,034	By negotiation	Ruentex Engineering & Construction Co., Ltd.	-	-	-	-	Negotiated price	For operating purpose	None	
	Factory expansion construction	2021.10.20	3,996,379	By negotiation	Ruentex Engineering & Construction Co., Ltd.	-	-	-	-	Negotiated price	For operating purpose	None	
	Factory expansion construction	2021.10.20	3,900,000	By negotiation	CTCI Smart Engineering Corp.	The Group acts as key management of its parent company	-	-	-	-	Negotiated price	For operating purpose	None

Note: The acquisition of certain real estate by the Corporation from CTCI Resources Engineering Inc. and the acquisition of certain real estate by Molie Quantum Energy Corporation from CTCI Corporation and CTCI Smart Engineering Corporation fall into the definition of "The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property on the company's own land or on rented land"; therefore, Articles 16 and 17 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies are not applicable to such acquisition.

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 YEAR ENDED DECEMBER 31, 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 YEAR ENDED DECEMBER 31, 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 Limited	Subsidiary	Sales	\$ (510,840)	(2)	30 days	\$ -	-	\$ 153,226	24	Note 2
	HKCCL	Subsidiary	Purchases	205,556	1	30 days	-	-	(26,178)	(2)	Note 2
			Sales	(514,564)	(2)	65 days counting from the completion of shipment	-	-	75,968	12	Note 2
	TCCIH	Subsidiary	Service revenue	(442,400)	(2)	By contract	-	-	37,491	6	Note 2
	E.G.C. Cement Corporation	Subsidiary	Sales	(584,966)	(2)	50 days counting from the completion of shipment	-	-	166,785	26	Note 2
			Ta-Ho Maritime Corporation	Subsidiary	Purchases	1,789,482	9	30 days	-	-	(541,421)
	Jin Chang Minerals Corporation	Subsidiary	Purchases	685,546	4	30 days	-	-	(126,091)	(10)	Note 2
	Taiwan Transport & Storage Corporation	Subsidiary	Purchases	667,116	4	30 days	-	-	(144,048)	(11)	Note 2
	Hoping Industrial Port Corporation	Subsidiary	Purchases	584,056	3	20 days	-	-	(51,639)	(4)	Note 2
	Ho Sheng Mining Co., Ltd.	Subsidiary	Purchases	323,826	2	30 days	-	-	(59,956)	(5)	Note 2
	Kuan-Ho Refractories Industry Corporation	Subsidiary	Purchases	201,457	1	By contract	-	-	(104,104)	(8)	Note 2
	Chia Hsin Cement Corporation	Director of the Corporation	Sales	(692,930)	(3)	65 days counting from the completion of shipment	-	-	123,932	19	
	China Hi-Ment Corporation	The Corporation serves as director	Sales	(156,187)	(1)	60 days	-	-	41,592	6	
			Purchases	788,935	4	60 days	-	-	(242,055)	(18)	
Ho-Ping Power Company	Hoping Industrial Port Corporation	The same parent company	Purchases	1,072,459	14	20 days	-	-	(27,457)	(23)	Note 2
	HPC Power Service Corporation	The same parent company	Purchases	493,623	6	By contract	-	-	(88,671)	(74)	Note 2
Hoping Industrial Port Corporation	Taiwan Cement Corporation	Parent company	Sales	(584,056)	(34)	20 days	-	-	51,639	62	Note 2
	Ho-Ping Power Company	The same parent company	Sales	(1,072,459)	(62)	20 days	-	-	27,457	33	Note 2
	Taiwan Transport & Storage Corporation	The same parent company	Purchases	232,404	79	30 days	-	-	(20,991)	(84)	Note 2
E.G.C. Cement Corporation	Taiwan Cement Corporation	Parent company	Purchases	584,966	100	50 days counting from the completion of shipment	-	-	(166,785)	(100)	Note 2
Feng Sheng Enterprise Company Limited	Taiwan Cement Corporation	Parent company	Purchases	510,840	17	30 days	-	-	(153,226)	(100)	Note 2
			Sales	(205,556)	(6)	30 days	-	-	26,178	100	Note 2
Taiwan Transport & Storage Corporation	Taiwan Cement Corporation	Parent company	Sales	(667,116)	(38)	30 days	-	-	144,048	77	Note 2
	Hoping Industrial Port Corporation	The same parent company	Sales	(232,404)	(13)	30 days	-	-	20,991	11	Note 2
	Taiwan Prosperity Chemical Corporation (Note 3)	The same parent company	Sales	(205,653)	(16)	30 days	-	-	-	-	Note 2
	Linyuan Advanced Materials Technology Co., Ltd.	The same chairman	Sales	(161,258)	(9)	30 days	-	-	21,354	11	
Ta-Ho Maritime Corporation	Taiwan Cement Corporation	Parent company	Sales	(1,789,482)	(59)	30 days	-	-	541,421	99	Note 2
TCCIH	Taiwan Cement Corporation	Parent company	Service expense	442,400	100	By contract	-	-	(37,491)	(100)	Note 2
Ho Sheng Mining Co., Ltd.	Taiwan Cement Corporation	Parent company	Sales	(323,826)	(73)	30 days	-	-	59,956	73	Note 2
	Jin Chang Minerals Corporation	The same parent company	Sales	(119,973)	(27)	30 days	-	-	21,917	27	Note 2
HPC Power Service Corporation	Ho-Ping Power Company	The same parent company	Sales	(493,623)	(100)	By contract	-	-	88,671	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)	
Jin Chang Minerals Corporation	Taiwan Cement Corporation Ho Sheng Mining Co., Ltd.	Parent company The same parent company	Sales	\$ (685,546)	(100)	30 days	\$ -	-	\$ 126,091	100	Note 2
			Purchases	119,973	15	30 days	-	-	(21,917)	100	Note 2
Kuan-Ho Refractories Industry Corporation	Taiwan Cement Corporation	Parent company	Sales	(201,457)	(21)	By contract	-	-	104,104	90	Note 2
Da Tong (Guigang) International Logistics Co., Ltd.	TCC (Gui Gang) Cement Ltd.	The same ultimate parent company	Freight revenue	(527,350)	(94)	By negotiation	-	-	69,437	100	Note 2
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	(457,778)	(39)	By negotiation	-	-	115,597	72	Note 2
			Freight revenue	(297,765)	(26)	By negotiation	-	-	34,027	21	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	527,350	7	By negotiation	-	-	(69,437)	(1)	Note 2
			Purchases	457,778	6	By negotiation	-	-	(115,597)	(1)	Note 2
TCC Yingde Cement Co., Ltd.	Guigang Da-Ho Shipping Co., Ltd.	The same ultimate parent company	Purchases	297,765	3	By negotiation	-	-	(34,027)	(1)	Note 2
HKCCL	Taiwan Cement Corporation Quon Hing Concrete Co., Ltd.	Parent company Associates	Purchases	514,564	76	65 days counting from the completion of shipment	-	-	(75,968)	(52)	Note 2
			Sales	(324,947)	(35)	By negotiation	-	-	126,567	44	
TCC Liaoning Cement Company Limited	Yantai Jinyu Jidong Cement Co., Ltd.	Related party in substance	Sales	(317,291)	(17)	By negotiation	-	-	-	-	
E-One Moli Energy Corp.	E-One Moli Energy (Canada) Ltd.	The same ultimate parent company	Sales	(829,981)	(19)	90 days	-	-	647,917	61	Note 2
E-One Moli Energy (Canada) Ltd.	E-One Moli Energy Corp.	The same ultimate parent company	Purchases	829,981	82	90 days	-	-	(647,917)	(64)	Note 2

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

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

Note 3: The Company has disposed of the ordinary shares of Taiwan Prosperity Chemical Corporation in August 2021. Refer to Note 28.

(Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

DECEMBER 31, 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)	Subsidiary	\$ 153,226	3.8	\$ -	-	\$ 145,666	\$ -
	E.G.C. Cement Corporation (Note)	Subsidiary	166,785	3.8	-	-	166,785	-
	Chia Hsin Cement Corporation	Directors	123,932	7.0	-	-	123,932	-
Ta-Ho Maritime Corporation	Taiwan Cement Corporation (Note)	Parent company	541,421	4.0	-	-	366,755	-
Taiwan Transport & Storage Corporation	Taiwan Cement Corporation (Note)	Parent company	144,048	6.2	-	-	68,287	-
Jin Chang Minerals Corporation	Taiwan Cement Corporation (Note)	Parent company	126,091	10.3	-	-	126,091	-
Kuan-Ho Refractories Industry Corporation	Taiwan Cement Corporation (Note)	Parent company	104,104	2.1	-	-	76,516	-
Guigang Da-Ho Shipping Co., Ltd.	TCC (Gui Gang) Cement Ltd. (Note)	The same ultimate parent company	115,597	2.7	-	-	106,093	-
HKCCL	Quon Hing Concrete Co., Ltd.	Associates	126,567	2.7	-	-	25,965	-
E-One Moli Energy Corp.	E-One Moli Energy (Canada) Ltd. (Note)	The same ultimate parent company	647,917	1.3	-	-	221,440	-

Note: All intercompany transactions have been eliminated upon consolidation.

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2021	December 31, 2020	Shares/Units (In Thousands)	%	Carrying Amount			
Taiwan Cement Corporation	TCCI	British Virgin Islands	Investment holding	\$ 33,774,761	\$ 33,774,761	1,100,875,900	100.00	\$ 114,241,779	\$ 8,390,869	\$ 8,390,869	Note
	Ho-Ping Power Company	Taiwan	Thermal power generation	6,037,720	6,037,720	805,940,306	59.50	16,403,671	1,492,151	887,830	Note
	Hoping Industrial Port Corporation	Taiwan	Hoping Industrial Port management	3,198,500	3,198,500	319,990,000	100.00	5,865,242	817,162	829,082	Note
	Ta-Ho Maritime Corporation	Taiwan	Marine transportation	528,506	528,506	161,511,550	64.79	2,831,185	371,172	240,472	Note
	Taiwan Prosperity Chemical Corporation	Taiwan	Processing and sale of chemical material	-	1,731,127	-	-	-	532,145	554,464	Note
	Taiwan Transport & Storage Corporation	Taiwan	Warehousing, transportation and sale of sand and gravel	90,863	90,863	48,689,888	83.85	2,093,912	210,996	176,911	Note
	TCC Investment Corporation	Taiwan	Investment	190,000	190,000	131,488,000	100.00	4,976,399	175,738	409,247	Note
	Ho Sheng Mining Co., Ltd.	Taiwan	Mining excavation	1,414,358	1,414,358	30,100,000	100.00	1,326,807	62,329	62,329	Note
	CCC USA Corp.	U.S.A.	Rubber raw materials	1,284,421	1,284,421	79,166	33.33	1,731,743	279,366	93,122	
	Taiwan Cement Engineering Corporation	Taiwan	Engineering services	320,514	320,373	59,681,501	99.20	719,091	88	1,468	Note
	ONYX Ta-Ho Environmental Services Co., Ltd.	Taiwan	Waste collection and treatment	72,000	72,000	58,828,112	50.00	1,220,989	891,422	445,711	
	Kuan-Ho Refractories Industry Corporation	Taiwan	Production and sale of refractory materials	181,050	181,050	38,925,750	95.29	599,906	90,974	86,688	Note
	Feng Sheng Enterprise Company	Taiwan	Sale of ready-mixed concrete	250,000	250,000	27,260,611	45.43	432,661	197,308	89,646	Note
	TCC Chemical Corporation	Taiwan	Leasing property and energy technology services	1,510,842	1,510,842	240,000,000	100.00	1,246,575	(527,110)	(527,110)	Note
	TCC Information Systems Corporation	Taiwan	Information software design	71,000	71,000	14,904,000	99.36	265,911	14,207	14,116	Note
	Ta-Ho RSEA Environment Co., Ltd.	Taiwan	Waste collection and treatment	666,000	666,000	39,960,000	66.60	599,889	618,638	412,013	Note
	HKCMCL	Hong Kong	Investment holding	72,005	72,005	38,094	84.65	459,780	65,831	55,729	Note
	TCC Green Energy Corporation	Taiwan	Renewable energy generation	9,446,046	3,146,046	950,898,696	100.00	9,379,579	(69,675)	(69,675)	Note
	Jin Chang Minerals Corporation	Taiwan	Afforestation and sale of limestone	108,042	18,042	9,100,000	100.00	175,885	(93,224)	(93,224)	Note
	HPC Power Service Corporation	Taiwan	Business consulting	1,861	1,861	6,000	60.00	121,105	202,000	121,200	Note
	E.G.C. Cement Corporation	Taiwan	Sale of cement	184,359	184,359	8,062,600	50.64	124,088	42,317	21,431	Note
	Synpac Ltd.	British Virgin Islands	Investment	70,367	70,367	2,700,000	25.00	6,328	(109)	(27)	
	Tung Chen Mineral Corporation	Taiwan	Afforestation and sale of limestone	1,989	1,989	19,890	99.45	1,226	(43)	(43)	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	60,257,962	11,452,942	4,384,186	Note
	International CSRC Investment Holdings Co., Ltd.	Taiwan	Investment	3,563,397	3,563,397	153,476,855	15.59	5,642,349	3,383,221	527,296	
	TCC Dutch	Netherlands	Investment holding	29,695,730	29,695,730	838,370	100.00	24,496,751	761,420	761,420	Note
	TCC Recycle Energy Technology Company	Taiwan	Manufacturing and sale of batteries, power generation machinery, electronic components, etc.	10,423,119	1,190,225	1,040,652,886	63.26	10,333,631	(325,693)	(90,911)	Note
	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	912	(63)	(63)	Note
	TCC Energy Storage Technology Corporation	Taiwan	Energy storage equipment manufacturing production and sales	2,006,000	1,000	200,600,000	100.00	1,979,067	(26,917)	(26,917)	Note
	Tuo Shan Recycle Technology Company	Taiwan	Waste collection and treatment	1,000	-	100,000	100.00	955	(45)	(45)	Note

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2021	December 31, 2020	Shares/Units (In Thousands)	%	Carrying Amount			
Taiwan Transport & Storage Corporation	Ta-Ho Maritime Corporation	Taiwan	Marine transportation	\$ 303,432	\$ 301,524	72,925	29.25	\$ 1,278,320	\$ 371,172	\$ 108,558	Note
	E.G.C. Cement Corporation	Taiwan	Sale of cement	136,476	136,476	7,857	49.36	150,312	42,317	20,886	Note
	Tai-Jie Transport & Storage Corporation	Taiwan	Transportation	25,000	25,000	2,500	100.00	39,290	12,140	12,140	Note
TCC Investment Corporation	Union Cement Traders Inc.	Taiwan	Import and export trading	219,450	219,450	27,783,000	100.00	1,126,605	72,218	72,218	Note
	Ho-Ping Power Company	Taiwan	Thermal power generation	68,911	68,911	6,772,608	0.50	134,379	1,492,151	7,461	Note
	Taiwan Prosperity Chemical Corporation	Taiwan	Processing and sale of chemical material	-	10,528	-	-	-	532,145	(174)	Note
	Ta-Ho Maritime Corporation	Taiwan	Marine transportation	343	343	46,711	0.02	819	371,172	69	Note
	International CSRC Investment Holdings Co., Ltd.	Taiwan	Investment	388,079	388,079	22,008,505	2.23	802,736	3,383,221	75,614	
	TCC Recycle Energy Technology Company	Taiwan	Manufacturing and sale of batteries, power generation machinery, electronic components, etc.	312,833	312,833	31,859,829	1.94	215,527	(325,693)	(11,437)	Note
Ta-Ho Maritime Corporation	Ta-Ho Maritime Holdings Ltd.	Samoa	Investment	1,244,914	549,664	44,300,000	100.00	5,451,392	205,911	205,911	Note
TCC Information Systems Corporation	Taicem Information (Samoa) Pte., Ltd.	Samoa	Investment	3,042	3,042	100,000	100.00	51,557	2,670	2,670	Note
	International CSRC Investment Holdings Co., Ltd.	Taiwan	Investment	49,882	49,882	2,055,473	0.21	75,012	3,383,221	7,062	
Hoping Industrial Port Corporation	Taiwan Prosperity Chemical Corporation	Taiwan	Processing and sale of chemical material	-	104,929	-	-	-	532,145	(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	0.71	79,120	(325,693)	(4,233)	Note
Union Cement Traders Inc.	Taiwan Transport & Storage Corporation	Taiwan	Warehousing, transportation and sale of sand and gravel	2,612	2,612	389,418	0.67	16,747	210,996	1,415	Note
	International CSRC Investment Holdings Co., Ltd.	Taiwan	Investment	281,806	281,806	11,463,551	1.16	418,351	3,383,221	39,385	
	TCC Recycle Energy Technology Company	Taiwan	Manufacturing and sale of batteries, power generation machinery, electronic components, etc.	298,046	298,046	30,702,994	1.87	207,702	(325,693)	(11,021)	Note
TCC Recycle Energy Technology Company	E-One Moli Energy Corp.	Taiwan	Manufacturing and sales of Lithium battery	15,683,427	5,683,427	1,566,310,703	100.00	14,764,695	(321,476)	(321,476)	Note
E-One Moli Energy Corp.	E-One Holdings Ltd.	British Virgin Islands	Investment holding	2,050,040	2,050,040	65,344,940	100.00	441,098	68,811	68,811	Note
	Molie Quantum Energy Corporation	Taiwan	Manufacturing and sales of batteries, power generation machinery and electronic components	10,001,000	-	1,000,100,000	100.00	9,921,156	(79,844)	(79,844)	Note
E-One Holdings Ltd.	E-One Moli Holdings (Canada) Ltd.	Canada	Investment holding	2,430,170	2,430,170	23,800	100.00	441,081	68,818	68,818	Note
E-One Moli Holdings (Canada) Ltd.	E-One Moli Energy (Canada) Ltd.	Canada	Battery research and development and sales	1,917,161	1,917,161	6,649,200	100.00	441,048	68,816	68,816	Note
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

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2021	December 31, 2020	Shares/Units (In Thousands)	%	Carrying Amount			
TCC Green Energy Corporation	TCC Chia-Chien Green Energy Corporation	Taiwan	Renewable energy generation	\$ 2,302,000	\$ 1,002,000	230,200,000	100.00	\$ 2,181,304	\$ (48,901)	\$ (48,901)	Note
	TCC Yun-Kai Green Energy Corporation	Taiwan	Renewable energy generation	25,000	25,000	2,500,000	100.00	22,083	(181)	(181)	Note
	TCC Lien-Shen Green Energy Corporation	Taiwan	Renewable energy generation	4,012,000	12,000	401,200,000	100.00	4,007,344	(1,706)	(1,706)	Note
	TCC Chang-Ho Green Energy Corporation	Taiwan	Renewable energy generation	2,456	2,456	245,635	100.00	2,376	(34)	(34)	Note
	TCC Kao Cheng Green Energy Corporation	Taiwan	Renewable energy generation	82,000	82,000	8,200,000	100.00	84,214	2,464	2,464	Note
	TCC Nan Chung Green Energy Corporation	Taiwan	Renewable energy generation	170,000	170,000	17,000,000	100.00	169,450	1,195	1,195	Note
	Chang-Wang Wind Power Co., Ltd.	Taiwan	Renewable energy generation	720,000	720,000	72,000,000	100.00	696,603	27,685	27,685	Note
	TCC Ping-Zhi Green Energy Corporation	Taiwan	Renewable energy generation	2,000	2,000	200,000	100.00	1,883	(34)	(34)	Note
	Chia-Ho Green Energy Corporation	Taiwan	Renewable energy generation	100,000	50,000	10,000,000	100.00	67,292	(32,332)	(32,332)	Note
	TCC Tung-Li Green Energy Corporation	Taiwan	Renewable energy generation	150,000	-	15,000,000	100.00	143,965	(6,035)	(6,035)	Note
Ta-Ho Maritime Holdings Ltd.	THC International S.A.	Panama	Marine transportation	1,814,799	1,119,549	64,310,000	100.00	4,428,772	117,694	117,694	Note
	Ta-Ho Maritime (Hong Kong) Limited	Hong Kong	Marine transportation	141,168	145,248	5,100,000	100.00	947,044	89,629	89,629	Note
	Ta-Ho Maritime (Singapore) Pte. Ltd.	Singapore	Marine transportation	2,768	2,848	100,000	100.00	65,878	(1,120)	(1,120)	Note
TCC International Ltd. (Group)	Quon Hing Concrete Co., Ltd.	Hong Kong	Investment holding	157,899	163,415	100,000	50.00	149,229	48,788	24,394	
	Hong Kong Concrete Co., Ltd.	Hong Kong	Cement processing services	24,211	25,057	129,150	31.50	142,636	(12,679)	(3,994)	
TCC Dutch	Cimpor Global Holdings B.V.	Netherlands	Holding company	26,255,753	27,014,590	100,000	40.00	25,112,660	3,400,061	1,265,472	
	TCEH	Netherlands	Investment holding	10,627,883	-	75,001,000	100.00	9,496,458	(240,073)	(240,073)	Note
TCEH	NHOA S.A.	France	Investment holding	7,595,278	-	16,635,102	65.15	6,674,361	(298,915)	(190,160)	Note
NHOA S.A.	NHOA ENERGY S.R.L.	Italy	Renewable energy and energy storage system construction	1,002,240	-	1,000,000	100.00	2,328,829	(296,231)	(296,231)	Note
	ELECTRO POWER SYSTEM MANUFACTURING	Italy	Renewable energy and energy storage system construction	664,059	-	1,004,255	100.00	127,040	9,567	9,567	Note
	Comores Énergie Nouvelles S.A.R.L.	Union of the Comoros	Renewable energy and energy storage system construction	305	-	60	60.00	11,508	(2,060)	(1,236)	Note
NHOA ENERGY S.R.L.	FREE2MOVE ESOLUTIONS S.P.A.	Italy	Electric vehicle charging equipment	528,255	-	16,344,531	49.90	511,911	(2,293)	(1,144)	Note
	NHOA AMERICAS LLC	U.S.A.	Renewable energy and energy storage system construction	274	-	10,000	100.00	5,946	(11,769)	(11,769)	Note
	NHOA AUSTRALIA PTY LTD.	Australia	Renewable energy and energy storage system construction	505,225	-	25,210,000	100.00	505,653	1,751	1,751	Note
	ATLANTE SRL	Italy	Renewable energy and charging equipment	78,136	-	10,000	100.00	66,085	(12,051)	(12,051)	Note

Note: All intercompany transactions have been eliminated upon consolidation.

(Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 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 December 31, 2021 (Note 2)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount as of December 31, 2021 (Note 3)	Accumulated Repatriation of Investment Income as of December 31, 2021	Note
					Outflow	Inflow							
TCC Fuzhou Cement Co., Ltd.	Manufacturing and sale of cement	\$ 449,800	(b)	\$ 254,137	\$ -	\$ -	\$ 254,137	\$ 66,300	100.00	\$ 66,300	\$ 1,003,138	\$ -	Note 6
TCC Fuzhou Yangyu Port Co., Ltd.	Service of port facility	138,400	(b)	78,196	-	-	78,196	27,159	100.00	27,159	301,052	-	Note 6
TCC Liuzhou Construction Materials Company Limited	Manufacturing and sale of slag powder	373,680	(b)	89,683	-	-	89,683	110,955	42.00	46,601	398,103	-	Note 6
TCC Yingde Cement Co., Ltd.	Manufacturing and sale of cement	7,041,792	(b)	4,400,040	-	-	4,400,040	3,418,435	100.00	3,418,435	33,473,137	-	Note 6
Jurong TCC Cement Co., Ltd.	Manufacturing and sale of cement	6,449,440	(b)	3,764,342	-	-	3,764,342	2,117,136	100.00	2,117,136	17,526,439	-	Note 6
TCC (Gui Gang) Cement Ltd.	Manufacturing and sale of cement	9,214,005	(b)	6,590,605	-	-	6,590,605	1,566,776	100.00	1,566,776	28,176,279	-	Note 6
Jiangsu TCC Investment Co., Ltd.	Investment holding	1,384,000	(b)	781,960	-	-	781,960	968,262	100.00	968,262	3,902,650	-	Note 6
Yingde Dragon Mountain Cement Co., Ltd.	Manufacturing and sale of cement	1,859,710	(b)	3,006,965	-	-	3,006,965	1,990,720	100.00	1,990,720	17,231,540	-	Note 6
TCC Liaoning Cement Company Limited	Manufacturing and sale of cement	1,611,624	(b)	1,234,016	-	-	1,234,016	103,886	100.00	103,886	1,837,965	-	Note 6
TCC Anshun Cement Company Limited	Manufacturing and sale of cement	4,248,603	(b)	3,095,343	-	-	3,095,343	307,816	100.00	307,816	7,224,247	-	Note 6
TCC Chongqing Cement Company Limited	Manufacturing and sale of cement	3,266,240	(b)	2,361,695	-	-	2,361,695	953,698	100.00	953,698	9,366,636	-	Note 6
Guangan Changxing Cement Company Ltd.	Manufacturing and sale of cement	2,131,083	(b)	1,547,184	-	-	1,547,184	540,719	100.00	540,719	5,953,441	-	Note 6
TCC (Dong Guan) Cement Company Ltd.	Manufacturing and sale of cement	553,600	(b)	312,784	-	-	312,784	(3,121)	100.00	(3,121)	310,701	-	Note 6
Guizhou Kong On Cement Company Limited	Manufacturing and sale of cement	561,904	(b)	253,277	-	-	253,277	(66,042)	65.00	(42,927)	416,311	-	Note 6
TCC New (Hangzhou) Management Company Limited	Operation management	221,440	(b)	125,114	-	-	125,114	(106,656)	100.00	(106,656)	67,734	-	Note 6
Guizhou Kaili Rui An Jian Cai Co., Ltd.	Manufacturing and sale of cement	1,692,685	(b)	990,235	-	-	990,235	(13,852)	100.00	(13,852)	3,710,029	-	Note 6
TCC Shaoguan Cement Co., Limited	Manufacturing and sale of cement	1,912,688	(b)	1,792,280	-	-	1,792,280	(122,314)	100.00	(122,314)	1,797,647	-	Note 6
TCC Huaying Cement Company Limited	Manufacturing and sale of cement	4,126,279	(b)	2,841,485	-	-	2,841,485	(74,298)	100.00	(74,298)	3,638,769	-	Note 6
TCC Huaihua Cement Company Limited (Note 4)	Manufacturing and sale of cement	1,303,200	(b)	5,201,600	-	-	5,201,600	271,348	100.00	271,348	4,855,411	-	Note 6
TCC Jingzhou Cement Company Limited (Note 4)	Manufacturing and sale of cement	651,600	(b)	-	-	-	-	128,140	100.00	128,140	2,232,148	-	Note 6
TCC Huaihua Concrete Company Limited (Note 4)	Sale of ready-mixed concrete	43,440	(b)	-	-	-	-	(10,863)	100.00	(10,863)	32,152	-	Note 6
TCC Jiangsu Mining Industrial Company Limited	Mining excavation	110,720	(b)	346,191	-	-	346,191	28,434	100.00	28,434	343,568	-	Note 6
TCC Yingde Mining Industrial Company Limited	Mining excavation	318,320	(b)	250,439	-	-	250,439	(27,110)	100.00	(27,110)	359,567	-	Note 6
TCC Guigang Mining Industrial Company Limited	Mining excavation	138,400	(b)	119,540	-	-	119,540	5,023	100.00	5,023	386,190	-	Note 6
Scitus Naxi Cement Co., Ltd.	Manufacturing and sale of cement	636,439	(b)	-	-	-	-	16,862	100.00	16,862	582,024	-	Note 6
Scitus Luzhou Cement Co., Ltd.	Manufacturing and sale of cement	1,715,880	(b)	-	-	-	-	276,918	100.00	276,918	3,391,476	-	Note 6
Scitus Hejiang Cement Co., Ltd.	Manufacturing and sale of cement	100,998	(b)	-	-	-	-	(988)	100.00	(988)	4,212	-	Note 6
Scitus Luzhou Concrete Co., Ltd.	Sale of ready-mixed concrete	108,600	(b)	-	-	-	-	(18,473)	100.00	(18,473)	94,879	-	Note 6
Anshun Xin Tai Construction Materials Company Limited	Filtering of sand and gravel and sale of ready-mixed concrete	65,160	(b)	84,573	-	-	84,573	227	100.00	227	63,248	-	Note 6
Fuzhou TCC Information Technology Co., Ltd. (Note 5)	Software product and equipment maintenance	2,768	(b)	2,955	-	-	2,955	3,698	100.00	3,698	17,110	39,372	Note 6
Da Tong (Guigang) International Logistics Co., Ltd. (Note 5)	Logistics and transportation	138,400	(b)	-	-	-	-	89,909	100.00	89,909	932,345	-	Note 6
Da Tong (Ying De) Logistics Co., Ltd. (Note 5)	Logistics and transportation	21,720	(b)	-	-	-	-	9,047	100.00	9,047	131,641	-	Note 6
Guigang Da-Ho Shipping Co., Ltd. (Note 5)	Marine transportation	17,376	(b)	-	-	-	-	58,221	100.00	58,221	527,926	-	Note 6
Prosperity Conch Cement Co., Ltd.	Manufacturing and sale of cement	2,519,520	(b)	2,026,077	-	-	2,026,077	5,517,279	25.00	1,379,320	7,680,842	-	Note 3
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.	Manufacturing and sale of cement	3,583,800	(b)	1,320,914	-	-	1,320,914	524,761	30.00	157,428	1,635,580	-	Note 3
Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd.	Manufacturing and sale of cement	1,792,248	(b)	639,646	-	-	639,646	458,503	30.00	137,551	866,291	-	Note 3
Sichuan Taichang Building Material Group Company Limited	Manufacturing and sale of cement	868,800	(b)	319,754	-	-	319,754	267,339	30.00	80,202	391,733	-	Note 6
Yingjing Xinan New material Co., Ltd.	Manufacturing and sale of cement	86,880	(b)	-	-	-	-	-	30.00	-	(165,871)	-	Note 6
Guangan Xin Tai Construction Materials Company Limited	Manufacturing and sale of concrete aggregate	67,332	(b)	43,653	-	-	43,653	-	50.00	-	-	-	Note 6
Guigang TCC Dong Yuan Environmental Technology Company Limited	Dangerous waste treatment	868,800	(b)	508,248	-	-	508,248	23,130	100.00	23,130	908,283	-	Note 6
Beijing TCC Environmental Technology Co., Ltd.	Technology development, enterprise management and sales	26,064	(b)	26,064	-	-	26,064	(42,536)	100.00	(42,536)	(63,239)	-	Note 6
TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	Environment, cement, business management consulting	3,040,800	(b)	3,040,800	-	-	3,040,800	(236,096)	100.00	(236,096)	2,381,283	-	Note 6
Kaili TCC Environment Technology Co., Ltd.	Waste collection and treatment	34,752	(b)	13,032	-	-	13,032	(89,664)	100.00	(89,664)	(65,572)	-	Note 6
TCC Jiuyuan (Xuyong) Environmental Technology Co., Ltd.	Technology development, enterprise management and sales	17,376	(b)	9,557	-	-	9,557	150	55.00	82	8,743	-	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 December 31, 2021 (Note 2)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount as of December 31, 2021 (Note 3)	Accumulated Repatriation of Investment Income as of December 31, 2021	Note
					Outflow	Inflow							
Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd.	Technology development, enterprise management consulting	\$ 38,010	(b)	\$ -	\$ -	\$ -	\$ -	\$ (9)	45.00	\$ (4)	\$ 33,114	\$ -	
TCC (Hangzhou) Recycle Resource Technology Environmental Limited	Resource recycling technology development, business management and sales	2,432,640	(b)	-	-	-	-	28,911	100.00	28,911	2,457,688	-	Note 6
Guigang Conch-TCC New Material Technology Co., Ltd	Technology development and service, Manufacturing and sale of dedicated chemical production	104,256	(b)	-	-	-	-	(12,585)	40.00	(5,034)	35,376	-	
Jurong TCC Environmental Co., Ltd.	Dangerous waste treatment	651,600	(b)	-	-	-	-	6,375	100.00	6,375	655,825	-	Note 6
Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd.	Manufacturing and sale of cement, technology development, enterprise management and sales	1,737,600	(b)	-	-	-	-	(55,222)	40.00	(22,089)	670,734	-	
TCC Yongren (Hangzhou) Environmental Protection Technology Company Limited	Resource recycling technology consultation, biomass energy technology and fuel sales, solid waste treatment	4,344	(b)	-	-	-	-	-	100.00	-	4,329	-	Note 6
TCC Yongren (Hangzhou) Environmental Technology Company Limited	Resource recycling technology consultation, solid waste treatment, biomass fuel sales	4,344	(b)	-	-	-	-	-	100.00	-	4,329	-	Note 6
TCC Yongren (Hangzhou) Renewable Resources Technology Company Limited	Resource reusing technology and development, solid waste treatment, biomass fuel processing and sales	4,344	(b)	-	-	-	-	-	100.00	-	4,329	-	Note 6
TCC Yongren (Hangzhou) Renewable Resources Development Company Limited	Resource regeneration technology research and development, solid waste treatment, biomass fuel processing and sales	4,344	(b)	-	-	-	-	-	100.00	-	4,329	-	Note 6
TCC (Shaoguan) Environment Technology Co., Ltd.	Biomass fuel processing and sales, solid waste treatment, urban and kitchen waste treatment	4,344	(b)	-	-	-	-	-	100.00	-	4,330	-	Note 6

Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$68,201,885	\$70,403,550	(Note 7)

Note 1: The method of investments were as follows:

- Direct investment in mainland companies.
- 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 Company Limited 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 December 31, 2021, 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, 4, 7, 8 and 11 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 YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship (Note 1)	Transactions Details			% of Total Sales or Assets
				Financial Statement Account	Amount	Payment Terms	
0	Taiwan Cement Corporation	Feng Sheng Enterprise Company	1	Operating revenue	\$ 510,840	30 days	0.5
				Accounts receivable from related parties	153,226	30 days	-
		Taiwan Transport & Storage Corporation	1	Operating costs and expenses	205,556	30 days	0.2
				Operating costs and expenses	667,116	30 days	0.6
		Hoping Industrial Port Corporation	1	Accounts payable to related parties	144,048	30 days	-
				Operating costs and expenses	584,056	20 days	0.5
		Ho Sheng Mining Co., Ltd.	1	Operating costs and expenses	323,826	30 days	0.3
				Operating costs and expenses	685,546	30 days	0.6
		Jin Chang Minerals Corporation	1	Accounts payable to related parties	126,091	30 days	-
				Operating costs and expenses	201,457	By contract	0.2
		Kuan-Ho Refractories Industry Corporation	1	Accounts payable to related parties	104,104	By contract	-
				Operating costs and expenses	1,789,482	30 days	1.7
		Ta-Ho Maritime Corporation	1	Accounts payable to related parties	541,421	30 days	0.1
Operating revenue	584,966			50 days counting from the completion of shipment	0.5		
E.G.C. Cement Corporation	1	Accounts receivable from related parties	166,785	50 days counting from the completion of shipment	-		
		Lease liabilities - non-current	237,422	By contract	0.1		
TCCIH	1	Operating revenue	442,400	By contract	0.4		
		HKCCL	1	Operating revenue	514,564	65 days counting from the completion of shipment	0.5
1	Ho-Ping Power Company	Hoping Industrial Port Corporation	3	Operating costs and expenses	1,072,459	20 days	1.0
		HPC Power Service Corporation	3	Operating costs and expenses	493,623	By contract	0.5
2	Taiwan Transport & Storage Corporation	Taiwan Prosperity Chemical Corporation (Note 3)	3	Operating revenue	205,653	By contract	0.2
		Hoping Industrial Port Corporation	3	Operating revenue	232,404	30 days	0.2
3	Ho Sheng Mining Co., Ltd.	Jin Chang Minerals Corporation	3	Operating revenue	119,973	30 days	0.1
4	Da Tong (Guigang) International Logistics Co., Ltd.	TCC (Gui Gang) Cement Ltd.	3	Operating revenue	527,350	By negotiation	0.5
5	Guigang Da-Ho Shipping Co., Ltd.	TCC (Gui Gang) Cement Ltd.	3	Operating revenue	457,778	By negotiation	0.4
		TCC Yingde Cement Co., Ltd.	3	Accounts receivable from related parties	115,597	By negotiation	-
				Operating revenue	297,765	By negotiation	0.3

(Continued)

No.	Investee Company	Counterparty	Relationship (Note 1)	Transactions Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets
6	E-One Moli Energy Corp.	E-One Moli Energy (Canada) Ltd.	3	Operating revenue	\$ 829,981	By negotiation	0.8
				Accounts receivable from related parties	647,917	By negotiation	0.1
7	Molie Quantum Energy Corporation	Taiwan Cement Corporation	2	Lease liabilities - non-current	710,484	By negotiation	0.2

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.

Note 3: The Corporation has disposal the equity of Taiwan Prosperity Chemical Corporation in August 2021, refer to Note 28.

(Concluded)