

Asia Cement Corporation and Subsidiaries

**Consolidated Financial Statements for the
Years Ended December 31, 2022 and 2021 and
Independent Auditors' Report**

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2022 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

ASIA CEMENT CORPORATION

By

DOUGLAS TONG HSU
Chairman

March 7, 2023

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Asia Cement Corporation

Opinion

We have audited the accompanying consolidated financial statements of Asia Cement Corporation and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, 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, based on our audits and the reports of other auditors (refer to Other Matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, 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 the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Group's consolidated financial statements for the year ended December 31, 2022 are described as follows:

Estimated Impairment of Trade Receivables in Mainland China

With the impact of the PRC government's tightening the property market regulation and the downward pressure on the economy in 2022, the property developers and the constructors, who were the indirect and ultimate customers of the Group's subsidiaries in mainland China, respectively, faced massive debt and cash flow issues. The management of the Group estimates the amount of lifetime expected credit losses (ECLs) of trade receivables based on a provision matrix through the grouping of various debtors that have common risk characteristics, after considering the aging and repayment history of the respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information; refer to Notes 5 and 10 to the consolidated financial statements for the details. Because the ECLs on the respective trade receivables involve significant judgments and uncertainties, we considered the estimated impairment of trade receivables in mainland China as one of the key audit matters.

The corresponding audit procedures that we performed for the estimated impairment of the above trade receivables were as follows:

1. We obtained an understanding of the relevant key controls over the assessment and monitoring of credit risks and determination of the allowance for ECLs.
2. We evaluated the model used by management in determining the allowance for ECLs.
3. We challenged management's basis and judgment in determining the credit loss allowance on trade receivables in mainland China as of the balance sheet date, including their identification and provision of credit-impaired trade receivables, and the basis of estimated loss rates applied in each category in the provision matrix (with reference to historical default rates and forward-looking information).
4. We tested the integrity of information used by management to develop the provision matrix, including the aging analysis of trade receivables in mainland China as of the balance sheet date, on a sample basis, by comparing individual items in the analysis with the relevant sales invoices and other supporting documents.

Fair Value Measurement of Investment Properties

Investment properties of Asia Cement Corporation are subsequently measured using the fair value model and valued by an independent qualified professional appraiser, a member of the ROC certified real estate appraisers; refer to Notes 5 and 17 to the consolidated financial statements for the details. Because the valuation of investment properties involves significant judgments and uncertainties, we considered the fair value measurement of investment properties as one of the key audit matters.

The corresponding audit procedures that we performed for the fair value measurement of investment properties were as follows:

1. We assessed the professional competence and independence of the appraiser engaged by management and obtained an understanding of the appraiser's scope of work and process of engagement and confirmed that no circumstances affect the appraiser's independence and limit the scope of his work.
2. We obtained an understanding of and assessed the reasonableness of management's assumptions and methods used in the valuation.
3. We sample-tested items from management's supporting documents, verified the valuation process used by management, recalculated the fair value of investment properties and assessed the reasonableness of management's calculation.

Other Matter

As of December 31, 2022 and 2021, the financial statements of China Shanshui Cement Group Limited (CSCGL), an associate accounted for using the equity method, were audited by other auditors. Our opinion, insofar as it relates to the amounts included in the accompanying financial statements for CSCGL, is based solely on the reports of other auditors. As of December 31, 2022 and 2021, the aggregate carrying amount of the equity-method investments in CSCGL was NT\$16,885,741 thousand and NT\$16,266,895 thousand, respectively, representing 5.2% and 5.1% of the consolidated total assets. For the years ended December 31, 2022 and 2021, the share of profit or loss of CSCGL was NT\$396,237 thousand and NT\$1,954,442 thousand, respectively, representing 2.6% and 8.9% of the consolidated profit before income tax.

We have also audited the parent company only financial statements of Asia Cement Corporation as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion with the other matter paragraph.

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 IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Tai, Hsin-Wei and Chen, Pei De.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 16, 2023

Notice to Readers

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

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 6 and 35)	\$ 43,486,332	13	\$ 33,450,618	10
Financial assets at fair value through profit or loss - current (Note 7)	26,710,158	8	24,229,761	8
Financial assets at fair value through other comprehensive income - current (Notes 8 and 36)	4,833,688	2	7,200,544	2
Financial assets at amortized cost - current (Notes 6, 9, 35 and 36)	11,238,921	4	14,755,328	5
Contract assets - current (Notes 28 and 35)	135,578	-	188,287	-
Notes receivable - third parties	2,557,075	1	3,446,456	1
Trade receivables				
Third parties (Notes 10 and 11)	10,819,177	3	10,314,291	3
Related parties (Notes 10 and 35)	616,113	-	666,721	-
Other receivables (Note 35)	851,355	-	568,283	-
Current tax assets (Note 30)	36,765	-	73,780	-
Inventories (Note 12)	8,667,817	3	8,813,309	3
Prepayments (Note 35)	1,036,876	-	1,907,635	1
Other current assets (Note 20)	459,897	-	340,705	-
Total current assets	<u>111,449,752</u>	<u>34</u>	<u>105,955,718</u>	<u>33</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 36)	11,494,100	4	11,132,674	4
Financial assets at amortized cost - non-current (Notes 6, 9, 35 and 36)	70,561	-	60,619	-
Investments accounted for using the equity method (Notes 14, 35 and 36)	91,718,368	28	88,108,186	28
Property, plant and equipment (Notes 15 and 36)	39,795,675	12	41,431,732	13
Right-of-use assets (Notes 16 and 35)	4,974,040	2	4,756,164	2
Investment properties (Notes 17 and 36)	37,186,104	11	36,843,630	12
Intangible assets (Notes 18 and 19)	6,789,196	2	6,969,037	2
Deferred tax assets (Note 30)	789,858	-	891,351	-
Finance lease receivables - non-current (Note 11)	14,962,846	5	16,304,836	5
Other non-current assets (Notes 20, 26 and 35)	5,012,627	2	4,602,122	1
Total non-current assets	<u>212,793,375</u>	<u>66</u>	<u>211,100,351</u>	<u>67</u>
TOTAL	<u>\$ 324,243,127</u>	<u>100</u>	<u>\$ 317,056,069</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 21 and 35)	\$ 28,692,869	9	\$ 23,699,570	7
Short-term bills payable (Note 22)	27,059,806	8	27,887,081	9
Contract liabilities - current (Note 28)	836,904	-	1,046,223	-
Accounts payable and accrued expenses				
Third parties (Note 19)	10,393,404	3	12,237,120	4
Related parties (Note 35)	374,293	-	265,249	-
Dividends and bonuses payable	258,059	-	251,819	-
Other payables - others	31,503	-	40,281	-
Current tax liabilities (Note 30)	1,359,739	1	2,414,410	1
Provisions - current (Note 25)	24,932	-	74,782	-
Lease liabilities - current (Notes 16 and 35)	261,250	-	187,274	-
Deferred revenue - current (Note 24)	75,912	-	75,912	-
Current portion of long-term liabilities (Notes 23 and 35)	1,593,990	1	2,902,645	1
Total current liabilities	<u>70,962,661</u>	<u>22</u>	<u>71,082,366</u>	<u>22</u>
NON-CURRENT LIABILITIES				
Bonds payable (Note 23)	45,100,000	14	45,131,854	14
Long-term borrowings (Notes 23 and 35)	10,415,840	3	7,050,329	2
Provisions - non-current (Notes 20, 25 and 37)	1,040,794	-	1,027,756	1
Deferred tax liabilities (Note 30)	10,169,111	3	10,297,825	3
Lease liabilities - non-current (Notes 16 and 35)	1,302,028	1	1,084,452	1
Deferred revenue - non-current (Note 24)	620,157	-	696,069	-
Net defined benefit liabilities - non-current (Note 26)	111,146	-	130,949	-
Other non-current liabilities	288,145	-	281,583	-
Total non-current liabilities	<u>69,047,221</u>	<u>21</u>	<u>65,700,817</u>	<u>21</u>
Total liabilities	<u>140,009,882</u>	<u>43</u>	<u>136,783,183</u>	<u>43</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 27)				
Share capital	35,459,276	11	35,455,721	11
Capital surplus	6,005,713	2	5,986,339	2
Retained earnings				
Legal reserve	21,318,344	7	19,783,405	7
Special reserve	66,656,628	21	66,476,869	21
Unappropriated earnings	27,220,222	8	28,739,477	9
Total retained earnings	115,195,194	36	114,999,751	37
Other equity	4,156,664	1	485,112	-
Total equity attributable to owners of the Corporation	160,816,847	50	156,926,923	50
NON-CONTROLLING INTERESTS (Notes 27 and 32)	23,416,398	7	23,345,963	7
Total equity	<u>184,233,245</u>	<u>57</u>	<u>180,272,886</u>	<u>57</u>
TOTAL	<u>\$ 324,243,127</u>	<u>100</u>	<u>\$ 317,056,069</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 16, 2023)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

	2022		2021 (Retrospective Application)	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 28 and 35)	\$ 90,340,503	100	\$ 90,332,604	100
OPERATING COSTS (Notes 12, 29 and 35)	<u>78,585,021</u>	<u>87</u>	<u>69,151,726</u>	<u>77</u>
GROSS PROFIT	11,755,482	13	21,180,878	23
OPERATING EXPENSES				
Administrative expenses (Notes 29 and 35)	3,324,394	3	2,855,967	3
Expected credit (gain) loss (Note 10)	<u>(140,185)</u>	<u>-</u>	<u>638,694</u>	<u>1</u>
Total operating expenses	<u>3,184,209</u>	<u>3</u>	<u>3,494,661</u>	<u>4</u>
OPERATING INCOME	<u>8,571,273</u>	<u>10</u>	<u>17,686,217</u>	<u>19</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 29)	931,594	1	674,520	1
Other gains and losses (Note 29)	1,732,061	2	(2,658,895)	(3)
Finance costs (Note 29)	(1,295,075)	(2)	(894,326)	(1)
Share of profit of associates and joint ventures	4,311,008	5	6,318,550	7
Interest income	<u>946,116</u>	<u>1</u>	<u>807,847</u>	<u>1</u>
Total non-operating income and expenses	<u>6,625,704</u>	<u>7</u>	<u>4,247,696</u>	<u>5</u>
PROFIT BEFORE INCOME TAX	15,196,977	17	21,933,913	24
INCOME TAX EXPENSE (Note 30)	<u>2,599,841</u>	<u>3</u>	<u>4,406,143</u>	<u>5</u>
NET INCOME FOR THE YEAR	<u>12,597,136</u>	<u>14</u>	<u>17,527,770</u>	<u>19</u>
OTHER COMPREHENSIVE INCOME (LOSS), NET				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	202,096	-	180,387	-
Unrealized valuation (loss) gain on investments in equity instruments at fair value through other comprehensive income	(189,012)	-	275,617	-
Share of other comprehensive (loss) income of associates and joint ventures	<u>(239,851)</u>	<u>-</u>	<u>623,962</u>	<u>1</u>
	<u>(226,767)</u>	<u>-</u>	<u>1,079,966</u>	<u>1</u>

(Continued)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

	2022		2021 (Retrospective Application)	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	\$ 1,618,546	2	\$ (536,043)	-
Share of other comprehensive income (loss) of associates and joint ventures	<u>3,026,103</u>	<u>3</u>	<u>(940,473)</u>	<u>(1)</u>
	<u>4,644,649</u>	<u>5</u>	<u>(1,476,516)</u>	<u>(1)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>4,417,882</u>	<u>5</u>	<u>(396,550)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 17,015,018</u>	<u>19</u>	<u>\$ 17,131,220</u>	<u>19</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 12,016,396	13	\$ 15,068,221	16
Non-controlling interests	<u>580,740</u>	<u>1</u>	<u>2,459,549</u>	<u>3</u>
	<u>\$ 12,597,136</u>	<u>14</u>	<u>\$ 17,527,770</u>	<u>19</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 16,002,287	18	\$ 14,758,614	16
Non-controlling interests	<u>1,012,731</u>	<u>1</u>	<u>2,372,606</u>	<u>3</u>
	<u>\$ 17,015,018</u>	<u>19</u>	<u>\$ 17,131,220</u>	<u>19</u>
EARNINGS PER SHARE (Note 31)				
Basic	<u>\$ 3.63</u>		<u>\$ 4.70</u>	
Diluted	<u>\$ 3.62</u>		<u>\$ 4.57</u>	

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

(With Deloitte & Touche auditors' report dated March 16, 2023)

(Concluded)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation													
							Other Equity							
	Share Capital Issued		Capital Surplus	Retained Earnings			Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain on Property Revaluation	Cash Flow Hedges	Total Other Equity	Total	Non-controlling Interests	Total Equity
	Shares	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings								
BALANCE AT JANUARY 1, 2021	3,361,447	\$ 33,614,472	\$ 1,492,584	\$ 18,473,057	\$ 65,267,773	\$ 27,842,666	\$ (6,108,955)	\$ 6,414,159	\$ 716,970	\$ 55,833	\$ 1,078,007	\$ 147,768,559	\$ 22,118,393	\$ 169,886,952
Appropriation of 2020 earnings														
Legal reserve	-	-	-	1,310,348	-	(1,310,348)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	1,209,096	(1,209,096)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(11,933,138)	-	-	-	-	-	(11,933,138)	-	(11,933,138)
Net profit for the year ended December 31, 2021	-	-	-	-	-	15,068,221	-	-	-	-	-	15,068,221	2,459,549	17,527,770
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	251,158	(1,302,920)	545,523	194,724	1,908	(560,765)	(309,607)	(86,943)	(396,550)
Convertible bonds converted to ordinary shares	184,125	1,841,249	4,496,893	-	-	-	-	-	-	-	-	6,338,142	-	6,338,142
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	(3,813)	-	-	-	-	-	-	-	-	(3,813)	-	(3,813)
Actual acquisition of interests in subsidiaries	-	-	675	-	-	(14)	-	-	-	-	-	661	(2,499)	(1,838)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(1,142,544)	(1,142,544)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	31,614	-	(31,614)	-	-	(31,614)	-	-	-
Other changes in equity from investments in associates accounted for using the equity method	-	-	-	-	-	(1,586)	-	-	(516)	-	(516)	(2,102)	7	(2,095)
BALANCE AT DECEMBER 31, 2021	3,545,572	35,455,721	5,986,339	19,783,405	66,476,869	28,739,477	(7,411,875)	6,928,068	911,178	57,741	485,112	156,926,923	23,345,963	180,272,886
Appropriation of 2021 earnings														
Legal reserve	-	-	-	1,534,939	-	(1,534,939)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	411,137	(411,137)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(12,054,945)	-	-	-	-	-	(12,054,945)	-	(12,054,945)
Net profit for the year ended December 31, 2022	-	-	-	-	-	12,016,396	-	-	-	-	-	12,016,396	580,740	12,597,136
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	303,336	4,327,499	(646,338)	828	566	3,682,555	3,985,891	431,991	4,417,882
Convertible bonds converted to ordinary shares	356	3,555	8,350	-	-	-	-	-	-	-	-	11,905	-	11,905
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	11,293	-	-	-	-	-	-	-	-	11,293	-	11,293
Actual acquisition of interests in subsidiaries	-	-	(269)	-	-	(166)	-	-	-	-	-	(435)	(326)	(761)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(941,970)	(941,970)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	11,003	-	(11,003)	-	-	(11,003)	-	-	-
Other changes in equity from investments in associates accounted for using the equity method	-	-	-	-	-	(80,181)	-	-	-	-	-	(80,181)	-	(80,181)
Special reserve reversed	-	-	-	-	(231,378)	231,378	-	-	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2022	3,545,928	\$ 35,459,276	\$ 6,005,713	\$ 21,318,344	\$ 66,656,628	\$ 27,220,222	\$ (3,084,376)	\$ 6,270,727	\$ 912,006	\$ 58,307	\$ 4,156,664	\$ 160,816,847	\$ 23,416,398	\$ 184,233,245

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

(With Deloitte & Touche auditors' report dated March 16, 2023)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 15,196,977	\$ 21,933,913
Adjustments for:		
Depreciation expenses	4,478,360	4,611,063
Amortization expenses	290,975	318,975
Expected credit loss (reversed) recognized on trade receivables	(140,185)	638,694
Net (gain) loss on fair value changes of financial assets and liabilities designated as at fair value through profit or loss	(1,242,903)	256,468
Finance costs	1,295,075	894,326
Interest income	(946,116)	(807,847)
Dividend income	(1,071,915)	(740,325)
Share of profit of associates and joint ventures	(4,311,008)	(6,318,550)
Loss on disposal of property, plant and equipment	6,968	63,704
Loss on disposal of intangible assets	-	67,526
Impairment loss recognized on right-of-use assets	-	118,569
Gain on disposal of financial assets	(177,373)	(547,343)
Impairment loss recognized on investments accounted for using the equity method	-	231,725
Impairment loss recognized on property, plant and equipment	387,333	71,411
Write-downs (reversal) of inventories	275,808	(15,989)
Unrealized (gain) loss on foreign exchange	(1,015,399)	163,737
Gain on changes in fair value of investment properties	(327,080)	(244,301)
Loss on disposal of subsidiaries	3,229	-
Gains on modification of lease	(167)	(645)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(996,300)	(8,910,857)
Contract assets	52,709	(89,680)
Notes receivable	3,132,592	274,597
Trade receivables	1,228,284	(742,176)
Other receivables	54,359	42,103
Inventories	5,354	(2,241,819)
Prepayments	277,388	(912,282)
Other current assets	(59,869)	242,129
Financial liabilities held for trading	-	(678,950)
Contract liabilities	(226,181)	(66,680)
Accounts payable and accrued expenses	(1,117,609)	2,680,798
Provisions	(44,183)	135,329
Net defined benefit liabilities	(15,466)	(19,832)
Deferred revenue	(75,912)	(75,912)
Cash generated from operations	14,917,745	10,331,879
Interest received	621,039	801,759
Dividends received	4,783,260	3,421,165

(Continued)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Interest paid	\$ (1,294,044)	\$ (899,538)
Income tax paid	<u>(3,719,369)</u>	<u>(5,058,557)</u>
Net cash generated from operating activities	<u>15,308,631</u>	<u>8,596,708</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(411,565)	(89,550)
Proceeds from sale of financial assets at fair value through other comprehensive income	39,172	710,289
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	26,282	-
Proceeds from financial assets at amortized cost	4,363,549	1,495,561
Acquisition of associates and joint ventures	(189,913)	(245,389)
Net cash inflow on disposal of associates	-	37,738
Increase in long-term prepayments for investments	(5,760)	(83,542)
Net cash outflow on disposal of subsidiaries	(420)	-
Payments for property, plant and equipment	(2,666,315)	(3,250,124)
Proceeds from disposal of property, plant and equipment	11,237	46,236
(Increase) decrease in refundable deposits	(103,004)	12,406
Payments for intangible assets	(7,261)	(74,724)
Payments for right-of-use assets	(500)	(229,498)
Payments for investment properties	(782)	(3,035)
Proceeds from disposal of right-of-use assets	<u>-</u>	<u>10,457</u>
Net cash generated from (used in) investing activities	<u>1,054,720</u>	<u>(1,663,175)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	4,564,715	4,596,853
(Decrease) increase in short-term bills payable	(796,900)	14,006,500
Proceeds from issuance of bonds	-	6,300,000
Repayments of bonds	-	(3,000,000)
Proceeds from long-term borrowings	21,563,103	28,704,784
Repayments of long-term borrowings	(19,496,086)	(36,228,702)
Increase (decrease) in guarantee deposits received	1,995	(97,812)
Repayment of the principal portion of lease liabilities	(260,466)	(233,106)
Increase (decrease) in other non-current liabilities	4,565	(4,376)
Dividends paid	(12,054,870)	(11,933,944)
Acquisition of additional interests in subsidiaries	(761)	(1,838)
Dividends paid to non-controlling interests	<u>(941,970)</u>	<u>(1,142,544)</u>
Net cash (used in) generated from financing activities	<u>(7,416,675)</u>	<u>965,815</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>1,089,038</u>	<u>(360,462)</u>

(Continued)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 10,035,714	\$ 7,538,886
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>33,450,618</u>	<u>25,911,732</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 43,486,332</u>	<u>\$ 33,450,618</u>

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

(With Deloitte & Touche auditors' report dated March 16, 2023)

(Concluded)

ASIA CEMENT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. ORGANIZATION AND OPERATIONS

Asia Cement Corporation (the “Corporation”) was incorporated in March 1957. It manufactures and sells cement, clinker, cement-related products and ready-mixed concrete, and engages in leasing activities. The Corporation is also required to undertake reforestation activities in designated areas. The Corporation’s shares have been listed on the Taiwan Stock Exchange since June 1962.

In June 1992 and September 1996, certain shares of the Corporation were sold by Far Eastern New Century Corporation (FENC) in the form of global depositary shares (GDSs). Such GDSs have been quoted through the SEAQ system of the London Stock Exchange and traded through the portal system of the National Association of Securities Dealers, Inc.

On March 25, 2021, in order to reduce the related management costs, the Corporation’s board of directors resolved to terminate the GDSs program and to delist from the London Stock Exchange. In March 2022, the termination procedure was completed.

The consolidated financial statements are presented in the Corporation’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation’s board of directors and authorized for issue on March 7, 2023.

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

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

Except for the following, the initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group’s accounting policies:

Amendments to IAS 16 “Property, Plant and Equipment: Proceeds before Intended Use”

The Group applied the amendments 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. The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of those items is measured in accordance with IAS 2 “Inventories”. Any proceeds from selling those items and the cost of those items are recognized in profit or loss in accordance with applicable standards. Refer to Note 4 for information relating to the relevant accounting policies.

Upon initial application of the amendments to IAS 16, the impact for the prior year is summarized below:

Impact on total comprehensive income

	Carrying Amount	Adjustments Arising from Initial Application	Adjusted Carrying Amount
<u>For the year ended December 31, 2021</u>			
Operating revenue	\$ 89,654,713	\$ 677,891	\$ 90,332,604
Operating costs	68,473,835	<u>677,891</u>	69,151,726
Total effect on net income for the period		<u>\$ -</u>	

- b. The IFRSs endorsed by the FSC for application starting from 2023

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 3)

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

Note 2: The amendments will be 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 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occurred on or after January 1, 2022.

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

The amendments clarify that the initial recognition exemption under IAS 12 does not apply to transactions in which equal taxable and deductible temporary differences arise on initial recognition.

The Group shall recognize a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations on January 1, 2022, and the Group shall recognize the cumulative effect of initial application in retained earnings at that date. The Group shall restate its comparative information when it initially applies the aforementioned amendments.

Upon initial application of the aforementioned amendments, the anticipated impact on the current year is set out below:

		2022	
	Carrying Amount	Adjustments Arising from Initial Application	Adjusted Carrying Amount
<u>Impact on assets, liabilities and equity</u>			
<u>December 31, 2022</u>			
Deferred tax assets	\$ 789,858	\$ <u>106,078</u>	\$ 895,936
Deferred tax liabilities	10,169,111	\$ <u>103,818</u>	10,272,929
Retained earnings	115,195,194	\$ 1,628	115,196,822
Non-controlling interests	23,416,398	<u>632</u>	23,417,030
		<u>\$ 2,260</u>	

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

- c. New IFRSs in issue 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
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
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, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

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

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

4. SUMMARY OF 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, investment properties which are measured at fair value, and net defined benefit assets (liabilities) which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

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

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

Current assets include:

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

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- 3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

Ya Li Precast and Prestressed Concrete Industries Corp. and Asia Engineering Enterprise Corp. engage in construction related businesses, which have operating cycles of over one year. The assets and liabilities of the aforementioned companies related to the construction contracts are classified as current or non-current according to the length of their operating cycles.

d. Basis of consolidation

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

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

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

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 interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Corporation.

Refer to Note 13, Tables 6 and 7 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

In preparing the financial statements of each individual 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 in which they arise.

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, in which cases, 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 translated using the exchange rate at the date of the transaction.

For the purpose of presenting the consolidated financial statements, the functional currencies of the Group (including subsidiaries, associates, joint ventures and branches in other countries that use currencies which 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; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Corporation and non-controlling interests as appropriate).

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Corporation are reclassified to profit or loss.

f. Inventories

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

g. Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture. A joint venture is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the 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 a joint venture are initially recognized at cost and adjusted thereafter to recognize the Group's share of 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 equity of associates and joint ventures attributable to the Group.

Any excess of the cost of acquisition over the Group's share of 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 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 the associate and joint venture. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate and joint venture, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and joint venture is reclassified to profit or loss on the same basis as would be required 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.

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

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate and a joint venture. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate and joint venture attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate and 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 if that associate had 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 the Group transacts with its associate and joint venture, profits and losses resulting from the transactions with the associate and joint venture are recognized in the Group's consolidated financial statements only to the extent of unrelated parties' interests in the associate and joint venture.

The Group's share of comprehensive income of associates or joint ventures is recognized using the treasury share method if there are reciprocal holdings between investors and investees. The reciprocally held shares of the Group are treated as treasury shares and are deducted from the outstanding shares in computing basic earnings per share.

h. Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment loss. Major renewals and betterments are capitalized, while maintenance and repairs are expensed currently.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Items produced when testing whether an item of property, plant and equipment is functioning properly before that asset reaches its intended use are measured at the lower of cost or net realizable value, and any proceeds from selling those items and the cost of those items are recognized in profit or loss. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

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

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

i. Investment properties

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

Freehold investment properties are initially measured at cost, including transaction costs, and are subsequently measured using the fair value model. Changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

For a transfer from property, plant and equipment to investment property at the end of owner-occupation, any difference between the fair value and the carrying amount of the property at the date of transfer is recognized in other comprehensive income. The revaluation increment is accumulated in equity and transferred directly to retained earnings when the asset is derecognized.

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

j. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of 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 when 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 was acquired in a business combination during the current annual period, that unit is tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit 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 pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

k. Intangible assets

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 life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

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

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.

l. Impairment of property, plant and equipment, right-of-use assets, and 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, 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. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset 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 the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount 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.

m. Financial instruments

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

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

Financial assets

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

1) Measurement category

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

a) Financial assets at FVTPL

Financial assets are classified as at FVTPL when such 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 and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 34.

b) 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 asset 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, trade receivables, notes receivable, other receivables and debt instruments at amortized cost, are measured at amortized cost, which is 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 the financial asset.

Cash equivalents include time deposits, bonds sold under repurchase agreements and commercial papers 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.

c) Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- i. The financial asset is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of the financial assets; 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.

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

d) 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 investment.

2) Impairment of financial assets

The Group recognizes a loss allowance for expected credit loss (ECLs) on financial assets at amortized cost (including trade receivables) and investments in debt instruments at FVTOCI as well as finance lease receivables at the end of each reporting period.

The Group always recognizes lifetime ECLs for trade receivables. For all other financial instruments and finance lease receivables, 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 the 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.

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

Impairment loss on all financial instruments is recognized with a corresponding adjustment to their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset.

3) 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 a debt instrument at FVTOCI in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, 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.

Financial liabilities

1) Subsequent measurement

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

2) 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 profit or loss.

Convertible bonds

The component parts of 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 liability component are included in the carrying amount of the liability component. Transaction costs relating to the equity component are recognized directly in equity.

Derivative financial instruments

The Group enters into cross-currency swap contracts to manage its exposure to interest rate and foreign exchange rate risks.

Derivatives are initially recognized at fair value at the date on which 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. 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.

Derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that is within the scope of IFRS 9 (e.g., financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the mixed contracts are not measured at FVTPL.

n. Provisions

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

o. Revenue recognition

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

1) Revenue from the sale of goods

Revenue from sales of goods is recognized when the goods are delivered to the customers' specified locations, which is the time that the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently. The advance receipts before the delivery of goods are recognized as contract liabilities and reclassified to revenue after the goods are transferred to the customers.

2) Revenue from the rendering of services

Revenue from the rendering of services comes from the freight revenue received from goods shipping services. As the Group provides goods shipping services, the customer simultaneously receives and consumes the benefits provided by the Group's satisfaction of performance obligations. Consequently, the related revenue is recognized when the services are rendered.

3) Construction contract revenue

The Group recognizes construction contract revenue over time while the construction is in progress. The Group measures the progress on the basis of costs incurred relative to the total expected costs as there is a direct relationship between the costs incurred and the progress of satisfying the performance obligations. Contract assets are recognized during the construction and are reclassified to trade receivables at the point at which the customer is invoiced. If the milestone payments exceed the revenue recognized to date, then the Group recognizes contract liabilities for the difference. Certain payments, which are retained by the customer as specified in the contract, are intended to ensure that the Group adequately completes all of its contractual obligations. Such retention receivables are recognized as contract assets until the Group satisfies its performance obligations.

When the outcome of a performance obligation cannot be reasonably measured, contract revenue is recognized only to the extent of contract costs incurred in satisfying the performance obligation for which recovery is expected.

p. 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 fixed payments, variable lease payments which depend on an index or a rate, and residual value guarantees. 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 from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

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

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

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term 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 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 decreased the scope of the lease, and recognizing 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.

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

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.

q. Borrowing costs

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

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

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

r. Government grants

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

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

s. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

3) Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognizes any related restructuring costs.

t. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and 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 profits will be available to allow all or part of the asset 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset 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. If investment properties measured using the fair value model are non-depreciable assets, or are held under a business model whose objective is not to consume substantially all of the economic benefits embodied in the assets over time, the carrying amounts of such assets are presumed to be recovered entirely through sale.

3) Current tax and deferred tax for the year

Current tax and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income, in which case, the current tax and deferred tax are also recognized in other comprehensive income, 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 on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

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

Key Sources of Estimation Uncertainty

Estimated impairment of trade receivables

The provision for impairment of trade receivables is based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs used, see Note 10.

Fair value measurements and valuation process of investment properties

If the Group's investment properties measured at fair value have no quoted prices in active markets, the Group determines whether to engage third party qualified appraisers for the application of appropriate valuation techniques for fair value measurements in accordance with related regulations or professional standards.

The engaged appraisers measure the fair value of investment properties through the income approach and land development analysis approach and would determine appropriate inputs by reference to the existing lease contract, rentals of similar properties in the vicinity of the Group's investment properties, domestic macroeconomic prospects, local land use, and market rates. If the actual changes of inputs in the future differ from expectations, the fair value might vary accordingly.

Information about the valuation techniques and inputs used in determining the fair value of investment properties is disclosed in Note 17.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	2021
Checking accounts and demand deposits	\$ 12,223,054	\$ 8,546,905
Petty cash	3,290	3,759
Cash on hand	1,196	1,137
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	28,735,711	24,357,981
Repurchase agreements collateralized by bonds	<u>2,523,081</u>	<u>540,836</u>
	<u>\$ 43,486,332</u>	<u>\$ 33,450,618</u>

The market rate intervals of time deposits and repurchase agreements collateralized by bonds at the end of the reporting period were as follows:

	December 31	
	2022	2021
Time deposits	0.78%-6.00%	0.12%-3.30%
Repurchase agreements collateralized by bonds	0.85%-1.03%	0.31%-0.33%

As of December 31, 2022 and 2021, the Group's bank deposits in the amounts of \$1,369,439 thousand and \$1,052,588 thousand, respectively, are restricted as collateral for bank loans and classified as financial assets at amortized cost in the balance sheets. Time deposits with original maturities of more than 3 months in the amounts of \$9,940,043 thousand and \$13,460,406 thousand, respectively, are classified as financial assets at amortized cost in the balance sheets as of December 31, 2022 and 2021. Furthermore, as of December 31, 2021, repurchase agreements collateralized by bonds with original maturities of more than 3 months in the amount of \$302,953 thousand are also classified as financial assets at amortized cost. Refer to Note 9 for the details.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT

	December 31	
	2022	2021
<u>Financial assets at FVTPL</u>		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Bond options (Note 23)	\$ 279	\$ 466
Cross-currency swap contracts	1,492	-
Non-derivative financial assets		
Beneficiary certificates	22,784,441	18,907,053
Listed shares	<u>3,923,946</u>	<u>5,322,242</u>
	<u>\$ 26,710,158</u>	<u>\$ 24,229,761</u>

The Group entered into cross-currency swap contracts to manage exposures to exchange rate fluctuations. The Group's financial hedging strategy is to avoid most of the cash flow risk exposure. As of December 31, 2022, outstanding cross-currency swap contracts not under hedge accounting were as follows:

Notional Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
US\$100,000	2023.12.26	-	3.81%-3.87%

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31			
	2022		2021	
	Current	Non-current	Current	Non-current
Debt instruments				
Bills receivables	\$ 1,135,113	\$ -	\$ 3,297,623	\$ -
Equity instruments				
Domestic investments				
Listed shares	3,667,155	9,228,562	3,875,642	8,917,601
Unlisted shares	<u>-</u>	<u>1,876,292</u>	<u>-</u>	<u>1,815,326</u>
	<u>3,667,155</u>	<u>11,104,854</u>	<u>3,875,642</u>	<u>10,732,927</u>
Foreign investments				
Listed shares	31,420	-	27,279	-
Unlisted shares	<u>-</u>	<u>389,246</u>	<u>-</u>	<u>399,747</u>
	<u>31,420</u>	<u>389,246</u>	<u>27,279</u>	<u>399,747</u>
	<u>3,698,575</u>	<u>11,494,100</u>	<u>3,902,921</u>	<u>11,132,674</u>
	<u>\$ 4,833,688</u>	<u>\$ 11,494,100</u>	<u>\$ 7,200,544</u>	<u>\$ 11,132,674</u>

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

- b. Asia Cement Pioneer Investment Ltd. (ACP) acquired the shares of Cementon Micronesia LLC for US\$3,900 thousand in September 2010. As of December 31, 2022, 50% of the investment consideration was not paid and accounted for as accounts payable and accrued expenses - third parties. The consideration will be paid once the counterparty asks for payment.
- c. The bills receivables at FVTOCI held by the Group are managed within a business model whose objective is both to collect the contractual cash flows and to sell. Accordingly, the management elected to designate these bills receivables in debt instruments as at FVTOCI. As of December 31, 2022, the Group evaluated the credit risk exposure as immaterial because all counterparties are reputable financial institutions with good credit ratings.
- d. Refer to Note 36 for information relating to financial assets at fair value through other comprehensive income pledged as collaterals.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2022	2021
Time deposits with original maturities of more than 3 months	\$ 9,940,043	\$ 13,460,406
Restricted assets	1,369,439	1,052,588
Repurchase agreements collateralized by bonds	<u>-</u>	<u>302,953</u>
	<u>\$ 11,309,482</u>	<u>\$ 14,815,947</u>
Current	<u>\$ 11,238,921</u>	<u>\$ 14,755,328</u>
Non-current	<u>\$ 70,561</u>	<u>\$ 60,619</u>

Based on the Group's assessment, the credit risk of these financial assets is not expected to be high and has not increased since initial recognition.

Refer to Note 36 for information relating to financial assets at amortized cost pledged as collaterals.

10. TRADE RECEIVABLES

	December 31	
	2022	2021
<u>At amortized cost</u>		
Trade receivables - sales	\$ 11,302,213	\$ 11,049,471
Finance lease receivable - current (Note 11)	1,341,990	1,272,029
Construction receivable	108,528	101,099
Operating lease receivable	86,181	85,711
Less: Allowance for impairment loss - sales	(1,402,732)	(1,526,743)
Less: Allowance for impairment loss - construction	<u>(890)</u>	<u>(555)</u>
	<u>\$ 11,435,290</u>	<u>\$ 10,981,012</u>

Trade Receivables - Sales

The average credit period of receivables from sales of goods was 30-90 days. Specific customers with good credit records were given longer credit period occasionally. The average credit period for customers of concrete products was 180-365 days after construction of building was finished.

The Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. The Group obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix and by reference to the past default records of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As there are different loss patterns for various customer segments, the Group uses different provision matrixes based on a provision matrix through grouping of various debtors that have common risk characteristics, and determines the expected credit loss rate by reference to the past due days of accounts receivable and regional economic conditions.

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

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

December 31, 2022

	Up to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Gross carrying amount	\$ 8,648,485	\$ 1,227,496	\$ 667,337	\$ 758,895	\$ 11,302,213
Loss allowance (lifetime ECLs)	<u>(130,181)</u>	<u>(169,948)</u>	<u>(450,672)</u>	<u>(651,931)</u>	<u>(1,402,732)</u>
Amortized cost	<u>\$ 8,518,304</u>	<u>\$ 1,057,548</u>	<u>\$ 216,665</u>	<u>\$ 106,964</u>	<u>\$ 9,899,481</u>

December 31, 2021

	Up to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Gross carrying amount	\$ 8,299,753	\$ 1,329,453	\$ 596,416	\$ 823,849	\$ 11,049,471
Loss allowance (lifetime ECLs)	<u>(184,433)</u>	<u>(161,080)</u>	<u>(404,717)</u>	<u>(776,513)</u>	<u>(1,526,743)</u>
Amortized cost	<u>\$ 8,115,320</u>	<u>\$ 1,168,373</u>	<u>\$ 191,699</u>	<u>\$ 47,336</u>	<u>\$ 9,522,728</u>

The above aging schedule was based on the invoice date.

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

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Balance at January 1	\$ 1,527,298	\$ 1,166,517
Add: Impairment losses recognized on receivables	-	638,587
Amounts recovered from the prior year write-offs	13,989	12,732
Less: Amounts written off	(22,813)	(283,214)
Gain on reversal of impairment loss	(140,185)	-
Effect of foreign currency exchange differences	<u>25,333</u>	<u>(7,324)</u>
Balance at December 31	<u>\$ 1,403,622</u>	<u>\$ 1,527,298</u>

11. FINANCE LEASE RECEIVABLES

	December 31	
	2022	2021
<u>Undiscounted lease payments</u>		
Year 1	\$ 1,974,288	\$ 1,974,288
Year 2	1,974,288	1,974,288
Year 3	1,974,288	1,974,288
Year 4	1,974,288	1,974,288
Year 5	1,974,288	1,974,288
Year 5 onwards	<u>9,179,573</u>	<u>11,153,861</u>
	19,051,013	21,025,301
Unguaranteed residual value	486,573	486,573
Less: Unearned finance income	<u>(3,232,750)</u>	<u>(3,935,009)</u>
Net investment in leases presented as finance lease receivables	<u>\$ 16,304,836</u>	<u>\$ 17,576,865</u>
Current	\$ 1,341,990	\$ 1,272,029
Non-current	<u>14,962,846</u>	<u>16,304,836</u>
	<u>\$ 16,304,836</u>	<u>\$ 17,576,865</u>

Chiahui Power Corp. (CHP) entered into 25-year and 20-year Purchase and Sale Contracts of the Phase I and Phase II power plant, respectively, with Taiwan Power Company (TPC). According to the contracts, electricity generated by CHP is sold to TPC. CHP started its operations on December 15, 2003 and on July 31, 2021. Because the nature of the contracts is considered as conveyance of rights to use asset, the contracts are regarded as finance leases.

The Group measures the loss allowance for finance lease receivables at an amount equal to lifetime ECLs. As of December 31, 2022, no finance lease receivable was past due. The Group has not recognized a loss allowance for finance lease receivables after taking into consideration the historical default experience and the future prospects of the industries in which the lessees operate.

12. INVENTORIES

	December 31	
	2022	2021
Finished goods	\$ 2,363,277	\$ 1,969,519
Work in progress	1,174,698	1,036,302
Raw materials	3,023,022	4,222,989
Supplies	1,989,426	1,584,499
Inventory in transit	<u>117,394</u>	<u>-</u>
	<u>\$ 8,667,817</u>	<u>\$ 8,813,309</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2022 and 2021 was \$61,764,326 thousand and \$59,610,450 thousand, respectively. The cost of goods sold included inventory write-downs of \$275,808 thousand and reversals of inventory write-downs of \$(15,989) thousand. The reversals of previous write-downs resulted from the sale of these inventories.

13. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Subsidiary	Proportion of Ownership and Voting Rights		Remark
		December 31		
		2022	2021	
The Corporation	Der Ching Investment Corp. (DCI)	99.99%	99.99%	-
	Ya Tung Ready-Mixed Concrete Corp. (YTRMC)	99.99%	99.99%	Notes 6 and 7
	Nan Hwa Cement Corp. (NHC)	99.98%	99.98%	-
	Chiahui Power Corp. (CHP)	99.70%	99.70%	Note 6
	Asia Cement (Singapore) Pte. Ltd. (ACSPL)	99.99%	99.99%	Notes 6 and 7
	ACCHC	67.73%	67.73%	Note 1
	Ya Li Precast and Prestressed Concrete Industries Corp. (YLPPC)	83.94%	83.94%	Note 6
	Asia Investment Corp. (AIC)	100.00%	100.00%	-
	Fu Ming Transport Corp. (FMT)	99.95%	99.95%	Notes 6 and 7
	Asia Engineering Enterprise Corp. (AEE)	99.76%	99.74%	Notes 6 and 7
	Sunrise Industrial Holdings Ltd. (SIHL)	100.00%	100.00%	-
	Yuan Long Stainless Steel Corp. (YLSS)	100.00%	100.00%	-
	Yali Transportation Corp. (YLT)	51.61%	51.61%	Note 7
	DCI	Kowloon Cement Corp. Ltd. (KCC)	49.00%	49.00%
Fu Shan Mineral Stone Co., Ltd. (FSMS)		99.56%	99.56%	-
AC Mega Investment Ltd. (ACM)		100.00%	100.00%	Notes 2 and 4
AC Mega II Investment Ltd. (ACM II)		100.00%	100.00%	Notes 2 and 4
AC Mega III Investment Ltd. (ACM III)		100.00%	100.00%	Notes 2 and 4
AC Mega IV Investment Ltd. (ACM IV)		100.00%	100.00%	Notes 2 and 4
YTRMC	AC Leap Investment Ltd. (ACL)	100.00%	100.00%	Notes 2 and 4
	Ya Sing Ready-Mixed Concrete Corp. (YSRMC)	69.95%	69.95%	-
	Ya Tung Vietnam Co., Ltd. (YTV)	100.00%	100.00%	-
AOG	Asia Oriental (Guam) LLC (AOG)	95.04%	95.04%	-
AOG	Asia Oriental Concrete, LLC (AOC)	71.68%	71.68%	-
FMT	Fu Da Transportation Corp. (FDT)	99.97%	99.94%	Note 8
AEE	ACCHC	0.20%	0.20%	
AIC	CHP	0.01%	0.01%	-
	DCI	0.00%	0.00%	-
	NHC	0.02%	0.02%	-
	FMT	0.02%	0.02%	-
	FSMS	0.38%	0.38%	-
	FDT	0.03%	0.03%	-
	YSRMC	0.05%	0.05%	-
	AEE	0.07%	0.07%	-
	YTRMC	0.00%	0.00%	-
	Asia Cement Explorer Investment Ltd. (ACE)	100.00%	100.00%	Notes 3 and 5
	Asia Cement Pioneer Investment Ltd. (ACP)	100.00%	100.00%	Notes 3 and 5
	Asia Cement Pioneer II Investment Ltd. (ACP II)	100.00%	100.00%	Notes 3 and 5
	Asia Cement Pioneer III Investment Ltd. (ACP III)	100.00%	100.00%	Notes 3 and 5
	Asia Cement Pioneer IV Investment Ltd. (ACP IV)	100.00%	100.00%	Notes 3 and 5
YLPPC	Ya Li Precast Concrete India Pvt. Ltd. (YLPCIP)	-	99.99%	Note 9
	AOG	4.96%	4.96%	-
ACSPL	Oriental Concrete Pte. Ltd. (OCPL)	100.00%	100.00%	-
	ACCHC	4.07%	4.07%	-
ACCHC	Perfect Industrial Holdings Pte. Ltd. (PIHPL)	100.00%	100.00%	-
PIHPL	Asia Continent Investment Holdings Pte. Ltd. (ACIHPL)	100.00%	100.00%	-
	Oriental Industrial Holdings Pte. Ltd. (OIHPL)	99.99%	99.99%	-
ACIHPL	Jiangxi Yadong Cement Co., Ltd. (JYDC)	85.00%	85.00%	-

(Continued)

Investor	Subsidiary	Proportion of Ownership and Voting Rights		Remark
		December 31		
		2022	2021	
OIHPL	Wuhan Yadong Cement Co., Ltd. (WYDC)	90.00%	90.00%	-
	Oriental Holdings Co., Ltd. (OHC)	100.00%	100.00%	-
	Shanghai Yali Cement Products Co., Ltd. (SHYLCP)	90.00%	90.00%	-
	Hubei Yadong Cement Co., Ltd. (HYDCCL)	90.00%	90.00%	-
	Sichuan Yali Concrete Produce Co., Ltd. (SYCPCL)	90.00%	90.00%	-
	Sichuan Yali Transport Co., Ltd. (SYTCL)	90.00%	90.00%	-
	Yangzhou Yadong Cement Co., Ltd. (YYDCCL)	90.00%	90.00%	-
	Sichuan Yadong Cement Co., Ltd. (SIYDCCL)	90.00%	90.00%	-
	Chengdu Yali Cement Products Co., Ltd. (CYCPCL)	51.22%	51.22%	-
JYDC	Huanggang Yadong Cement Co., Ltd. (HGYDC)	90.00%	90.00%	-
	Jiangxi Yali Transport Co., Ltd. (JYLTC)	52.00%	52.00%	-
	Nanchang Yadong Cement Co., Ltd. (NYDC)	50.00%	50.00%	-
	Nanchang Yali Concrete Produce Ltd. (NYLC)	100.00%	100.00%	-
	Ruichang Yadong New Material Co., Ltd. (RYNM)	100.00%	100.00%	-
OHC	JYDC	10.00%	10.00%	-
	WYDC	10.00%	10.00%	-
	NYDC	25.00%	25.00%	-
	JYLTC	48.00%	48.00%	-
	SHYLCP	10.00%	10.00%	-
	SYTCL	10.00%	10.00%	-
	SIYDCCL	10.00%	10.00%	-
	HGYDC	10.00%	10.00%	-
	YYDCCL	10.00%	10.00%	-
	CYCPCL	48.78%	48.78%	-
	HYDCCL	10.00%	10.00%	-
	SYCPCL	10.00%	10.00%	-
	Tai Zhou Oriental Construction Co., Ltd. (TZOCCL)	100.00%	100.00%	-
	Wuhan Yali Cement Products Co., Ltd. (WYCPCL)	100.00%	100.00%	-
SIYDCCL	Sichuan Lanfeng Cement Co., Ltd. (SLCL)	100.00%	100.00%	-
SLCL	Sichuan Lanfeng Construction Co., Ltd. (SLCCL)	100.00%	100.00%	-
HYDCCL	Hubei Yali Transport Co., Ltd. (HYTCL)	100.00%	100.00%	-
	Wuhan Yaxin Cement Co., Ltd. (WYXC)	90.00%	90.00%	-
	Jiangling Yadong Building Materials Cement Co., Ltd. (JYDCCL)	85.00%	-	(10)
KCC	Kowloon Concrete Corporation Limited (KCCL)	100.00%	100.00%	-
	Join Fortune Trading Ltd. (JFTL)	100.00%	100.00%	-
(Concluded)				

(Concluded)

Remarks:

Note 1: For subsidiaries that have material non-controlling interests, see Table 7 for the information on the locations of incorporation and principal addresses of businesses.

Note 2: In the third quarter of 2021, the Corporation's subsidiary, DCI, fully subscribed for the cash capital increase of its subsidiaries, ACL, ACM, ACM II, ACM III, and ACM IV, respectively, for US\$10,000 thousand.

Note 3: In the third quarter of 2021, the Corporation's sub-subsidiary, AIC, fully subscribed for the cash capital increase of its subsidiaries, ACE, ACP, ACP II, ACP III, and ACP IV, respectively, for US\$10,000 thousand.

Note 4: In the third quarter of 2022, the Corporation's subsidiary, DCI, fully subscribed for the cash capital increase of its subsidiaries, ACL, ACM, ACM II, ACM III, and ACM IV, respectively, for US\$9,900 thousand.

- Note 5: In the third quarter of 2022, the Corporation's subsidiary, AIC, fully subscribed for the cash capital increase of its subsidiaries, ACE, ACP, ACP II, and ACP III, respectively, for US\$9,900 thousand. AIC also fully subscribed for the cash capital increase of its subsidiary, ACP IV, for US\$9,890 thousand.
- Note 6: For the year ended December 31, 2021, the Corporation acquired non-controlling interests in its subsidiaries, ACSPL, CHP, YTRMC, YLPPC, FMT and AEE. Refer to Note 32.
- Note 7: For the year ended December 31, 2022, the Corporation acquired non-controlling interests in its subsidiaries, including ACSPL, YTRMC, AEE, FMT and YLT. Refer to Note 32.
- Note 8: For the year ended December 31, 2022, the Corporation's subsidiary, FMT, acquired non-controlling interests in its sub-subsidiary, FDT. Refer to Note 32.
- Note 9: In September 2022, the Group disposed of its sub-subsidiary, Ya Li Precast Concrete India Pvt. Ltd., and the loss recognized from the disposal was \$3,229 thousand.
- Note 10: On October 17, 2022, HYDCCL incorporated JYDCCL with 85% ownership. As of December 31, 2022, the amount of the original investment on JYDCCL was RMB80,000 thousand. JYDCCL is mainly engaged in the production and sale of cement grinding, slag powder and doping powder; loading and unloading of cement, clinker and other general bulk cargoes; production and sale of alternative fuels and reuse of industrial by-products and waste materials; transportation and sale of angles, sand and gravel; and photovoltaic power generation projects.

b. Subsidiaries excluded from the consolidated financial statements: None.

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

Name of Subsidiary	Principal Place of Business	Proportion of Ownership and Voting Rights Held by Non-controlling Interests	
		December 31	
		2022	2021
ACCHC	Refer to Tables 6 and 7	28.00%	28.00%

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests For the Year Ended December 31		Accumulated Non-controlling Interests December 31	
	2022	2021	2022	2021
ACCHC	\$ 523,186	\$ 2,380,049	\$ 22,537,192	\$ 22,535,625
Others	<u>57,554</u>	<u>79,500</u>	<u>879,206</u>	<u>810,338</u>
	<u>\$ 580,740</u>	<u>\$ 2,459,549</u>	<u>\$ 23,416,398</u>	<u>\$ 23,345,963</u>

Summarized financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations.

ACCHC and its subsidiaries:

	December 31	
	2022	2021
Current assets	\$ 49,293,505	\$ 47,290,494
Non-current assets	43,148,002	44,909,405
Current liabilities	9,663,945	13,790,922
Non-current liabilities	<u>6,859,379</u>	<u>2,420,493</u>
Equity	<u>\$ 75,918,183</u>	<u>\$ 75,988,484</u>
Equity attributable to:		
Owners of the Corporation	\$ 53,380,991	\$ 53,452,859
Non-controlling interests of ACCHC	20,759,274	20,787,223
Non-controlling interests of ACCHC's subsidiaries	<u>1,777,918</u>	<u>1,748,402</u>
	<u>\$ 75,918,183</u>	<u>\$ 75,988,484</u>
	For the Year Ended December 31	
	2022	2021
Revenue	<u>\$ 42,484,680</u>	<u>\$ 51,156,624</u>
Profit for the year	\$ 1,842,466	\$ 7,903,196
Other comprehensive income (loss) for the year	<u>1,221,735</u>	<u>(217,973)</u>
Total comprehensive income for the year	<u>\$ 3,064,201</u>	<u>\$ 7,685,223</u>
Profit attributable to:		
Owners of the Corporation	\$ 1,319,280	\$ 5,523,147
Non-controlling interests of ACCHC	513,053	2,147,890
Non-controlling interests of ACCHC's subsidiaries	<u>10,133</u>	<u>232,159</u>
	<u>\$ 1,842,466</u>	<u>\$ 7,903,196</u>
Total comprehensive income attributable to:		
Owners of the Corporation	\$ 2,179,010	\$ 5,373,111
Non-controlling interests of ACCHC	847,393	2,089,543
Non-controlling interests of ACCHC's subsidiaries	<u>37,798</u>	<u>222,569</u>
	<u>\$ 3,064,201</u>	<u>\$ 7,685,223</u>
Dividends paid to non-controlling interest		
ACCHC	<u>\$ 875,341</u>	<u>\$ 974,806</u>
ACCHC's subsidiaries	<u>\$ 8,284</u>	<u>\$ 146,350</u>

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2022	2021
Investments in associates	\$ 90,731,586	\$ 87,366,536
Investments in joint ventures	<u>986,782</u>	<u>741,650</u>
	<u>\$ 91,718,368</u>	<u>\$ 88,108,186</u>

a. Investments in associates

	December 31	
	2022	2021
<u>Material associates</u>		
Listed shares		
FENC	\$ 40,966,666	\$ 41,129,452
CSCGL	16,885,741	16,266,895
U-Ming Marine Transport Corp. (U-Ming)	<u>13,325,976</u>	<u>10,490,805</u>
	<u>71,178,383</u>	<u>67,887,152</u>

Associates that are not individually material

Unlisted shares		
Far Eastern Construction Co., Ltd. (FEC)	5,219,385	5,163,484
Yuan Ding Co., Ltd. (YDC)	4,365,125	4,365,810
Yuan Ding Enterprise (Shanghai) (YDES)	2,899,141	2,893,066
Yue Yuan Investment Corp. (YYI)	2,552,447	2,584,547
Oriental Securities Corp. (OSC)	1,823,386	2,016,395
Yue Ding Enterprise Corp. (YDEC)	749,591	719,223
FEDS Development Ltd. (FEDSDL)	670,573	640,234
Yuan Ding Leasing Corp. (YDLC)	379,095	377,521
Drive Catalyst SPC - SP Tranche Two (Catalyst Tranche Two)	254,094	116,675
Drive Catalyst SPC - SP Tranche Three (Catalyst Tranche Three)	248,699	235,904
Drive Catalyst SPC - SP Tranche One (Catalyst Tranche One)	136,863	111,512
Everstrong Iron & Steel Foundry Ltd. (EISF)	106,588	105,011
Hubei Zhongjian Yadong Concrete Co., Ltd. (HZYCCL)	94,326	92,380
Pao-Good Industry Co., Ltd. (PGIC)	51,638	55,617
Opas Fund Segregated Portfolio Company (OFSPC)	1,687	1,498
Drive Catalyst SPC (Catalyst)	522	467
Perez-Mtec-ACC, LLC (PMA)	<u>43</u>	<u>40</u>
	<u>19,553,203</u>	<u>19,479,384</u>
	<u>\$ 90,731,586</u>	<u>\$ 87,366,536</u>

At the end of the reporting period, the percentages of owners' voting rights in associates held by the Group were as follows:

Name of Associate	December 31	
	2022	2021
FENC	25.72%	25.72%
CSCGL	17.46%	17.46%
U-Ming	41.41%	41.41%
FEC	33.76%	33.76%
YDC	49.99%	49.99%
YDES	40.00%	40.00%
YYI	29.92%	29.92%
OSC	18.93%	18.93%
YDEC	30.84%	30.84%
FEDSDL	25.00%	25.00%
YDLC	43.60%	43.60%
Catalyst Tranche Two	25.00%	25.00%
Catalyst Tranche Three	25.00%	25.00%
Catalyst Tranche One	25.00%	25.00%
EISF	48.73%	48.73%
HZYCCL	40.00%	40.00%
PGIC	31.00%	31.00%
OFSPC	33.00%	33.00%
Catalyst	33.00%	33.00%
PMA	33.33%	33.33%

The Group is the single largest shareholder with 41.41% and 25.72% of the voting rights of associates, U-Ming and FENC, respectively. Considering the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other shareholders and the voting patterns at previous shareholders' meetings, which indicate that other shareholders are not passive, the Group is not able to appoint more than half of the members of those charged with governance of U-Ming and FENC. Consequently, the Group considered and classified U-Ming and FENC as associates of the Group as it is merely able to exercise significant influence over U-Ming and FENC.

In April 2021, the Corporation's subsidiary DCI subscribed for 4,000 new shares of Catalyst Tranche Two and Catalyst Tranche Three for US\$4,000 thousand. After the subscription, DCI owned 25% of the shares of both associates; moreover, in January 2022, DCI subscribed for 4,000 new shares of Catalyst Tranche Two for US\$4,000 thousand. After the subscription, DCI owned 25% of the shares of the associate.

As of December 31, 2022 and 2021, the information of associates was as follows:

- 1) Fair values (Level 1) of investments in associates with available published price quotation are summarized as follows:

Name of Associate	December 31	
	2022	2021
FENC	<u>\$ 43,908,294</u>	<u>\$ 40,329,561</u>
CSCGL	<u>\$ 4,842,959</u>	<u>\$ 5,243,774</u>
U-Ming	<u>\$ 17,005,859</u>	<u>\$ 21,134,854</u>

2) The summarized financial information in respect of the Group's material associates is set out below:

FENC:

	December 31	
	2022	2021
Current assets	\$ 28,757,361	\$ 33,457,578
Non-current assets	314,896,079	300,018,280
Current liabilities	40,264,848	22,641,821
Non-current liabilities	<u>94,380,114</u>	<u>104,785,302</u>
Equity	209,008,478	206,048,735
Proportion of the Group's ownership	25.72%	25.72%
Equity attributable to the Group	53,756,981	52,995,735
Cross shareholdings	<u>(12,790,315)</u>	<u>(11,866,283)</u>
Carrying amount	<u>\$ 40,966,666</u>	<u>\$ 41,129,452</u>
For the Year Ended December 31		
	2022	2021
Operating revenue	<u>\$ 51,246,072</u>	<u>\$ 45,527,236</u>
Net profit for the year	\$ 8,160,292	\$ 9,684,584
Other comprehensive income (loss)	<u>3,124,133</u>	<u>(515,037)</u>
Total comprehensive income for the year	<u>\$ 11,284,425</u>	<u>\$ 9,169,547</u>
Dividends received from FENC	<u>\$ 2,064,665</u>	<u>\$ 1,859,900</u>

U-Ming:

	December 31	
	2022	2021
Current assets	\$ 2,539,272	\$ 2,156,201
Non-current assets	59,141,659	51,659,693
Current liabilities	12,443,399	14,284,980
Non-current liabilities	<u>16,532,223</u>	<u>13,672,196</u>
Equity	32,705,309	25,858,718
Proportion of the Group's ownership	41.41%	41.41%
Equity attributable to the Group	13,543,266	10,708,095
Unrealized gain or loss with associates	(87,524)	(87,524)
Other adjustments	<u>(129,766)</u>	<u>(129,766)</u>
Carrying amount	<u>\$ 13,325,976</u>	<u>\$ 10,490,805</u>

	For the Year Ended December 31	
	2022	2021
Operating revenue	\$ <u>1,582,956</u>	\$ <u>1,660,430</u>
Net profit for the year	\$ 4,404,312	\$ 4,892,584
Other comprehensive income (loss)	<u>4,974,081</u>	<u>(1,194,945)</u>
Total comprehensive income for the year	\$ <u>9,378,393</u>	\$ <u>3,697,639</u>
Dividends received from U-Ming	\$ <u>1,049,747</u>	\$ <u>419,899</u>

CSCGL and its subsidiaries:

	December 31	
	2022	2021
Current assets	\$ 38,639,587	\$ 33,743,814
Non-current assets	99,843,512	91,774,378
Current liabilities	45,951,146	40,489,814
Non-current liabilities	6,974,571	3,755,805
Non-controlling interests	<u>1,194,175</u>	<u>1,151,223</u>
Equity attributable to CSCGL	84,363,207	80,121,350
Proportion of the Group's ownership	17.46%	17.46%
Equity attributable to the Group	14,744,378	13,969,887
Goodwill	1,856,015	1,856,015
Quarry right	<u>285,348</u>	<u>440,993</u>
Carrying amount	\$ <u>16,885,741</u>	\$ <u>16,266,895</u>

	For the Year Ended December 31	
	2022	2021
Operating revenue	\$ <u>94,781,996</u>	\$ <u>107,127,471</u>
Net profit for the year	\$ 3,339,500	\$ 12,575,968
Other comprehensive (loss) income	<u>(225,366)</u>	<u>48,130</u>
Total comprehensive income for the year	\$ <u>3,114,134</u>	\$ <u>12,624,098</u>

3) Aggregate information of associates that are not individually material:

	For the Year Ended December 31	
	2022	2021
The Group's share of:		
Profit for the year	\$ 387,055	\$ 507,333
Other comprehensive (loss) income	<u>(72,828)</u>	<u>368,443</u>
Total comprehensive income for the year	\$ <u>314,227</u>	\$ <u>875,776</u>

4) The amounts of investments in associates pledged as collateral for bank borrowings are disclosed in Note 36.

- b. Investments in joint ventures that are not individually material:

	December 31	
	2022	2021
<u>Unlisted companies</u>		
Alliance Concrete Singapore Pte. Ltd. (Alliance)	\$ 608,026	\$ 445,899
Wuhan Asia Marine Transport Co., Ltd. (WAMTC)	231,860	221,758
Jiangxi Ruiya New Materials Co., Ltd. (JRNMC)	96,272	18,164
Hubei Xinlongyuan Mining Co., Ltd. (HXMC)	44,476	51,526
Profit Enterprises Int'l Ltd. (PEI)	<u>6,148</u>	<u>4,303</u>
	<u>\$ 986,782</u>	<u>\$ 741,650</u>

At the end of the reporting period, the percentages of owners' voting rights in joint ventures held by the Group were as follows:

Name of Joint Ventures	December 31	
	2022	2021
Alliance	50.00%	50.00%
WAMTC	50.00%	50.00%
JRNMC	45.00%	45.00%
HXMC	40.00%	40.00%
PEI	50.00%	50.00%

Aggregate information of joint ventures that are not individually material:

	For the Year Ended December 31	
	2022	2021
The Group's share of:		
Income for the year	\$ 297,037	\$ 249,442
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>\$ 297,037</u>	<u>\$ 249,442</u>

All the associates and joint ventures are accounted for using the equity method.

In the first quarter of 2021, the Group incorporated JRNMC, which is engaged in the manufacturing and sale of gravel, under a joint venture agreement with the municipal government of Ruichang City. According to the agreement, operation policy decisions should be made by unanimous agreement of the shareholders of both entities. The Group has no right to obtain the variable rewards which is unavailable to the other shareholders and does not have direct ability to affect the rewards from investing in JRNMC. As a result, the Group has no control over JRNMC.

In the second quarter of 2021, the Corporation's joint venture PEI carried out a capital reduction of HK\$9,761 thousand to cover its accumulated deficit.

Refer to Table 6 "Information on Investees" and Table 7 "Information on Investments in Mainland China" for the nature of activities, principal place of business and country of incorporation of the associates and joint ventures.

15. PROPERTY, PLANT AND EQUIPMENT

Assets Used By the Group

	Land	Buildings	Equipment	Other Equipment	Property Under Construction	Total
<u>Cost</u>						
Balance at January 1, 2022	\$ 7,095,609	\$ 24,475,268	\$ 74,618,836	\$ 12,490,146	\$ 1,019,579	\$ 119,699,438
Additions	1,355	1,703	83,393	307,092	1,969,389	2,362,932
Disposals	(4)	(234)	(67,304)	(159,206)	-	(226,748)
Transferred to intangible assets	-	-	-	-	(384)	(384)
Transferred to inventories	-	-	-	(60,683)	-	(60,683)
Transferred from supplies	-	-	-	18,112	-	18,112
Transferred from completed construction	-	207,746	1,334,405	460,367	(2,002,518)	-
Effect of foreign currency exchange differences	-	357,036	895,463	57,394	11,327	1,321,220
Balance at December 31, 2022	<u>7,096,960</u>	<u>25,041,519</u>	<u>76,864,793</u>	<u>13,113,222</u>	<u>997,393</u>	<u>123,113,887</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2022	18,173	11,223,051	56,542,660	10,483,822	-	78,267,706
Depreciation expense	-	648,406	2,821,806	596,951	-	4,067,163
Impairment losses	-	279,884	92,042	15,407	-	387,333
Disposals	-	(234)	(58,016)	(150,293)	-	(208,543)
Reclassification	-	-	5,616	(5,616)	-	-
Effect of foreign currency exchange differences	-	144,910	619,467	40,176	-	804,553
Balance at December 31, 2022	<u>18,173</u>	<u>12,296,017</u>	<u>60,023,575</u>	<u>10,980,447</u>	<u>-</u>	<u>83,318,212</u>
Carrying amounts at December 31, 2022	<u>\$ 7,078,787</u>	<u>\$ 12,745,502</u>	<u>\$ 16,841,218</u>	<u>\$ 2,132,775</u>	<u>\$ 997,393</u>	<u>\$ 39,795,675</u>
<u>Cost</u>						
Balance at January 1, 2021	\$ 7,094,166	\$ 24,660,082	\$ 74,297,920	\$ 12,347,470	\$ 9,462,519	\$ 127,862,157
Additions	210	14,505	35,143	294,665	3,273,019	3,617,542
Disposals	-	(74,413)	(337,027)	(477,139)	-	(888,579)
Transferred to intangible assets	-	-	-	-	(62,643)	(62,643)
Transferred to inventories	-	-	-	-	(6,274)	(6,274)
Transferred to finance lease receivables	-	-	-	-	(10,363,717)	(10,363,717)
Transferred from completed construction	1,233	2,910	930,779	345,305	(1,280,227)	-
Effect of foreign currency exchange differences	-	(127,816)	(307,979)	(20,155)	(3,098)	(459,048)
Balance at December 31, 2021	<u>7,095,609</u>	<u>24,475,268</u>	<u>74,618,836</u>	<u>12,490,146</u>	<u>1,019,579</u>	<u>119,699,438</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2021	18,173	10,695,329	53,942,609	10,385,834	-	75,041,945
Depreciation expense	-	628,737	3,025,822	553,992	-	4,208,551
Impairment losses	-	-	62,216	9,195	-	71,411
Disposals	-	(48,487)	(279,268)	(450,884)	-	(778,639)
Effect of foreign currency exchange differences	-	(52,528)	(208,719)	(14,315)	-	(275,562)
Balance at December 31, 2021	<u>18,173</u>	<u>11,223,051</u>	<u>56,542,660</u>	<u>10,483,822</u>	<u>-</u>	<u>78,267,706</u>
Carrying amounts at December 31, 2021	<u>\$ 7,077,436</u>	<u>\$ 13,252,217</u>	<u>\$ 18,076,176</u>	<u>\$ 2,006,324</u>	<u>\$ 1,019,579</u>	<u>\$ 41,431,732</u>

Because the nature of CHP's Purchase and Sale Contracts of Phase II power plant with TPC are considered as conveyance of rights to use asset, the contracts are regarded as finance leases. Consequently, the property, plant and equipment of the Phase II power plant was reclassified to finance lease receivables from its commercial operations date, refer to Note 11 for the details.

The above items of property, plant and equipment are depreciated on a fixed-percentage-on-declining-balance basis or on a straight-line basis over the estimated useful life of the asset taken apart into major component elements:

Building	
Main buildings	15-60 years
Other facilities	2-30 years
Equipment	2-20 years
Other equipment	2-17 years

As of December 31, 2022, the titles of land with carrying amount of \$90,374 thousand were temporarily registered in the name of trustees who had either signed an agreement or had pledged the land to the Corporation or to the subsidiaries.

Refer to Note 36 for the carrying amount of property, plant and equipment pledged by the Group as collaterals for borrowings.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2022	2021
<u>Carrying amounts</u>		
Land	\$ 3,628,890	\$ 3,432,330
Buildings	781,190	796,769
Equipment	<u>563,960</u>	<u>527,065</u>
	<u>\$ 4,974,040</u>	<u>\$ 4,756,164</u>
	For the Year Ended December 31	
	2022	2021
Additions to right-of-use assets	<u>\$ 570,677</u>	<u>\$ 407,107</u>
Depreciation charge for right-of-use assets		
Land	\$ 156,955	\$ 163,020
Buildings	90,147	83,749
Equipment	<u>164,095</u>	<u>155,743</u>
	<u>\$ 411,197</u>	<u>\$ 402,512</u>

b. Lease liabilities

	December 31	
	2022	2021
<u>Carrying amounts</u>		
Current	<u>\$ 261,250</u>	<u>\$ 187,274</u>
Non-current	<u>\$ 1,302,028</u>	<u>\$ 1,084,452</u>

Range of discount rate for lease liabilities was as follows:

	December 31	
	2022	2021
Land	1.06%-4.75%	1.06%-4.75%
Buildings	1.32%-4.90%	1.30%-4.90%
Equipment	1.10%-3.00%	1.10%-3.00%

c. Material lease-in activities and terms

The Group leases harbors, land, buildings and equipment for the use in business operations and has obtained land use rights in mainland China, Hong Kong, Singapore and Vietnam. Certain lease contracts specify that lease payment will be adjusted on the basis of changes in market rental rates or announced land value prices. The Group does not have bargain purchase options to acquire the leasehold assets at the end of the lease terms.

d. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties are set out in Note 17. Lease arrangements for the leasing out of assets under finance leases are set out in Note 11.

	For the Year Ended December 31	
	2022	2021
Expenses relating to short-term leases	<u>\$ 272,044</u>	<u>\$ 250,262</u>
Expenses relating to low-value asset leases	<u>\$ 881</u>	<u>\$ 776</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 44,941</u>	<u>\$ 69,181</u>
Total cash outflow for leases	<u>\$ 616,332</u>	<u>\$ 818,513</u>

The Group has elected to apply the recognition exemption and, thus, did not recognize right-of-use assets and lease liabilities for leases that qualify as short-term leases or low-value asset leases.

17. INVESTMENT PROPERTIES

	December 31	
	2022	2021
Measured at fair value		
Leased investment properties	\$ 30,770,168	\$ 30,525,678
Undeveloped investment properties	<u>6,415,936</u>	<u>6,317,952</u>
	<u>\$ 37,186,104</u>	<u>\$ 36,843,630</u>

	Leased Investment Property	Undeveloped Investment Property	Total
Balance at January 1, 2022	\$ 30,525,678	\$ 6,317,952	\$ 36,843,630
Changes in fair value of investment properties	226,204	100,876	327,080
Effect of foreign currency exchange differences	1,917	5,594	7,511
Additions	579	203	782
Write-off accounts receivable	-	7,101	7,101
Reclassifications	<u>15,790</u>	<u>(15,790)</u>	<u>-</u>
Balance at December 31, 2022	<u>\$ 30,770,168</u>	<u>\$ 6,415,936</u>	<u>\$ 37,186,104</u>
Balance at January 1, 2021	\$ 30,332,308	\$ 6,256,940	\$ 36,589,248
Changes in fair value of investment properties	215,801	28,500	244,301
Effect of foreign currency exchange differences	(759)	(1,726)	(2,485)
Additions	3,035	-	3,035
Write-off accounts receivable	-	9,531	9,531
Reclassifications	<u>(24,707)</u>	<u>24,707</u>	<u>-</u>
Balance at December 31, 2021	<u>\$ 30,525,678</u>	<u>\$ 6,317,952</u>	<u>\$ 36,843,630</u>

The investment properties for lease were as follows:

- a. On January 1, 1998, the Corporation granted FEDSDL the right to construct a shopping center on a parcel of land it owned with an area of 6,976 square meters located in Lin-Ya, Kaohsiung. As consideration for the right to construct and the continued use of the land for fifty years, FEDSDL shall pay the following: (a) land use rights in the amount of \$1,073,000 thousand and (b) annual rental at 5% of the reference price of such land announced by the local government. The proceeds of the land use rights were recorded as deferred revenue and recognized as rental revenue on a periodic basis.
- b. The Corporation and Far Eastern Resources Development Co. (FERD) equally owned a parcel of land located at Tun Hwa South Road, Taipei City. Under an agreement entered into with YDC, the Corporation and FERD had agreed on the following: (a) construction of a twin tower building (Taipei Metro) by YDC on the said land, (b) continued use of the land without additional compensation for 30 years starting from the date of the completion of the building. In view of the foregoing agreement, the Corporation recorded the 12% of the building construction cost or \$1,402,753 thousand as building acquired and as long-term deferred revenue and recognized as revenue on a periodic basis.
- c. Others mainly included the following:
 - 1) Asia-Cement Building held by the Corporation - leased to FEDS;
 - 2) Pao-Ching Building held by the Corporation - leased to Sofiva Genomics;
 - 3) Land and building in Chiayi City held by the Corporation;
 - 4) Buildings in Sichuan held by SIYDCCL

The lease terms of the abovementioned land and buildings are 1-10 years, and the rents are paid monthly.

The Group's undeveloped investment properties included a parcel of land located in Lin-Ya, Kaohsiung, as well as stores, apartments, and office buildings acquired by SIYDCCL, HYDCCL and SHYLCP as collaterals for overdue balances from customers.

The fair values of investment properties were valued by independent qualified professional appraisers. According to local requirements, entities are required to have independent appraisal for the investment properties with individual carrying amount of \$300 million or higher. The fair values of investment properties as of December 31, 2022 and 2021 were determined by qualified professional appraisers, Mr. Chang from Savills (Taiwan) Limited and Mr. Tsai and Ms. Hu from DTZ real estate appraisers firm on February 17, 2023 and February 23, 2022, respectively.

The fair value of investment properties was estimated using unobservable inputs (Level 3). The movements in the fair value were as follows:

	Completed Investment Property	Investment Property under Construction	Total
Balance at January 1, 2022	\$ 30,525,678	\$ 6,317,952	\$ 36,843,630
Recognized in profit or loss (gain or loss from changes in fair value of investment property)	226,204	100,876	327,080
Recognized in other comprehensive income			
Exchange differences on translating the financial statements of foreign operations	1,917	5,594	7,511
Purchases	579	203	782
Transfers into Level 3	-	7,101	7,101
Reclassified	<u>15,790</u>	<u>(15,790)</u>	<u>-</u>
Balance at December 31, 2022	<u>\$ 30,770,168</u>	<u>\$ 6,415,936</u>	<u>\$ 37,186,104</u>
Balance at January 1, 2021	\$ 30,332,308	\$ 6,256,940	\$ 36,589,248
Recognized in profit or loss (gain or loss from changes in fair value of investment property)	215,801	28,500	244,301
Recognized in other comprehensive income			
Exchange differences on translating the financial statements of foreign operations	(759)	(1,726)	(2,485)
Purchases	3,035	-	3,035
Transfers into Level 3	-	9,531	9,531
Reclassified	<u>(24,707)</u>	<u>24,707</u>	<u>-</u>
Balance at December 31, 2021	<u>\$ 30,525,678</u>	<u>\$ 6,317,952</u>	<u>\$ 36,843,630</u>

The fair value measurement of undeveloped land located in Lin-Ya, Kaohsiung, was measured by land development analysis.

The increase in estimated total selling price, the increase in rate of return, or the decrease in overall capital interest rate would result in an increase in the fair value. The significant assumptions used were as follows:

	December 31	
	2022	2021
Estimated total selling price	<u>\$ 22,928,412</u>	<u>\$ 20,255,823</u>
Rate of return	22%	20%
Overall capital interest rate	6.12%	5.19%

The total selling price is estimated on the basis of the most effective use of the land or property available for sale after development is completed, taking into account the related regulations, domestic macroeconomic prospects, local land use, and market rates.

The fair value of investment properties, except for undeveloped land, was measured using the income approach. The significant assumptions used were stated below. The increase in estimated future net cash inflows or the decrease in discount rates would result in increase in the fair value.

	December 31	
	2022	2021
Expected future cash inflows	\$ 35,706,577	\$ 36,612,955
Expected future cash outflows	<u>1,355,025</u>	<u>1,652,051</u>
Expected future cash inflows, net	<u>\$ 34,351,552</u>	<u>\$ 34,960,904</u>
Discount rate	2.35%-6.00%	1.97%-6.00%

The above fair value measurement has taken into consideration the uncertainty on the volatility in the markets due to the evolution of the COVID-19 pandemic. The market rentals in the area where the investment properties are located were between \$1 thousand and \$5 thousand per ping (i.e., per 3.3 square meters).

The rental income generated for the years ended December 31, 2022 and 2021 was \$363,593 thousand and \$352,158 thousand, respectively.

The expected future cash inflows to be generated by investment properties include rental income, interest income on rental deposits and disposal value. The rental income was extrapolated using the Group's current rental contract, regional and market quotation, taking into account the annual rental growth rate; the income analysis covers a 10-year period, the interest income on rental deposits was extrapolated using the interest rate for one-year central bank-announced demand deposit interest rate; the disposal value was determined using the direct capitalization method under the income approach. The expected future cash outflows to be incurred by investment properties include expenditure such as land value taxes, house taxes, insurance premium, management costs, maintenance costs and others. These expenditures were extrapolated on the basis of the current level of expenditure, taking into account the future adjustment to the government-announced land value, and the tax rate promulgated under the House Tax Act.

The discount rate was determined by reference to the interest rate for two-year time deposits as posted by Chunghwa Post Co., Ltd., plus 0.75%, or estimated income capitalization rate, whichever is higher, as well as any asset-specific risk premiums. As of December 31, 2022 and 2021, the risk premiums were 0.13%-3.78% and 0.38%-4.41%, respectively.

Refer to Note 36 for the carrying amount of investment properties pledged by the Group as collaterals for borrowings.

18. INTANGIBLE ASSETS - GOODWILL

	2022	2021
<u>Cost</u>		
Balance at January 1	\$ 2,422,661	\$ 2,435,685
Effect of foreign currency exchange differences	<u>38,032</u>	<u>(13,024)</u>
Balance at December 31	<u>\$ 2,460,693</u>	<u>\$ 2,422,661</u>

The goodwill comprised of the following:

- a. In April 2014, SYDCCL acquired 100% ownership of SLCL. The investment cost in excess of the fair value of net identifiable assets of the investee was the amount of goodwill, which was RMB554,241 thousand.
- b. On December 31, 2014, the Corporation acquired control power over YLT. The investment cost in excess of the fair value of net identifiable assets of the investee was the amount of goodwill, which was \$20,780 thousand.

As of December 31, 2022 and 2021, the Group assessed that the recoverable amounts of the cash-generating units including the goodwill listed above were still higher than the related carrying amounts; thus, no impairment loss was recognized.

19. INTANGIBLE ASSETS - OTHERS

	Quarry Right	Computer Software	Others	Total
<u>Cost</u>				
Balance at January 1, 2022	\$ 6,873,182	\$ 239,533	\$ 415,392	\$ 7,528,107
Additions	-	7,261	-	7,261
Transferred from unfinished construction	-	384	-	384
Effect of foreign currency exchange differences	107,153	1,493	1,411	110,057
Balance at December 31, 2022	<u>6,980,335</u>	<u>248,671</u>	<u>416,803</u>	<u>7,645,809</u>
<u>Accumulated amortization and impairment</u>				
Balance at January 1, 2022	2,686,316	206,324	89,091	2,981,731
Amortization expense	278,017	12,958	-	290,975
Effect of foreign currency exchange differences	42,002	1,187	1,411	44,600
Balance at December 31, 2022	<u>3,006,335</u>	<u>220,469</u>	<u>90,502</u>	<u>3,317,306</u>
Carrying amounts at December 31, 2022	<u>\$ 3,974,000</u>	<u>\$ 28,202</u>	<u>\$ 326,301</u>	<u>\$ 4,328,503</u>
<u>Cost</u>				
Balance at January 1, 2021	\$ 6,860,862	\$ 225,616	\$ 415,876	\$ 7,502,354
Additions	64,054	10,597	-	74,651
Disposals	(73,309)	(681)	-	(73,990)
Transferred from completed construction	58,143	4,500	-	62,643
Effect of foreign currency exchange differences	(36,568)	(499)	(484)	(37,551)
Balance at December 31, 2021	<u>6,873,182</u>	<u>239,533</u>	<u>415,392</u>	<u>7,528,107</u>

(Continued)

	Quarry Right	Computer Software	Others	Total
Accumulated amortization and impairment				
Balance at January 1, 2021	\$ 2,399,573	\$ 194,629	\$ 89,575	\$ 2,683,777
Amortization expense	306,208	12,767	-	318,975
Disposals	(5,783)	(681)	-	(6,464)
Effect of foreign currency exchange differences	(13,682)	(391)	(484)	(14,557)
Balance at December 31, 2021	<u>2,686,316</u>	<u>206,324</u>	<u>89,091</u>	<u>2,981,731</u>
Carrying amounts at December 31, 2021	<u>\$ 4,186,866</u>	<u>\$ 33,209</u>	<u>\$ 326,301</u>	<u>\$ 4,546,376</u> (Concluded)

The above items of other intangible assets with finite useful lives are amortized on a straight-line basis. Quarry rights are amortized over 5 to 30 years and the computer software and others are amortized over 3 to 6 years. The other items with indefinite useful lives will not be amortized until their useful lives are determined to be finite. Instead, they will be tested for impairment annually and whenever there is an indication that they may be impaired.

According to the Plan for the Reform of the Mineral Resource Royalty System issued by the State Council of the People's Republic of China, proceeds from prospecting and mining rights shall be changed into proceeds from assignment of mining rights and shall be determined according to valuation and benchmark market prices under similar conditions, whichever is higher. The proceeds from the transfer of mining rights shall be determined at one time and paid in the form of monetary funds. The specific measures for payment shall be developed separately by the Ministry of Finance in conjunction with the Ministry of Land and Resources. The Group finalized the independent valuation report in accordance with the aforementioned reform plans related to the mine reserves and the estimated amount of the provision of the mine reserve fund, which was capitalized into the cost of quarry. In addition, the Group was required to accrue the cost of production of the mine, which represented the quantity of the mine excavated times the agreed amount of unit cost for the current and past years, and such amount was charged on the cost of sales of the Group. As of December 31, 2022 and 2021, the fund payables of the mine reserve were both RMB299,724 thousand and were accounted for as accounts payable and accrued expenses - third parties, respectively.

20. OTHER NON-CURRENT ASSETS

	December 31	
	2022	2021
Prepaid investments	\$ 1,594,449	\$ 1,588,689
Net defined benefit assets	3,029,652	2,755,775
Refundable deposits	245,926	203,069
Prepayments for land and equipment	141,983	54,402
Others	<u>617</u>	<u>187</u>
	<u>\$ 5,012,627</u>	<u>\$ 4,602,122</u>
Refundable deposits		
Current (accounted for as other current assets)	<u>\$ 174,549</u>	<u>\$ 114,422</u>
Non-current	<u>\$ 245,926</u>	<u>\$ 203,069</u>

The prepaid investments comprised of the following:

- a. On March 23, 2017, the Corporation acquired 155 thousand issued shares of China Shanshui Investment Company Limited (CSI) in the amount of HK\$577,662 thousand from six shareholders of CSI under a share purchase agreement. The Corporation already obtained the physical share certificates of the acquired shares of CSI. Pursuant to the Articles of Association of CSI, the share ownership can only be recorded on the register of shareholders if the board of directors of CSI approves the share transfer. The Corporation has submitted all necessary documents to CSI for registration of the share transfer, among which the registration of shares of CSI acquired from two of the six shareholders were completed and the related prepaid investments in the balance sheets were therefore reclassified to financial assets at FVTOCI - non-current.

In addition, Chan Hongqing, a PRC individual, claimed that the shares of CSI which the Corporation acquired from the other four shareholders were pledged as collaterals under a loan contract signed with him on August 17, 2015 and thus applied for arbitration with China International Economic and Trade Arbitration Commission in Beijing. Later, according to an order of the High Court of Hong Kong announced on June 27, 2017, it requested the appointment of interim receivers in respect of the shares of CSI held by the four shareholders until the end of the arbitral proceedings. On May 17, 2018, the High Court of Hong Kong set aside the order before the final award of the arbitration. The arbitral proceeding was therefore withdrawn on June 12, 2018. On July 22, 2022, the appeal has also been rejected by the Court of Appeal of the High Court of Hong Kong. In view of this order, the registration of share transfer will no longer be restricted to the abovementioned application for interlocutory relief.

On October 2, 2018, Chan Hongqing applied to the High Court of Hong Kong for interlocutory relief in another proceeding against the Corporation to prohibit the Corporation and the four CSI shareholders from transferring and registering their CSI shares. The application for interlocutory relief was heard in the High Court of Hong Kong on April 3, 2019 and was dismissed by the High Court of Hong Kong on March 16, 2021. On March 30, 2021, Chan Hongqing filed an appeal against the order made by the High Court of Hong Kong. However, the appeal had been rejected by the High Court of Hong Kong on September 23, 2021. Later, Chan Hongqing filed another appeal to Court of Appeal of Hong Kong on October 7, 2021. However, on July 22, 2022, the appeal has also been rejected by the Court of Appeal of the High Court of Hong Kong. In view of this order, the registration of share transfer will no longer be restricted to the abovementioned application for interlocutory relief.

- b. Chu Feng Power Corporation, Preparatory Office (Chu Feng) was founded in October 2016 by DCI, the Corporation's subsidiary, for the development of offshore wind power in Taiwan. As of December 31, 2022 and 2021, the accumulated prepaid investments were \$299,543 thousand and \$293,783 thousand, respectively. In March 2018, Chu Feng submitted an application to the Bureau of Energy, Ministry of Economic Affairs, ROC, for the offshore wind power project's selection but finally failed to win the tender offer. Later, on March 25, 2020, DCI's board of directors resolved to enter into a joint venture agreement with Innogy Renewables Beteiligungs GmbH Company ("Innogy"), which was under restructuring and was renamed RWE Renewables Beteiligungs GmbH in August 2020 to further develop Chu Feng offshore wind project. As of December 31, 2022 and 2021, DCI has received an advance receipt for investment from Innogy in the amount of \$150,000 thousand, which was accounted for as other non-current liabilities. In addition, the Group recognized the amounts paid within the preparatory period as other receivables or prepaid investments and also recognized full amounts of provisions based on the preparatory loss of Chu Feng; refer to Note 25.

21. SHORT-TERM BORROWINGS

	December 31	
	2022	2021
Unsecured	\$ 25,012,869	\$ 22,399,570
Secured	<u>3,680,000</u>	<u>1,300,000</u>
	<u>\$ 28,692,869</u>	<u>\$ 23,699,570</u>
Interest rate	1.40%-5.30%	0.79%-3.15%
Final repayment date:		
Unsecured	2023.12.20	2022.12.20
Secured	2023.2.24	2022.3.11

22. SHORT-TERM BILLS PAYABLE

	December 31	
	2022	2021
Commercial paper	\$ 27,098,000	\$ 27,894,900
Less: Unamortized discounts on bills payable	<u>38,194</u>	<u>7,819</u>
	<u>\$ 27,059,806</u>	<u>\$ 27,887,081</u>
Interest rate (%)	0.95%-2.05%	0.25%-1.25%

23. LONG-TERM LIABILITIES

	December 31	
	2022	2021
Bank loans	<u>\$ 11,989,701</u>	<u>\$ 9,952,974</u>
Bonds		
Domestic bonds		
1 st unsecured bonds issued in 2019	6,500,000	6,500,000
2 nd unsecured bonds issued in 2019	3,500,000	3,500,000
1 st unsecured bonds issued in 2020	7,700,000	7,700,000
2 nd unsecured bonds issued in 2020-A	2,800,000	2,800,000
2 nd unsecured bonds issued in 2020-B	2,700,000	2,700,000
3 rd unsecured bonds issued in 2020-A	4,000,000	4,000,000
3 rd unsecured bonds issued in 2020-B	2,200,000	2,200,000
4 th unsecured bonds issued in 2020-A	4,100,000	4,100,000
4 th unsecured bonds issued in 2020-B	5,300,000	5,300,000
1 st unsecured bonds issued in 2021	<u>6,300,000</u>	<u>6,300,000</u>
	<u>45,100,000</u>	<u>45,100,000</u>
Overseas bonds		
3 rd Euro convertible bonds issued in 2018	<u>20,129</u>	<u>31,854</u>
	57,109,830	55,084,828
Less: Current portion	<u>1,593,990</u>	<u>2,902,645</u>
	<u>\$ 55,515,840</u>	<u>\$ 52,182,183</u>

- a. Bank loans are repayable in installments at varying amounts or in one lump-sum payment prior to April 3, 2039. The Group has signed long-term revolving credit facilities with banks. As of December 31, 2022 and 2021, interest rate intervals were 1.19%-5.09% and 0.67%-3.10%, respectively.
- b. Domestic bonds are repayable in installments at varying amounts or in one lump-sum on maturity prior to December 23, 2027. As of December 31, 2022 and 2021, interest rates were both 0.57%-0.88%.
- c. In order to repay the debt, save interest expenses, and strengthen the Corporation's financial structure, on September 21, 2018, the Corporation issued US\$215,000 thousand (equivalent to NT\$6,620,710 thousand), which is the third zero coupon Euro convertible bond due on 2023.

The terms of the zero coupon Euro convertible bonds included the following:

1) Final redemption

Unless previously redeemed, repurchased and canceled, or converted, the Bonds will be redeemed on the maturity date at the settlement equivalent of 100.6% of the unpaid principal amount thereof.

- 2) The bonds are convertible into the Corporation's ordinary shares ("Shares") at any time on or after December 21, 2018 and prior to the close of business on August 22, 2023. The initial conversion price was NT\$42.24 per Share, determined on the basis of a fixed exchange rate of NT\$30.794=US\$1.00.

3) Redemption at the option of the Corporation

At any time on or after September 21, 2021, the Corporation may redeem the bonds in whole, or from time to time in part, at the early redemption amount, if the closing price of the Shares, translated into U.S. dollars at the prevailing rate, during a period of 30 consecutive trading days, is at least 130% of the quotient of the early redemption amount divided by the number of Shares to be issued upon conversion of US\$200,000 principal amount of the bonds on the applicable trading day based on the conversion price then in effect, translated into U.S. dollars at a fixed exchange rate of NT\$30.794=US\$1.00. Notwithstanding the foregoing, at any time, the Corporation may redeem the bonds in whole, but not in part, at the early redemption amount in U.S. dollars if at least 90% in principal amount of the bonds has already been redeemed, repurchased and cancelled, or converted.

4) Redemption at the option of the bondholders

Unless previously redeemed, repurchased and cancelled or converted, each holder will have the right to require the Corporation to redeem in whole or in part of the bonds held by such holder on September 21, 2021 at a redemption price equal to the settlement equivalent of 101.81% of the principal amount in U.S. dollars. Any U.S. dollar denominated amount payable in respect of the bonds will be converted into NT dollars using a fixed exchange rate and then converted back to a U.S. dollar amount using the applicable prevailing rate at the time of redemption.

- 5) The conversion price shall be subject to adjustment when there is occurrence of, including (but not limited to), the following:
 - a) Declaration of dividend in Shares or free distribution or bonus issue of Shares.
 - b) Subdivision, consolidation and reclassification of Shares.
 - c) Rights issues to shareholders.

- d) Employee share bonus.
- e) Warrants issued to holders of Shares.
- f) Issues of rights or warrants for equity-related securities to holders of Shares.
- g) Capital distributions, other distributions to shareholders.
- h) Issue of convertible or exchangeable securities other than to holders of Shares or on exercise of warrants.
- i) Other issues of Shares.
- j) Issue of equity related securities.
- k) Capital reduction.
- l) Tender or exchange offer.
- m) Any other event or circumstance which would have an effect analogous to any of the events in a) to l) above. The conversion price was NT\$31.99 as of December 31, 2022.

As of December 31, 2022, bondholders have converted the principal amount of US\$214,340 thousand (equivalent to NT\$6,600,386 thousand) of the 3rd Euro convertible bond into 184,480 thousand ordinary shares of the Corporation. After the conversion, the principal amount of the 3rd Euro convertible bond outstanding was US\$660 thousand (equivalent to NT\$20,324 thousand).

- d. On January 22, 2019, CHP signed the syndicated loan agreement with 10 banks, including Bank of Taiwan. CHP may borrow up to \$10,500,000 thousand under this loan agreement.

As of December 31, 2021, CHP's credit lines used were as follows:

Loan Item	Category	Amount (In Thousands)	Interest Rate	Contract Period
A	Loan	NT\$ 4,600,000	1.797%	20 years
B	Loan	NT\$ 2,450,000	1.840%	92 days
D	Contract bonding	NT\$ 165,000	0.450%	365 days
D	Contract bonding	US\$ 2,202	0.450%	365 days

The financial commitment that should be maintained by CHP under the payment terms are as follows:

- 1) Debt ratio as of year-end (total debt divided by total equity);
 - a) Under 200% from 2019 to 2023.
 - b) Under 150% from 2024 to 2039.
- 2) Interest coverage ratio should be at least 150% from 2019 to 2039.

The above financial ratios are based on audited financial statements. Debt ratio and interest coverage ratio should be reviewed at least on annual basis.

24. DEFERRED REVENUE

	December 31	
	2022	2021
Land use right	\$ 586,497	\$ 654,582
Others	<u>109,572</u>	<u>117,399</u>
	<u>\$ 696,069</u>	<u>\$ 771,981</u>
Current	\$ 75,912	\$ 75,912
Non-current	<u>620,157</u>	<u>696,069</u>
	<u>\$ 696,069</u>	<u>\$ 771,981</u>

- a. The deferred revenue on land use rights in Lin-Ya, Kaohsiung granted to FEDSDL (Note 17) is amortized to income over 50 years on a straight-line basis.
- b. The deferred revenue on land use rights of Taipei Metro granted to YDC (Note 17) is amortized to income over 30 years on a straight-line basis.

25. PROVISIONS

	December 31	
	2022	2021
Preparatory costs provisions (Note 20)	\$ 356,710	\$ 318,143
Decommissioning of electric factory provisions	449,329	435,463
Accrued reward provisions	73,378	82,511
Compensation of traffic accident provisions	174,377	159,399
Other provisions	<u>11,932</u>	<u>107,022</u>
	<u>\$ 1,065,726</u>	<u>\$ 1,102,538</u>
Current	\$ 24,932	\$ 74,782
Non-current	<u>1,040,794</u>	<u>1,027,756</u>
	<u>\$ 1,065,726</u>	<u>\$ 1,102,538</u>

26. RETIREMENT BENEFIT PLANS

- a. Defined contribution plans

The Corporation and the subsidiaries in the ROC 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 specific rate of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plan adopted by the Corporation and domestic subsidiaries in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months or last month before retirement. The Corporation and domestic subsidiaries contribute amounts equal to 2%-15% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

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

	December 31	
	2022	2021
Present value of defined benefit obligation	\$ 1,083,806	\$ 1,181,570
Fair value of plan assets	<u>(4,002,312)</u>	<u>(3,806,396)</u>
Surplus	<u>(2,918,506)</u>	<u>(2,624,826)</u>
Net defined benefit asset	<u>\$ (2,918,506)</u>	<u>\$ (2,624,826)</u>

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

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Balance at January 1, 2022	\$ 1,181,570	\$ (3,806,396)	\$ (2,624,826)
Service cost			
Current service cost	11,582	-	11,582
Net interest expense (income)	<u>7,368</u>	<u>(23,112)</u>	<u>(15,744)</u>
Recognized in profit or loss	<u>18,950</u>	<u>(23,112)</u>	<u>(4,162)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(210,785)	(210,785)
Actuarial gain - changes in financial assumptions	(33,157)	-	(33,157)
Actuarial gain - experience adjustments	<u>(7,918)</u>	<u>-</u>	<u>(7,918)</u>
Recognized in other comprehensive income	<u>(41,075)</u>	<u>(210,785)</u>	<u>(251,860)</u>
Contributions from the employer	-	(24,106)	(24,106)
Benefits paid	<u>(75,639)</u>	<u>62,087</u>	<u>(13,552)</u>
Balance at December 31, 2022	<u>\$ 1,083,806</u>	<u>\$ (4,002,312)</u>	<u>\$ (2,918,506)</u>

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Balance at January 1, 2021	\$ 1,258,766	\$ (3,604,068)	\$ (2,345,302)
Service cost			
Current service cost	14,287	-	14,287
Past service cost and gain on settlements	(1,794)	-	(1,794)
Net interest expense (income)	<u>7,467</u>	<u>(25,664)</u>	<u>(18,197)</u>
Recognized in profit or loss	<u>19,960</u>	<u>(25,664)</u>	<u>(5,704)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(204,194)	(204,194)
Actuarial loss - changes in demographic assumptions	950	-	950
Actuarial loss - changes in financial assumptions	22,002	-	22,002
Actuarial gain - experience adjustments	<u>(38,698)</u>	<u>-</u>	<u>(38,698)</u>
Recognized in other comprehensive income	<u>(15,746)</u>	<u>(204,194)</u>	<u>(219,940)</u>
Contributions from the employer	-	(25,259)	(25,259)
Benefits paid	<u>(81,410)</u>	<u>52,789</u>	<u>(28,621)</u>
Balance at December 31, 2021	<u>\$ 1,181,570</u>	<u>\$ (3,806,396)</u>	<u>\$ (2,624,826)</u> (Concluded)

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

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the corporate 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 salary 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	
	2022	2021
Discount rates	1.15%-1.30%	0.55%-0.70%
Expected rates of salary increase	2.00%-3.00%	2.00%-2.50%

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

	December 31	
	2022	2021
Discount rate		
0.25% increase	<u>\$ (19,069)</u>	<u>\$ (23,517)</u>
0.25% decrease	<u>\$ 19,624</u>	<u>\$ 24,252</u>
Expected rate of salary increase/decrease		
1.00% increase	<u>\$ 80,019</u>	<u>\$ 97,480</u>
1.00% decrease	<u>\$ (73,518)</u>	<u>\$ (90,690)</u>

The major categories of plan assets at the end of the reporting period are disclosed based on the information announced by the Bureau:

	December 31	
	2022	2021
Equity instruments	74.22	76.39
Deposited in financial institutions	17.76	15.43
Others	<u>8.02</u>	<u>8.18</u>
	<u>100.00</u>	<u>100.00</u>

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

	December 31	
	2022	2021
Expected contributions to the plan for the next year	<u>\$ 8,161</u>	<u>\$ 22,915</u>
Average duration of the defined benefit obligation	2.4-9.0 years	3.4-10.0 years

27. EQUITY

a. Share capital

	December 31	
	2022	2021
Number of shares authorized (in thousands)	<u>4,000,000</u>	<u>4,000,000</u>
Shares authorized	<u>\$ 40,000,000</u>	<u>\$ 40,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>3,545,928</u>	<u>3,545,572</u>
Shares issued	<u>\$ 35,459,276</u>	<u>\$ 35,455,721</u>

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

The total of 350,000 thousand and 10,000 thousand shares of the Corporation's authorized shares are reserved for the issuance of convertible bonds and employee share option, respectively.

The changes in the number of issued shares of the Corporation was due to the conversion of the convertible bond.

b. Capital surplus

	December 31	
	2022	2021
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Donation	\$ 41,790	\$ 41,790
Conversion of bonds	4,690,084	4,681,389
The difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual acquisition or disposal	55,731	56,000
Change of capital surplus of associates and joint ventures accounted for using the equity method (2)	<u>979,309</u>	<u>979,032</u>
	<u>5,766,914</u>	<u>5,758,211</u>
<u>May be used to offset a deficit only</u>		
Change of capital surplus of associates and joint ventures accounted for using the equity method (3)	<u>164,675</u>	<u>162,274</u>
<u>May not be used for any purpose</u>		
Share warrants	570	915
Change of capital surplus of associates and joint ventures accounted for using the equity method	<u>73,554</u>	<u>64,939</u>
	<u>74,124</u>	<u>65,854</u>
	<u>\$ 6,005,713</u>	<u>\$ 5,986,339</u>

- 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 and to once a year).
- 2) Such capital surplus from the effect of changes in associate's ownership interest in its subsidiary that resulted from actual acquisition and disposal of equity may be used to offset a deficit or distributed as cash dividends or share dividends under Article 241-1 of Company Act.
- 3) Such capital surplus from the effect of changes in associate's ownership interest in its subsidiary that resulted from equity transactions other than actual acquisition and disposal may be used to offset a deficit under Article 239-1 of Company Act.

c. Retained earnings and dividends policy

The amendments to the Corporation's Articles of Incorporation (the "Articles") had been approved by the Corporation's shareholders in its meeting held on June 29, 2022, which stipulate that profits distribution or loss appropriation may be made after the end of each quarter. If the distribution of the profits is paid in cash, it shall be dealt with by the resolution of the board of directors and shall be reported to the shareholders' meeting.

Under the dividends policy as set forth in the amended Articles, when the Corporation distributes profits of the first three quarters, it shall first estimate and retain the taxation, employee compensation and directors' remuneration, make up for losses and set aside statutory surplus reserves in accordance with the law. However, when the legal reserve has reached the paid-in capital, it may no longer be listed.

Apart from paying all its income taxes in the case where there are net incomes at the end of the year, the Corporation shall first utilize the sum of said profit and the amount of profit (or loss) items adjusted to the current year's undistributed earnings other than the said profit for offsetting accumulated losses in past years. Where there is still balance, the Corporation shall set aside 10% of the remaining profit as legal reserve provided that the amount of accumulated legal reserve has not reached the amount of the paid-in capital of the Corporation, then set aside a special capital reserve as required by law. Subject to certain business conditions under which the Corporation may retain a portion of the remaining balance, the Corporation may distribute to the shareholders the remainder together with undistributed profits from previous years in proportion to the number of the shares held by each shareholder as shareholders' dividends. However, in the case of an increase in the Corporation's share capital, the shareholders' dividend to be distributed to the shareholders of increased shares for the year shall be decided by the shareholders' meeting. For the policies on the distribution of employees' compensation and remuneration of directors, refer to employees' compensation and remuneration of directors in Note 29(g).

The distribution of shareholders' dividend shall take into consideration the changes in the outlook of the Corporation's businesses, the lifespan of the various products or services that have an impact on future capital needs and taxation. Shareholders' dividend shall be distributed with the aim of maintaining stable shareholders' dividend distributions. Save for the purposes of improving the financial structure, reinvestments, production expansion or other capital expenditures in which capital is required, when distributing shareholders' dividend, the dividend payout ratio each fiscal year shall be no less than 50% of the final surplus which is the sum of after-tax profit of the fiscal year to withhold previous loss, if any, legal reserve and special reserve as required by law; the cash dividend shall not be less than 10% of the total shareholders' dividend distributed in the same year.

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 paid-in capital, the excess may be transferred to capital or distributed in cash.

Pursuant to existing regulations, the Corporation is required to set aside additional special reserve equivalent to the net debit balance of the other equity interests and the net increase arising from the fair value measurement of investment properties. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses, the cumulative net increases in fair value decrease or on disposal of investment properties and is thereafter distributed.

The appropriation of earnings and dividends per share for 2021 and 2020 were approved in the shareholders' meetings on June 29, 2022 and July 23, 2021, respectively, were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2021	2020
Legal reserve	\$ 1,534,939	\$ 1,310,348
Special reserve	\$ 411,137	\$ 1,209,096
Cash dividends	\$ 12,054,945	\$ 11,933,138
Cash dividends per share (NT\$)	\$ 3.40 (Note)	\$ 3.55 (Note)

Note: The number of outstanding ordinary shares increased according to the conversion of the Corporation's 3rd Euro convertible bond into ordinary shares in 2022 and 2021. Therefore, the cash dividends were adjusted to NT\$3.39965914 and NT\$3.46283787 per ordinary share for 2022 and 2021.

The appropriation of earnings for 2022 had been proposed by the Corporation's board of directors on March 7, 2023. The proposed appropriation of earnings and dividend per share were as follows:

	For the Year Ended December 31, 2022
Legal reserve	\$ 1,240,057
Special reserve	\$ 377,005
Cash dividends	\$ 8,155,633
Cash dividends per share (NT\$)	\$ 2.30

Assuming that the shares reciprocally held by associates were not treated as treasury shares and not deducted from weighted average number of shares outstanding, the basic EPS would be NT\$3.39 for the year ended December 31, 2022.

The appropriations of earnings for 2022 are subject to the resolution of the shareholders' meeting to be held on June 27, 2023.

d. Special reserve recognized at the date of transition

In the first-time adoption of IFRSs, the amounts of adjusted unrealized revaluation increments, cumulative translation adjustments and unappropriated earnings recognized from the investment properties of associates which used fair value as deemed cost were \$10,715,430 thousand, \$3,163,258 thousand and \$52,494 thousand, respectively; the Corporation appropriated the amounts to special reserve.

In addition, on the initial application of the fair value model to investment properties, the Corporation appropriated to special reserve the amount of the net increase in fair value of investment properties and transferred it to retained earnings. Additional special reserve should be appropriated for subsequent net increases in fair value. The amount appropriated may be reversed to the extent that the cumulative net increases in fair value decrease or on the disposal of investment properties.

The Group and its associates used and disposed of some of the related assets; accordingly, special reserve reversed to unappropriated earnings amounted to \$779,530 thousand as of December 31, 2022.

e. Other equity items

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

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ (7,411,875)	\$ (6,108,955)
Exchange differences on translating the financial statements of foreign operations	1,205,470	(403,233)
Share of exchange difference of associates and joint ventures accounted for using the equity method	3,120,743	(899,687)
Disposal of subsidiary	<u>1,286</u>	<u>-</u>
Balance at December 31	<u>\$ (3,084,376)</u>	<u>\$ (7,411,875)</u>

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

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ 6,928,068	\$ 6,414,159
Unrealized valuation gain (loss) - equity instruments	(190,303)	275,290
Share from associates and joint ventures accounted for using the equity method		
Equity instruments	(343,436)	308,696
Debt instruments	(112,599)	(38,463)
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	<u>(11,003)</u>	<u>(31,614)</u>
Balance at December 31	<u>\$ 6,270,727</u>	<u>\$ 6,928,068</u>

3) Cash flow hedges

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ 57,741	\$ 55,833
Share from associates and joint ventures accounted for using the equity method	<u>566</u>	<u>1,908</u>
Balance at December 31	<u>\$ 58,307</u>	<u>\$ 57,741</u>

4) Gains on property revaluation

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ 911,178	\$ 716,970
Share from associates and joint ventures accounted for using the equity method	828	194,724
Share from the disposal of associates accounted for using the equity method	<u>-</u>	<u>(516)</u>
Balance at December 31	<u>\$ 912,006</u>	<u>\$ 911,178</u>

f. Non-controlling interests

	For the Year Ended December 31	
	2022	2021
Balance at January 1	\$ 23,345,963	\$ 22,118,393
Attributable to non-controlling interests:		
Share in profit for the year	580,740	2,459,549
Other comprehensive income (loss) during the year		
Exchange difference on translating the financial statements of foreign operations	411,544	(132,810)
Unrealized gain (loss) on financial assets at FVTOCI	1,291	327
Remeasurement on defined benefit plans	743	1,143
Related income tax	(122)	(245)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	18,289	44,642
Share of other changes in equity of associates and joint ventures accounted for using the equity method	-	7
Disposal of subsidiary	246	-
Acquisition of non-controlling interests in subsidiaries (Note 32)	(326)	(2,499)
Cash dividends from subsidiaries	<u>(941,970)</u>	<u>(1,142,544)</u>
Balance at December 31	<u>\$ 23,416,398</u>	<u>\$ 23,345,963</u>

28. OPERATING REVENUE

a. Revenue from contracts with customers

	For the Year Ended December 31	
	2022	2021
Operating revenue		
Sales of goods	\$ 69,747,891	\$ 77,439,611
Electric power revenue	16,175,188	8,417,261
Transportation revenue	1,985,797	2,024,572
Rental revenue	1,160,498	1,099,168
Engineering revenue	465,916	440,290
Income from investments		
Sale of investments	958,974	4,240,333
Cost of investments sold	<u>(781,601)</u>	<u>(3,701,584)</u>
Gain on sale of investments, net	177,373	538,749
Dividends	<u>660,455</u>	<u>402,388</u>
Total income from investments	837,828	941,137
Less: Sales returns and discounts	<u>(32,615)</u>	<u>(29,435)</u>
Total operating revenue, net	<u>\$ 90,340,503</u>	<u>\$ 90,332,604</u>

b. Contract balances

	For the Year Ended December 31	
	2022	2021
Contract assets	\$ 135,578	\$ 188,287
Contract liabilities	\$ 836,904	\$ 1,046,223

The changes in the balance of contract assets and contract liabilities primarily resulted from the timing difference between the Group's satisfaction of performance obligations and the respective customer's payment.

29. NET PROFIT

Net profit was as follows:

a. Other income

	For the Year Ended December 31	
	2022	2021
Dividends	\$ 411,460	\$ 337,937
Government grants	135,719	113,888
Others	<u>384,415</u>	<u>222,695</u>
	<u>\$ 931,594</u>	<u>\$ 674,520</u>

b. Other gains and losses

	For the Year Ended December 31	
	2022	2021
Net gain (loss) on financial assets and liabilities designated as at FVTPL	\$ 1,242,903	\$ (256,468)
Net foreign exchange gains (losses)	604,300	(161,955)
Gain on changes in fair value of investment properties (Note 17)	327,080	244,301
Bank charges	(85,658)	(71,561)
Preparatory costs (Note 20)	(38,567)	(58,063)
Penalties (Note 38)	(18,556)	(983,519)
Impairment loss recognized on investments accounted for using the equity method	-	(231,725)
Impairment loss recognized on right-of-use assets	-	(118,569)
Impairment loss recognized on property, plant and equipment	-	(71,411)
Miscellaneous expenses	<u>(299,441)</u>	<u>(949,925)</u>
	<u>\$ 1,732,061</u>	<u>\$ (2,658,895)</u>

c. Finance costs

	For the Year Ended December 31	
	2022	2021
Interest on bank loans	\$ 1,254,261	\$ 878,998
Amortization of discount on bonds payable	339	54,000
Interest on lease liabilities	37,500	35,690
Other interest expense	3,868	-
Less: Amounts included in the cost of qualifying assets (capitalized interest)	<u>(893)</u>	<u>(74,362)</u>
	<u>\$ 1,295,075</u>	<u>\$ 894,326</u>

Information about capitalized interest was as follows:

	For the Year Ended December 31	
	2022	2021
Capitalized interest	<u>\$ 893</u>	<u>\$ 74,362</u>
Capitalization rate	0.675%-0.979%	0.653%-1.797%

d. Depreciation and amortization

	For the Year Ended December 31	
	2022	2021
An analysis of depreciation by function		
Operating costs	\$ 4,231,391	\$ 4,369,040
Operating expenses	244,729	236,766
Non-operating expenses	<u>2,240</u>	<u>5,257</u>
	<u>\$ 4,478,360</u>	<u>\$ 4,611,063</u>
An analysis of amortization by function		
Operating costs	\$ 282,105	\$ 248,467
Operating expenses	<u>8,870</u>	<u>70,508</u>
	<u>\$ 290,975</u>	<u>\$ 318,975</u>

e. Operating expenses directly related to investment properties

	For the Year Ended December 31	
	2022	2021
Direct operating expenses of investment properties generating rental income	\$ 121,534	\$ 114,135
Direct operating expenses of investment properties not generating rental income	<u>45,317</u>	<u>44,185</u>
	<u>\$ 166,851</u>	<u>\$ 158,320</u>

f. Employee benefits expense

For the Year Ended December 31, 2022				
	Operating Costs	Operating Expenses	Non-operating Expenses	Total
Post-employment benefits (Note 26)				
Defined contribution plans	\$ 195,470	\$ 59,707	\$ 519	\$ 255,696
Defined benefit plans	(2,898)	(1,264)	-	(4,162)
Short-term benefits				
Salary	3,020,199	1,071,562	12,038	4,103,799
Remuneration of directors	-	166,181	-	166,181
Labor and health insurance	193,538	67,408	642	261,588
Other employees - related expenses	171,244	97,756	-	269,000
Termination benefits	-	-	334	334
	<u>\$ 3,577,553</u>	<u>\$ 1,461,350</u>	<u>\$ 13,533</u>	<u>\$ 5,052,436</u>
For the Year Ended December 31, 2021				
	Operating Costs	Operating Expenses	Non-operating Expenses	Total
Post-employment benefits (Note 26)				
Defined contribution plans	\$ 177,865	\$ 42,682	\$ 403	\$ 220,950
Defined benefit plans	(1,999)	(3,705)	-	(5,704)
Short-term benefits				
Salary	3,323,842	925,382	9,526	4,258,750
Remuneration of directors	-	195,833	-	195,833
Labor and health insurance	189,907	49,106	494	239,507
Other employees - related expenses	156,895	104,871	-	261,766
Termination benefits	-	-	529	529
	<u>\$ 3,846,510</u>	<u>\$ 1,314,169</u>	<u>\$ 10,952</u>	<u>\$ 5,171,631</u>

g. Employees' compensation and remuneration of directors

According to the Corporation's Articles, the Corporation accrued employees' compensation and remuneration of directors at the rates between 0.1% and 4% and no higher than 2.5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2022 and 2021, which have been approved by the Corporation's board of directors on March 7, 2023 and March 8, 2022, respectively, were as follows:

For the Year Ended December 31				
	2022		2021	
	Cash	Shares	Cash	Shares
Employees' compensation	\$ 148,126	-	\$ 185,109	-
Remuneration of directors	130,714	-	161,970	-

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 is 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, 2021 and 2020.

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

30. INCOME TAXES RELATING TO CONTINUING OPERATIONS

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

	For the Year Ended December 31	
	2022	2021
Current tax		
In respect of the current year	\$ 2,531,762	\$ 3,832,068
Income tax on unappropriated earnings	80,587	8,594
Withholding tax on dividend	174,756	190,337
Adjustments for prior years	<u>(111,399)</u>	<u>433,094</u>
	<u>2,675,706</u>	<u>4,464,093</u>
Deferred tax		
In respect of the current year	<u>(75,865)</u>	<u>(57,950)</u>
Income tax expense recognized in profit or loss	<u>\$ 2,599,841</u>	<u>\$ 4,406,143</u>

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

	For the Year Ended December 31	
	2022	2021
Profit before tax from continuing operations	<u>\$ 15,196,977</u>	<u>\$ 21,933,913</u>
Income tax expense calculated at the statutory rate	\$ 3,039,394	\$ 4,386,783
Nondeductible expenses in determining taxable income	236,049	353,017
Tax-exempt income	(1,107,987)	(1,181,948)
Unrecognized temporary differences	424,808	236,945
Tax on changes in fair value of investment properties	93,002	49,060
Unrecognized loss carryforwards	(67,915)	(20,277)
Effect of different tax rate of the Group operating in other jurisdictions	(35,960)	44,540
Income tax on unappropriated earnings	80,587	8,594
Additional income tax under the Alternative Minimum Tax Act	1,084	36,248
Withholding tax on dividend	174,756	190,337
Adjustments for prior years' tax	(111,399)	433,094
Tax credit - income from sources in Mainland China	<u>(126,578)</u>	<u>(130,250)</u>
Income tax expense recognized in profit or loss	<u>\$ 2,599,841</u>	<u>\$ 4,406,143</u>

- b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2022	2021
<u>Deferred tax</u>		
In respect of the current year		
Remeasurement on defined benefit plans	<u>\$ 49,757</u>	<u>\$ 39,553</u>

c. Current tax assets and liabilities

	December 31	
	2022	2021
Current tax assets		
Tax refund receivable	\$ 36,765	\$ 73,780
Current tax liabilities		
Income tax payable	\$ 1,359,739	\$ 2,414,410

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences					
Allowance for impairment loss	\$ 348,923	\$ (10,207)	\$ -	\$ 5,545	\$ 344,261
Defined benefit obligation	25,841	(2,198)	(411)	-	23,232
Other financial assets and liabilities	9,717	(9,717)	-	-	-
Investment properties	23,027	622	-	363	24,012
Property, plant and equipment	1,434	(702)	-	(338)	394
Intangible assets	263,390	(11,462)	-	4,192	256,120
Others	184,624	(73,216)	-	2,445	113,853
	856,956	(106,880)	(411)	12,207	761,872
Tax losses	34,395	(9,600)	-	3,191	27,986
	<u>\$ 891,351</u>	<u>\$ (116,480)</u>	<u>\$ (411)</u>	<u>\$ 15,398</u>	<u>\$ 789,858</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Land value increment tax	\$ 3,449,871	\$ -	\$ -	\$ -	\$ 3,449,871
Investment properties	3,172,662	93,623	-	-	3,266,285
Unappropriated earnings of subsidiaries and associates	2,527,376	(237,341)	-	12,685	2,302,720
Finance leases	528,720	(51,881)	-	-	476,839
Defined benefit obligation	508,970	5,244	49,346	-	563,560
Associates	50,122	(3,099)	-	800	47,823
Property, plant and equipment	58,588	(14,463)	-	800	44,925
Allowance for impairment loss	1,516	(1,516)	-	-	-
Others	-	17,088	-	-	17,088
	<u>\$ 10,297,825</u>	<u>\$ (192,345)</u>	<u>\$ 49,346</u>	<u>\$ 14,285</u>	<u>\$ 10,169,111</u>

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences					
Allowance for impairment loss	\$ 367,620	\$ (16,754)	\$ -	\$ (1,943)	\$ 348,923
Defined benefit obligation	26,281	-	(440)	-	25,841
Other financial assets and liabilities	86,311	(76,594)	-	-	9,717
Investment properties	23,013	139	-	(125)	23,027
Property, plant and equipment	2,376	(1,094)	-	152	1,434
Intangible assets	-	264,035	-	(645)	263,390
Others	<u>119,516</u>	<u>65,806</u>	<u>-</u>	<u>(698)</u>	<u>184,624</u>
	625,117	235,538	(440)	(3,259)	856,956
Tax losses	<u>65,588</u>	<u>(29,691)</u>	<u>-</u>	<u>(1,502)</u>	<u>34,395</u>
	<u>\$ 690,705</u>	<u>\$ 205,847</u>	<u>\$ (440)</u>	<u>\$ (4,761)</u>	<u>\$ 891,351</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Land value increment tax	\$ 3,449,871	\$ -	\$ -	\$ -	\$ 3,449,871
Investment properties	3,123,463	49,199	-	-	3,172,662
Unappropriated earnings of subsidiaries and associates	2,357,237	172,563	-	(2,424)	2,527,376
Finance leases	570,347	(41,627)	-	-	528,720
Defined benefit obligation	461,820	8,037	39,113	-	508,970
Associates	53,456	(3,053)	-	(281)	50,122
Property, plant and equipment	46,268	12,630	-	(310)	58,588
Provisions	51,780	(50,293)	-	(1,487)	-
Allowance for impairment loss	<u>1,075</u>	<u>441</u>	<u>-</u>	<u>-</u>	<u>1,516</u>
	<u>\$ 10,115,317</u>	<u>\$ 147,897</u>	<u>\$ 39,113</u>	<u>\$ (4,502)</u>	<u>\$ 10,297,825</u>

- e. Unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Loss carryforwards		
Expire in 2022	\$ -	\$ 111,081
Expire in 2023	52,901	82,057
Expire in 2024	17,292	75,241
Expire in 2025	20,004	319,093
Expire in 2026	7,462	18,448
Expire in 2027	1,018,774	-
Expire in 2029	3,064	13,189
Expire in 2030	35,461	53,020
Expire in 2031	5,692	5,692
No expiration	<u>155,763</u>	<u>69,456</u>
	<u>\$ 1,316,413</u>	<u>\$ 747,277</u>

f. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2022 comprised the following:

Unused Amount	Expiry Year
\$ 52,901	2023
17,292	2024
20,004	2025
7,462	2026
1,018,774	2027
3,064	2029
35,461	2030
5,692	2031
<u>320,388</u>	No expiration
<u>\$ 1,481,038</u>	

g. The aggregate amount of temporary differences associated with investments for which deferred tax liabilities have not been recognized

As of December 31, 2022 and 2021, the taxable temporary differences associated with investments in subsidiaries and associates for which no deferred tax liabilities have been recognized were \$10,071,253 thousand and \$9,522,027 thousand, respectively.

h. The latest years of income tax returns which had been assessed and cleared by the tax authorities were as follows:

Company	Year
The Corporation	2020
DCI	2020
YTRMC	2020
YSRMC	2020
FMT	2020
AEE	2020
AIC	2020
FDT	2020
YLPPC	2020
FSMS	2020
NHC	2020
CHP	2020
YLSS	2020
YLT	2020

31. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Year Ended December 31	
	2022	2021
Basic earnings per share	<u>\$ 3.63</u>	<u>\$ 4.70</u>
Diluted earnings per share	<u>\$ 3.62</u>	<u>\$ 4.57</u>

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

Net Profit for the Year

	<u>For the Year Ended December 31</u>	
	2022	2021
Profit for the period attributable to owners of the Corporation	\$ 12,016,396	\$ 15,068,221
Effect of potentially dilutive ordinary shares:		
Convertible bonds	<u>363</u>	<u>93,952</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 12,016,759</u>	<u>\$ 15,162,173</u>

Weighted average number of ordinary shares outstanding (in thousand shares):

	<u>For the Year Ended December 31</u>	
	2022	2021
Weighted average number of ordinary shares in computation of basic earnings per share	3,313,166	3,203,972
Effect of potentially dilutive ordinary shares:		
Convertible bonds	721	106,012
Employees' compensation	<u>4,348</u>	<u>5,119</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>3,318,235</u>	<u>3,315,103</u>

The weighted average number of ordinary shares used in the computation of basic earnings per share is the weighted average outstanding shares after subtracting the shares of the Corporation held by the associates treated as treasury shares.

When an entity pays employee compensation that may be settled in shares or cash at the entity's option, the entity shall presume that the employee compensation will be settled in shares, and the resulting potential shares shall be included in diluted earnings per share if the effect is dilutive. The number of shares is estimated by dividing the entire amount of the compensation by the closing price of the shares at the balance sheet date. 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.

32. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

For the years ended December 31, 2022 and 2021, the Group acquired additional non-controlling interests in subsidiaries, and increased its continuing interest in these subsidiaries; refer to Note 13.

The above transactions were accounted for as equity transactions, since it did not have effect on the Group's control over these subsidiaries.

For the year ended December 31, 2022						
	ACSPL	AEE	FMT	YLT	FDT	Total
Consideration paid	\$ (60)	\$ (23)	\$ (103)	\$ (3)	\$ (572)	\$ (761)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests	<u>-</u>	<u>36</u>	<u>-</u>	<u>-</u>	<u>290</u>	<u>326</u>
Differences recognized from equity transactions	<u>\$ (60)</u>	<u>\$ 13</u>	<u>\$ (103)</u>	<u>\$ (3)</u>	<u>\$ (282)</u>	<u>\$ (435)</u>
Line items adjusted for equity transactions						
Capital surplus - difference between consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition	\$ -	\$ 13	\$ -	\$ -	\$ (282)	\$ (269)
Retained earnings	<u>(60)</u>	<u>-</u>	<u>(103)</u>	<u>(3)</u>	<u>-</u>	<u>(166)</u>
	<u>\$ (60)</u>	<u>\$ 13</u>	<u>\$ (103)</u>	<u>\$ (3)</u>	<u>\$ (282)</u>	<u>\$ (435)</u>

	For the year ended December 31, 2021						
	ACSPL	CHP	YTRMC	YLPPC	FMT	AEE	Total
Consideration paid	\$ (1,320)	\$ (486)	\$ (1)	\$ (18)	\$ (3)	\$ (10)	\$ (1,838)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests	<u>1,462</u>	<u>1,009</u>	<u>-</u>	<u>28</u>	<u>-</u>	<u>-</u>	<u>2,499</u>
Differences recognized from equity transactions	<u>\$ 142</u>	<u>\$ 523</u>	<u>\$ (1)</u>	<u>\$ 10</u>	<u>\$ (3)</u>	<u>\$ (10)</u>	<u>\$ 661</u>
Line items adjusted for equity transactions							
Capital surplus - difference between consideration paid and the carrying amount of the subsidiaries' net assets during actual acquisition	\$ 142	\$ 523	\$ -	\$ 10	\$ -	\$ -	\$ 675
Retained earnings	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>(3)</u>	<u>(10)</u>	<u>(14)</u>
	<u>\$ 142</u>	<u>\$ 523</u>	<u>\$ (1)</u>	<u>\$ 10</u>	<u>\$ (3)</u>	<u>\$ (10)</u>	<u>\$ 661</u>

33. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

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

The Group is not subject to any externally imposed capital requirements.

Key management personnel of the Group review the capital structure on an annual basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders and the amount of new debt issued or existing debt redeemed.

34. FINANCIAL INSTRUMENTS

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

December 31, 2022

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
Bonds payable (included current portion)	\$ 45,120,129	\$ 44,619,721	\$ -	\$ -	\$44,619,721

December 31, 2021

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
Bonds payable (included current portion)	\$ 45,131,854	\$ 45,301,069	\$ -	\$ -	\$ 45,301,069

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

1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Listed shares	\$ 3,923,946	\$ -	\$ -	\$ 3,923,946
Beneficiary certificates	1,969,717	1,165,183	19,649,541	22,784,441
Convertible options	-	-	279	279
Cross-currency swap contracts	-	-	1,492	1,492
	<u>\$ 5,893,663</u>	<u>\$ 1,165,183</u>	<u>\$ 19,651,312</u>	<u>\$ 26,710,158</u>

(Continued)

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Equity instruments				
Domestic listed shares	\$ 12,895,717	\$ -	\$ -	\$ 12,895,717
Domestic unlisted shares	-	-	1,876,292	1,876,292
Overseas listed shares	31,420	-	-	31,420
Overseas unlisted shares	-	-	389,246	389,246
Debt instruments				
Bills receivables	-	-	1,135,113	1,135,113
	<u>\$ 12,927,137</u>	<u>\$ -</u>	<u>\$ 3,400,651</u>	<u>\$ 16,327,788</u>
				(Concluded)

December 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Listed shares	\$ 5,322,242	\$ -	\$ -	\$ 5,322,242
Beneficiary certificates	1,887,397	645,682	16,373,974	18,907,053
Convertible options	-	-	466	466
	<u>\$ 7,209,639</u>	<u>\$ 645,682</u>	<u>\$ 16,374,440</u>	<u>\$ 24,229,761</u>

Financial assets at FVTOCI

Equity instruments				
Domestic listed shares	\$ 12,793,243	\$ -	\$ -	\$ 12,793,243
Domestic unlisted shares	-	-	1,815,326	1,815,326
Overseas listed shares	27,279	-	-	27,279
Overseas unlisted shares	-	-	399,747	399,747
Debt instruments				
Bills receivables	-	-	3,297,623	3,297,623
	<u>\$ 12,820,522</u>	<u>\$ -</u>	<u>\$ 5,512,696</u>	<u>\$ 18,333,218</u>

There were no transfers between Levels 1 and 2 for the years ended December 31, 2022 and 2021.

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

	Financial Assets at FVTPL		Financial Assets at FVTOCI		Total
	Derivatives	Non-Derivatives	Equity Instruments	Debt Instruments	
Balance at January 1, 2022	\$ 466	\$ 16,373,974	\$ 2,215,073	\$ 3,297,623	\$ 21,887,136
Recognized in profit or loss					
Net gain on financial instruments at FVTPL	1,463	3,275,567	-	-	3,277,030
Recognized in other comprehensive income					
Unrealized gain on financial instruments at FVTOCI	-	-	69,355	-	69,355
Convertible bonds converted to ordinary shares	(158)	-	-	-	(158)
Issuance of common stock for cash	-	-	7,392	-	7,392
Capital reduction of investments	-	-	(26,282)	-	(26,282)
Changes in bills receivables	-	-	-	(2,162,510)	(2,162,510)
Balance at December 31, 2022	<u>\$ 1,771</u>	<u>\$ 19,649,541</u>	<u>\$ 2,265,538</u>	<u>\$ 1,135,113</u>	<u>\$ 23,051,963</u>

	Financial Instruments at FVTPL			Financial Assets at FVTOCI		Total
	Financial Assets	Financial Liabilities	Non-Derivatives Instruments	Equity Instruments	Debt Instruments	
Balance at January 1, 2021	\$ 94,743	\$ (425,693)	\$ 7,598,877	\$ 2,084,213	\$ 3,985,530	\$ 13,337,670
Recognized in profit or loss						
Net loss on financial instruments at FVTPL	(39,968)	(253,257)	(270,903)	-	-	(564,128)
Recognized in other comprehensive income						
Unrealized gain on financial instruments at FVTOCI	-	-	-	123,468	-	123,468
Convertible bonds converted to ordinary shares	(54,309)	-	-	-	-	(54,309)
Purchase	-	-	9,046,000	7,392	-	9,053,392
Settlement	-	678,950	-	-	-	678,950
Changes in bills receivables	-	-	-	-	(687,907)	(687,907)
Balance at December 31, 2021	<u>\$ 466</u>	<u>\$ -</u>	<u>\$ 16,373,974</u>	<u>\$ 2,215,073</u>	<u>\$ 3,297,623</u>	<u>\$ 21,887,136</u>

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

Financial Instruments	Valuation Techniques and Inputs
Mutual funds	The Group uses net asset value as the basis to determine the fair value as the Group has determined that the net asset value of the mutual fund represents fair value at the end of the reporting period.

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

- The fair values of convertible bond options are determined using the information available from the counterparty for valuation based on the option pricing model. The option pricing model incorporates the present value techniques and reflects both the time value and the intrinsic value of options.
- The fair value of cross currency swap contracts is determined using the information available from the counterparty for valuation. The counterparty measures the fair value of a cross currency swap contracts using the discounted cash flows model. Future cash flows are estimated based on observable forward exchange rates at balance sheet dates and contract forward rates and discounted at rates that reflect the credit risk of various counterparties.

- c) The fair values of unlisted shares are determined by using the asset approach or the market approach. In the asset approach, the fair values are estimated by using the net asset value measured at fair value based on the unlisted investees' latest financial statements, while taking into account the liquidity discount and non-controlling interest discount. In the market approach, the fair values are estimated based on the market transaction prices of comparable companies with similar industrial and business characteristics and liquidity discount are considered.
- d) The fair values of beneficiary certificates are determined by using the asset approach. In the asset approach, the fair values are estimated by using the net asset values measured at fair value based on the funds' latest financial statements.
- e) The fair values of bills receivables are determined by using the income approach and calculated by the present value of the expected return from holding the debt instrument by using discounted cash flow model.

c. Categories of financial instruments

	December 31	
	2022	2021
<u>Financial assets</u>		
Financial assets at FVTPL	\$ 26,710,158	\$ 24,229,761
Financial assets at amortized cost (1)	84,602,380	79,567,152
Financial assets at FVTOCI		
Investments in Equity Instruments	15,192,675	15,035,595
Investments in Debt Investments	1,135,113	3,297,623

Financial liabilities

Financial liabilities at amortized cost (2)	123,661,705	119,214,129
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- 1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, debt investments, notes receivable, trade receivables, other receivables and finance lease receivables.
- 2) The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings, short-term bills payable, trade payables and accrued expenses, long-term borrowings including current portion, and bonds payable.

d. Financial risk management objectives and policies

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

The Group mitigates the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Corporation's board of directors, which provides written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis.

1) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group enters into cross-currency swap contracts to mitigate its exposure to foreign currency risk and interest risk.

a) Foreign currency risk

Several subsidiaries of the Corporation have foreign currency sales and purchases and foreign currency financing activities, which expose the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 39.

Sensitivity analysis

The Group was mainly exposed to the RMB and USD.

The following table details the Group's sensitivity to a 5% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity rate of 5% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency-denominated monetary items less notional amounts of cross-currency swaps. The analysis assumed a 5% change in foreign currency rates at the end of the reporting period. A positive number below indicates an increase in pre-tax profit assuming the New Taiwan dollars weakened by 5% against the relevant currency. For a 5% strengthening of New Taiwan dollars against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances shown below would be negative.

	RMB Impact		USD Impact	
	For the Year Ended		For the Year Ended	
	December 31		December 31	
	2022	2021	2022	2021
Increase (decrease) in pre-tax profit	\$ 89,539	\$ 91,507	\$ 312,560	\$ 303,652

b) Interest rate risk

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

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

	December 31	
	2022	2021
Fair value interest rate risk		
Financial assets	\$ 14,386,895	\$ 18,158,942
Financial liabilities	103,887,939	94,686,365
Cash flow interest rate risk		
Financial assets	39,913,293	29,591,561
Financial liabilities	10,537,844	13,256,840

Sensitivity analysis

The sensitivity analysis below is based on the Group's exposure to changes in interest rates of non-derivative instruments at the end of the reporting period.

If interest rates had been 0.01% higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by \$2,286 thousand and \$884 thousand, respectively, mainly due to the Group's exposure to changes in interest rates of its variable-rate bank borrowings and bank deposits.

c) Other price risk

The Group is exposed to price risk through its investments in listed equity securities and beneficiary certificates of funds.

Sensitivity analysis

The sensitivity analysis below is based on the exposure to investment position price risks at the end of the reporting period.

If investment position prices had been 1% higher/lower, pre-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by \$267,084 thousand and \$242,293 thousand, respectively, as a result of the changes in fair value of financial assets at fair value through profit or loss, and the pre-tax other comprehensive income for the years ended December 31, 2022 and 2021 would have increased/decreased by \$129,271 thousand and \$128,205 thousand, respectively, as a result of the changes in fair value of financial assets at fair value through other comprehensive income.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. 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 and financial guarantees provided by the Group is equal to the carrying amount of the financial assets as stated in the balance sheets. The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. The Group uses publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

The counterparties in trade receivables consist of a large number of clients in different industries and regions. The Group evaluates clients' financial condition continuously.

Credit risk represents the potential negative impact on the financial assets of the Group if counterparties or third parties breach the contracts. The Group evaluates credit risk exposure on contracts with positive carrying amounts. The Group evaluated the credit risk exposure as immaterial because all counterparties are reputable financial institutions and companies with good credit ratings.

3) Liquidity risk

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

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

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had 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 tables included both interest and principal cash flows.

December 31, 2022

	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	\$ 5,087,310	\$ 3,025,020	\$ 1,226,724	\$ 1,334,334	\$ 125,812
Lease liabilities	24,306	48,611	218,751	581,536	1,103,757
Variable interest rate liabilities	1,840,000	-	2,009,160	3,103,804	3,584,880
Fixed interest rate liabilities	<u>20,899,451</u>	<u>31,043,927</u>	<u>1,554,127</u>	<u>48,827,156</u>	<u>-</u>
	<u>\$ 27,851,067</u>	<u>\$ 34,117,558</u>	<u>\$ 5,008,762</u>	<u>\$ 53,846,830</u>	<u>\$ 4,814,449</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 291,668</u>	<u>\$ 581,536</u>	<u>\$ 357,490</u>	<u>\$ 262,429</u>	<u>\$ 211,098</u>	<u>\$ 272,740</u>

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	\$ 5,766,048	\$ 3,779,222	\$ 1,406,360	\$ 1,518,335	\$ 72,685
Lease liabilities	18,062	36,123	162,558	564,977	890,218
Variable interest rate liabilities	-	3,390,000	5,286,160	796,640	3,784,040
Fixed interest rate liabilities	<u>29,509,578</u>	<u>12,260,663</u>	<u>4,042,895</u>	<u>37,401,503</u>	<u>10,200,000</u>
	<u>\$ 35,293,688</u>	<u>\$ 19,466,008</u>	<u>\$ 10,897,973</u>	<u>\$ 40,281,455</u>	<u>\$ 14,946,943</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 216,743</u>	<u>\$ 564,977</u>	<u>\$ 255,169</u>	<u>\$ 188,549</u>	<u>\$ 145,858</u>	<u>\$ 300,642</u>

The amounts above of variable interest rate non-derivative financial assets and liabilities are subject to change if actual variable interest rates differ from those estimates of interest rates at the end of the reporting period.

b) Liquidity and interest rate tables for derivative financial liabilities

The following table details the Group's liquidity analysis of its derivative financial instruments. The table is based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis. When the amount payable or receivable is not fixed, the amount disclosed is determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Net settled</u>					
Cross-currency swap contracts	\$ -	\$ (19,227)	\$ (101,665)	\$ -	\$ -

e. Transfers of financial assets

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

The maximum exposure to loss from the Group's continuing involvement in the derecognized bills receivable is equal to the face amounts of the transferred but unsettled bills receivable, and as of December 31, 2022 and 2021, the face amounts of these unsettled bills receivable were \$2,682,640 thousand, \$2,915,222 thousand, respectively. The unsettled bills receivable will be due in 12 months respectively after December 31, 2022 and 2021. 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 years ended December 31, 2022 and 2021, 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 and cumulatively.

f. Offsetting financial assets and financial liabilities. None.

g. Reclassifications. None.

35. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Corporation and its subsidiaries, which are related parties of the Corporation, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

Transactions with related parties are conducted under normal terms.

Balances and transactions between the Group and single related party are disclosed separately except when the amount is less than 10% of the total balances or transactions; otherwise, the amounts are lumped together as others.

a. Related party name and category

Related Party Name	Related Party Category
FENC	Associate
U-Ming	Associate
EISF	Associate
YDC	Associate
YDES	Associate
OSC	Associate
HZYCCCL	Associate
FEDSDL	Associate
Opas Fund Segregated Portfolio Company	Associate
Drive Catalyst SPC	Associate
Alliance Concrete Singapore Pte. Ltd.	Joint venture
HXMC	Joint venture
WAMTC	Joint venture
U-Ming Transport (Singapore) Private Limited	Other
CHC Resources Corporation	Other
Far Eastern Department Store Ltd.	Other
Chu Feng	Other
Air Liquide Far Eastern Co.	Other
Oriental Petrochemical (Taiwan) Corporation	Other
Far Eastern Memorial Hospital	Other
Ya Tung Department Store Ltd.	Other
Yuan Ze University	Other
Far Eastern Leasing Corporation	Other
Ho Hwei Enterprise Corp. Ltd.	Other
Far Eastern Apparel Co., Ltd.	Other
Oriental Union Chemical Corp.	Other
NanKung Enterprise Ltd.	Other
New Century InfoComm Tech Co., Ltd.	Other
Ding & Ding Management Consultants Co., Ltd.	Other
Far Eastern Fibertech Co., Ltd.	Other
Far Eastern International Bank (FEIB)	Other
Far Eastern Polytex (Vietnam) Ltd.	Other
FERD	Other
Far Eastern General Construction Inc.	Other
Far EasTone Telecommunications Co., Ltd.	Other
Far Eastern International Leasing Corporation	Other
Chubei New Century Shopping Mall Co., Ltd.	Other
YDT Technology International Corporation	Other
Oriental Institute of Technology	Other
Oriental Green Materials Limited	Other
Far Eastern Ai Mai Co., Ltd.	Other
Malaysia Garment Manufacturers Pte. Ltd.	Other
Everest Textile Co., Ltd.	Other
Far Eastern Electronic Toll Collection Co., Ltd.	Other
Yuan Cheng Human Resources Consultant Corporation	Other

(Continued)

Related Party Name	Related Party Category
U-Ming Marine Transport (Hong Kong) Ltd.	Other
Ding Hotel Co., Ltd.	Other
Douglas Tong Hsu	Related party in substance
Peter Hsu	Related party in substance
Raymond Hsu	Related party in substance
Hsu Shih, Hsu	Related party in substance
Alice Hsu	Related party in substance
Tsai Hsiung Chang	Related party in substance
Kun Yen Lee	Related party in substance
Cheng Chen Fong	Related party in substance
Richard Yang	Related party in substance
Frederica Yang	Related party in substance
	(Concluded)

Note: Other related party relationships mainly include associates' subsidiaries, legal person in which the chairman is the same as the Corporation's chairman and the director is also the Corporation's chairman.

b. Operating Transactions

	For the Year Ended December 31	
	2022	2021
Operating revenue		
Associates	\$ 784,392	\$ 722,116
Others	1,375,399	1,744,069
Joint ventures	<u>926,319</u>	<u>828,887</u>
	<u>\$ 3,086,110</u>	<u>\$ 3,295,072</u>
Operating cost		
Associates	\$ 717,151	\$ 582,736
Others	1,177,394	967,119
Joint ventures	<u>573,005</u>	<u>540,915</u>
	<u>\$ 2,467,550</u>	<u>\$ 2,090,770</u>

Receivables from related parties (including notes receivable, trade receivables, other receivables and contract assets):

	December 31	
	2022	2021
Associates	\$ 105,083	\$ 124,588
Others	504,706	501,386
Joint ventures	<u>184,501</u>	<u>193,702</u>
	<u>\$ 794,290</u>	<u>\$ 819,676</u>

The outstanding trade receivables from related parties are unsecured. For the years ended December 31, 2022 and 2021, no impairment losses were recognized for trade receivables from related parties.

Accounts payable and accrued expenses to related parties:

	December 31	
	2022	2021
Associates	\$ 192,858	\$ 111,082
Others	95,295	92,515
Joint ventures	<u>86,140</u>	<u>61,652</u>
	<u>\$ 374,293</u>	<u>\$ 265,249</u>

The outstanding trade payables to related parties are unsecured.

Prepayments to related parties:

	December 31	
	2022	2021
Associates	\$ 15,000	\$ 15,000
Others	<u>6,865</u>	<u>790</u>
	<u>\$ 21,865</u>	<u>\$ 15,790</u>

c. Transactions with FEIB

	December 31	
	2022	2021
Bank deposits (Note)	<u>\$ 4,138,867</u>	<u>\$ 5,118,185</u>
Bank loans	<u>\$ 1,230,000</u>	<u>\$ 1,480,000</u>
Cross-currency swap contracts	<u>\$ 697</u>	<u>\$ -</u>

As of December 31, 2022, the notional principal of the above outstanding cross-currency swap contracts was US\$45,000 thousand.

Note: The balances included amounts recognized as financial assets measured at amortized cost, and other non-current assets (refundable deposits).

d. Remuneration of key management personnel

The amounts of the compensation of directors and other key management personnel were as follows:

	For the Year Ended December 31	
	2022	2021
Short-term employee benefits	\$ 203,355	\$ 229,154
Post-employment benefits	<u>864</u>	<u>864</u>
	<u>\$ 204,219</u>	<u>\$ 230,018</u>

The remuneration of directors and key executives is determined by the remuneration committee based on the performance of individuals and market trends.

e. Other transactions with related parties

1) Acquisitions of property, plant, and equipment

	For the Year Ended December 31	
	2022	2021
Others	\$ <u>5,760</u>	\$ <u>2,317</u>

2) Acquisitions of intangible assets

	For the Year Ended December 31	
	2022	2021
Others	\$ <u>1,707</u>	\$ <u>-</u>

3) Lease agreement

Acquisitions of right-of-use assets

	For the Year Ended December 31	
	2022	2021
Others	\$ <u>-</u>	\$ <u>31,501</u>

Lease liabilities

	December 31	
	2022	2021
Others	\$ <u>128,919</u>	\$ <u>183,583</u>

Operating expense - rental

	December 31	
	2022	2021
Associates	\$ 50,692	\$ 50,815
Others	<u>9,647</u>	<u>9,604</u>
	\$ <u>60,339</u>	\$ <u>60,419</u>

The Group leased the right-of-use of assets from its related parties. The rental is based on similar properties and fixed lease payments are paid monthly.

Lease expenses included expenses relating to short-term leases, low-value asset leases and variable lease payments that do not depend on an index or a rate.

- 4) The nature of the Group's transaction with OFSPC is the acquisition or disposal of OPAS Fund Segregated Portfolio's overseas fund through OFSPC's platform. The portfolio's decision is made and managed by the investment committee which is composed of the Group and other investors. The Group's investment activities through OFSPC's platform for the years ended December 31, 2022 and 2021 included the acquisition of \$653,440 thousand and \$282,300 thousand and disposal of \$282,133 thousand for the year ended December 31, 2021 as well as gain on disposal of \$41,013 thousand.

- 5) For the year ended December 31, 2022, the Group acquired additional non-controlling interests in subsidiaries, including ACSPL, YTRMC, AEE, FMT and YLT, from a related party in substance with a total amount of \$189 thousand; refer to Note 32 for the details.
- 6) For the year ended December 31, 2021, the Group acquired additional non-controlling interests in associate YYI and subsidiaries, including ACSPL, CHP, YTRMC, YLPPC, FMT and AEE, from related parties in substance and other related parties with a total amount of \$1,682 thousand; refer to Note 32 for the details.
- 7) For the year ended December 31, 2022, the Group subscribed for new shares of Drive Catalyst SPC-SP Tranche Two, Ding Ding Hotel Co., Ltd. and Far Eastern International Bank with a total amount of \$522,085 thousand.
- 8) For the year ended December 31, 2021, the Group subscribed for new shares of Ding Ding Hotel Co., Ltd., Drive Catalyst SPC-SP Tranche Two, Drive Catalyst SPC-SP Tranche Three and cash capital increase of Everest Textile Co., Ltd. with a total amount of \$295,743 thousand.

36. ASSETS PLEDGED AS COLLATERAL

The following assets are provided as collaterals for short-term and long-term bank borrowings or for purchases from suppliers:

	December 31	
	2022	2021
Investment properties	\$ 14,423,416	\$ 13,948,483
Investments accounted for using the equity method	9,358,969	8,976,968
Property, plant and equipment	11,405,719	2,386,293
Financial assets at fair value through other comprehensive income	107,500	107,250
Financial assets at amortized cost	<u>1,369,439</u>	<u>1,052,588</u>
	<u>\$ 36,665,043</u>	<u>\$ 26,471,582</u>

37. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

As of December 31, 2022, the Corporation and its subsidiaries had the following significant commitments and contingencies:

- a. Unused letters of credit of JPY50,000 thousand, RMB32,842 thousand, US\$6,895 thousand, and EUR585 thousand.
- b. Guarantee notes issued for related parties: Refer to Table 2.
- c. CHP entered into agreements on the following transactions:
 - 1) Purchase of natural gas from Chinese Petroleum Corporation.
 - 2) Power Plant (base load unit) Purchase and Sale Contract, Power Plant (medium-load unit) Purchase and Sale Contract and Electricity Purchase and Sale Contract for Gas Recirculation with Taiwan Power Company.
 - 3) Contractual Service Agreement with General Electric Global Services GmbH.

- d. The estimated payments for construction of plants and acquisition of land use rights and equipment of JYDC, HYDCCL, SIYDCCL, HGYDC and SLCL in the future amount to RMB57,692 thousand.
- e. On March 13, 2013, the No. 1114 Commissioners' Meeting of Fair Trade Commission resolved that independent power producers violated Article 14, Paragraph 1 of Fair Trade Act due to the rejection of power purchase rate adjustment with TPC and fined CHP \$400,000 thousand. Accordingly, CHP recognized penalty expenses, which is included in other losses in the consolidated financial statements for the year ended December 31, 2013. The penalty is payable in 60 monthly installments and covered by a long-term note payable. CHP had filed an appeal on April 17, 2013. On September 12, 2013, the Petitions and Appeals Committee of the Executive Yuan rescinded the imposition of penalty (the "Penalty Disposition") and advised the Fair Trade Commission to impose more appropriate disposition with refund of penalty paid by CHP. However, CHP's appeal against the imposition of illegal concerted action among independent power producers (the "Act Disposition") was dismissed.

Regarding the Penalty Disposition, the Fair Trade Commission resolved a penalty of \$370,000 thousand on November 13, 2013. CHP thus adjusted the penalty expenses in other gains and losses for the year ended December 31, 2013. The disposition was revoked again by the Petitions and Appeals Committee on May 9, 2014. Then the Fair Trade Commission imposed a penalty of \$364,000 thousand on July 9, 2014. CHP recognized a reversal gain of \$6,000 thousand in other income for the year ended December 31, 2014 and issued a long-term note payable in 60 installments for the penalty in accordance with the disposition. In addition, CHP also filed an appeal to defend its interest on August 11, 2014. CHP had paid a \$364,000 thousand penalty in installments before June 30, 2019. Accordingly, the Penalty Disposition will have no impact on CHP's financial condition.

On December 11, 2014, a letter from the Petitions and Appeals Committee indicates that the filing of an appeal against the Penalty Disposition is suspended until the administrative court makes the final judgment on the Act Disposition. Therefore, after the Supreme Administrative Court made a judgment on the Act Disposition, the Petition and Appeals Committee restarted the trial procedure of appeal against the Penalty Disposition.

Regarding the Act Disposition, on November 7, 2013, CHP filed administrative litigation at the Taipei High Administrative Court against the dispositions of the Fair Trade Commission. The Taipei High Administrative Court ruled in favor of CHP on October 29, 2014. Nevertheless, the Fair Trade Commission filed an appeal with the Supreme Administrative Court. The Supreme Administrative Court dismissed the judgment made by the Taipei High Administrative Court on July 2, 2015. The case was remanded to the Taipei High Administrative Court on May 25, 2017, and the Taipei High Administrative Court still revoked the administrative disciplinary action and the judgment of the appeal. The Fair Trade Commission filed an appeal with the Supreme Administrative Court and the case was remanded to the Taipei High Administrative Court on September 27, 2018. On May 16, 2020, the Taipei High Administrative Court revoked the administrative disciplinary action and the judgment of the appeal once again. On June 9, 2022, the judgement made by the Taipei High Administrative Court was reversed by the Supreme Administrative Court and the appeal filed by CHP was dismissed accordingly. CHP obtained the judgment on June 21, 2022. On July 20, 2022, CHP filed for a retrial against the judgment made by the Taipei High Administrative Court for identification evidence and the Supreme Administrative Court for erroneous application of the law, respectively. On November 16, 2022, CHP received the decision of the Taipei High Administrative Court No. 72, which dismissed CHP's appeal for a retrial. On December 5, 2022, CHP's appointed attorney filed an appeal with the High Administrative Court, and on December 19, 2022, CHP's appointed attorney filed a petition with the Constitutional Court, claiming a constitutional review and a constitutional review of the law.

- f. On March 15, 2013, Letter No. 102035 from the Fair Trade Commission indicated concerted action among CHP and other independent power producers due to the rejection of power purchase rate adjustment with TPC. Accordingly, in August 2015, TPC filed at the Taipei District Court a civil mediation which requests CHP to compensate \$2,350,000 thousand plus interest from November 1, 2007 to the settlement date for the damage caused. Later, in September 2015, TPC filed at the Taipei District Court a civil litigation appeal which requests CHP to compensate \$2,349,000 thousand plus interest from November 1, 2007 to the settlement date as well as an apology published in major newspapers. TPC also filed at the Taipei High Administrative Court an administrative litigation which requests CHP to compensate the damage caused which amounted to \$1,400,000 thousand plus interest from November 1, 2007 to the settlement date with a 5% annual interest rate.

CHP and TPC did not reach an agreement in the civil mediation council meeting held on October 7, 2015. Later, TPC included the damage compensation claimed in the civil mediation in the administrative litigation appeal and the total compensation claimed in the statement of the administrative litigation amounted to \$3,750,000 thousand plus interest from November 1, 2007 to the settlement date with a 5% annual interest rate. On November 27, 2015, the administrative court ruled that the litigation proceedings are suspended until the administrative court makes the final judgment on the Act Disposition. However, on July 12, 2016, Taipei High Administrative Court notified that the power purchase and sales contracts between independent power producers and TPC are subject to the performance of obligation under the Civil Code. Therefore, the abovementioned ruling for suspension was revoked and the administrative litigation for compensation would be transferred to the Taipei District Court. TPC filed counter appeal against the ruling; however, the appeal was dismissed by the Supreme Administrative Court on December 30, 2016. This case has been transferred to the Taipei District Court on January 25, 2017. On April 12, 2019, the appeal was dismissed by the Taipei District Court, and TPC filed an appeal to the Taiwan High Court on May 17, 2019. On April 13, 2021, CHP has been notified that TPC has revoked its appeal. Later, CHP responded to the Taiwan High Court and agreed with the withdrawal on April 20, 2021.

In light of the civil proceedings, on March 1, 2016, TPC added a posterior statement which requests the capital expenditure it paid to CHP from October 9, 2007 to November 30, 2012 according to the power purchase and sales contracts to be recalculated relying on CHP's capital ratio. Accordingly, CHP would compensate at least \$2,349,000 thousand to TPC. The Taipei District Court dismissed the appeal on November 1, 2018, and TPC filed an appeal subsequently. Except for maintaining the original declaration request, the amount was reduced to \$766,888 thousand plus interest. This case is currently being heard by the Taiwan High Court.

CHP considered the payment of the indemnity is not possible unless TPC can provide proof that the damage was caused by CHP and their appeal is filed within the statute of limitation. As of the date the consolidated financial statements were authorized for issue, the amount of the compensation cannot be reasonably estimated. Therefore, CHP could not assess the possible impact on its financial position and did not recognize any contingent liabilities.

- g. On December 4, 2015 and December 17, 2015, CSCGL, China Shanshui Cement Group (Hong Kong) Company Limited and China Pioneer Cement (Hong Kong) Company Limited (collectively referred as "Shanshui Cement Group") commenced legal proceedings against the former directors of CSCGL in respect of the alleged dishonest breaches of fiduciary duty or alleged conspiracy to cause damages to CSCGL during their tenures. The proceedings arose from disputes between CSCGL's present and former board of directors over the changes in management and the takeover of the headquarters of CSCGL. On April 7, 2016, the Corporation was added as the 10th defendant. The Corporation engaged lawyers to take legal actions in connection with the unqualified claim to defend its reputation and interests. The case was tried by the High Court of Hong Kong from April 19 to June 17, 2021, and the case is currently waiting for a judgment from the High Court of Hong Kong. As of the auditors' audit report date, the Corporation considered that it is premature to evaluate at this stage the possible outcome of the proceedings given that no judgement has been handed down by the court and, therefore, did not recognize any contingent liabilities.

- h. Tianrui Group Company Limited and Tianrui (International) Holding Company Limited (collectively referred as “Tianrui Group”), CSI and former directors of CSCGL, in breach of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Codes on Takeovers and Mergers and share Buy-backs issued by the Hong Kong Securities and Futures Commission and the fiduciary duties, have engaged in unfair prejudicial conducts in favor of Tianrui directly and indirectly through CSCGL which are detrimental to the interests of the shareholders including the Corporation. The Corporation filed a writ of summons to the High Court of Hong Kong in June 2017 and has been seeking legal advice in relation to the legal proceedings. As the respondents’ applications to strike out the petition for technical reasons, the Corporation amended the applications accordingly. As of the auditors’ audit report date, no further decision has been rendered yet.
- i. On August 30, 2018, Tianrui (International) Holding Company Limited (“Tianrui”) presented a petition to the Grand Court of the Cayman Islands (the “Grand Court”) seeking to wind up CSCGL, and Tianrui further filed an application for the appointment of joint provisional liquidators (JPLs) over CSCGL, which was accepted by the Grand Court on September 4, 2018. On August 12, 2019, CSCGL made applications to the Grand Court for the above-mentioned winding-up petition to be struck out and/or stayed. However, the Grand Court dismissed CSCGL’s applications according to the announcement dated April 7, 2020 at the news website of the Hong Kong Exchanges and Clearing Limited. Pursuant to the Grand Court’s decision, the winding up petition filed by Tianrui is considered a dispute between CSCGL’s shareholders and thus needs to be amended. The amendments shall include but are not limited to adding the Corporation as a defendant. Later, Tianrui filed an application with the Grand Court to amend its winding-up petition and change the defendants to the Corporation and China National Building Material Co., Ltd. (CNBM). By an order of the Grand Court announced on January 27, 2021, the Grand Court granted Tianrui’s amendments to the winding-up petition against CSCGL and change the defendants to the Corporation and CNBM. On March 19, 2021, the Corporation received the legal documents from Tianrui and appointed legal counsel in relation to the false accusation in order to preserve the Corporation’s reputation and interests. Since no further verdict has been rendered yet, the Corporation considered that it is premature to evaluate at this stage the possible outcome of the proceedings. Therefore, the Corporation assessed that the winding-up petition did not have any material impact on its investments in CSCGL.

38. OTHER ITEMS

- a. Due to the impact of the COVID-19 pandemic, the Group considered the economic implications of the epidemic when making its critical accounting estimates based on the information available as of the balance sheet date; refer to Note 5. With this, the Group assessed that there are no doubts in the aspects of the Group’s ability to continue as a going concern, risk of asset impairment and financing activities as of the date the consolidated financial statements were authorized for issue. The Group will stay alert to the development and situation of the COVID-19 and will take necessary action to mitigate the business risk.
- b. During the year ended December 31, 2021, various local PRC government competent authorities have conducted various independent investigations in relation to environmental protection, production process and labor safety in various subsidiaries of the Group in mainland China. Refer to Note 29 for the penalties for regulation violations and related surcharges. After seeking legal advice, the Group considered that all investigations were completed and no investigation was yet to be finalized up to the date of the audit report.

39. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies were as follows:

December 31, 2022

	Foreign Currency	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
Monetary items			
USD	\$ 248,208	30.660	\$ 7,610,057
RMB	406,810	4.402	1,790,778
Non-monetary items			
USD	683,383	30.660	20,952,523
HKD	458,111	3.908	1,790,298
RMB	22,755	4.402	100,168

Financial liabilities

Monetary items			
USD	144,320	30.660	4,424,851

December 31, 2021

	Foreign Currency	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
Monetary items			
USD	\$ 582,533	27.630	\$ 16,095,387
RMB	422,277	4.334	1,830,149
Non-monetary items			
USD	620,542	27.630	17,145,575
HKD	659,278	3.519	2,319,999
RMB	23,910	4.334	103,626

Financial liabilities

Monetary items			
USD	362,734	27.630	10,022,340

For the years ended December 31, 2022 and 2021, the total amounts of realized and unrealized net foreign exchange gains (losses) were \$604,300 thousand and \$(161,955) thousand, respectively. It is impractical to disclose net foreign exchange losses by each significant foreign currency because of the variety of the foreign currency transactions and functional currencies of the Group.

40. 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 investments in subsidiaries, associates and joint ventures) (Table 3)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None.
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None.
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
- 9) Information on investees (Table 6)
- 10) Trading in derivative instruments (Note 7)

b. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, 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 (Table 7)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 8):
 - 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, the ending balance, the interest rate range, and total current period interest with respect to the 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. Intercompany relationships and significant intercompany transactions (Table 8)
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 9)

41. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group's reportable segments were as follows: Cement, electric power, investment, engineering, transportation, stainless steel and leasing.

- a. Segment revenue and results

	Segment Revenue		Segment Profit	
	For the Year Ended		For the Year Ended	
	December 31		December 31	
	2022	2021	2022	2021
Cement	\$ 64,586,624	\$ 71,185,322	\$ 5,464,624	\$ 14,451,649
Electric power	16,877,447	9,099,810	1,970,726	1,499,097
Investment	837,828	941,137	565,415	728,885
Engineering	465,916	440,290	64,966	42,334
Transportation	1,981,203	2,024,534	305,170	340,842
Stainless steel	5,133,246	6,224,892	(10,777)	412,757
Leasing	458,239	416,619	211,149	210,653
	<u>\$ 90,340,503</u>	<u>\$ 90,332,604</u>	<u>8,571,273</u>	<u>17,686,217</u>
Non-operating income and expenses			<u>6,625,704</u>	<u>4,247,696</u>
Profit before income tax			<u>\$ 15,196,977</u>	<u>\$ 21,933,913</u>

Segment revenue reported above represents revenue generated from external customers.

- b. Segment assets and liabilities, and other segment information

The Group does not report segment assets and liabilities or other segment information to the chief operating decision maker. Therefore, no information is disclosed here.

- c. Geographical information

The Group operates principally in Taiwan and China.

The Groups' revenue from external customers and information about its non-current assets by geographical location are detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2022	2021	2022	2021
China	\$ 42,475,493	\$ 51,830,864	\$ 39,043,997	\$ 40,847,422
Taiwan	44,459,159	35,336,598	50,859,236	50,264,844
Others	<u>3,405,851</u>	<u>3,165,142</u>	<u>578,830</u>	<u>531,575</u>
	<u>\$ 90,340,503</u>	<u>\$ 90,332,604</u>	<u>\$ 90,482,063</u>	<u>\$ 91,643,841</u>

Revenue is categorized according to customers' location. Non-current assets exclude those classified as financial instruments, deferred tax assets and post-employment benefit assets.

d. Information of major customers

	Revenue			
	For the Year Ended December 31			
	2022		2021	
	Amount	%	Amount	%
Taiwan Power Company	<u>\$ 16,877,447</u>	<u>19</u>	<u>\$ 9,099,810</u>	<u>10</u>

TABLE 1

ASIA CEMENT CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance (Note 2)	Actual Borrowing Amount	Interest Rate (Note 3)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limits (Note 1)
													Item	Value		
1	OIHPL	ACCHC	Other receivables	Y	\$ 198,056	\$ 193,699	\$ 193,699	2.62%	Necessary for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	20% of net worth \$11,985,634	50% of net worth \$29,964,084
2	OHC	ACCHC	Other receivables	Y	2,649,732	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth \$3,046,696	50% of net worth \$7,616,741
3	JYDC	SHYLCP	Other receivables	Y	220,811	132,068	116,660	3.65%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth \$6,161,873	50% of net worth \$15,404,683
		YYDCCL	Other receivables	Y	220,811	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		TZOCCL	Other receivables	Y	220,811	44,023	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		ACCHC	Other receivables	Y	2,689,080	2,641,356	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
4	HYDCCL	WYXC	Other receivables	Y	88,324	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth \$1,995,346	50% of net worth \$4,988,364
		WYCPCL	Other receivables	Y	90,026	88,045	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		ACCHC	Other receivables	Y	1,935,550	1,892,972	1,892,972	2.47%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
5	WYDC	WYCPCL	Other receivables	Y	110,406	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth \$540,199	50% of net worth \$1,350,498
		ACCHC	Other receivables	Y	540,154	528,271	528,271	2.47%	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
		WYXC	Other receivables	Y	110,406	-	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above
6	HGYDC	ACCHC	Other receivables	Y	1,125,320	1,100,565	1,100,565	2.47%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth \$1,360,918	50% of net worth \$3,402,295
7	SLCL	SLCCL	Other receivables	Y	180,051	176,090	158,481	3.65%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth \$1,562,507	50% of net worth \$3,906,268
8	SIYDCCL	SYCPCL	Other receivables	Y	397,460	352,181	264,136	3.65%	Necessary for short-term financing	-	Operating capital	-	-	-	20% of net worth \$5,365,462	50% of net worth \$13,413,655
		ACCHC	Other receivables	Y	2,700,768	2,641,356	-	-	Necessary for short-term financing	-	Operating capital	-	-	-	Same as above	Same as above

Note 1: The net value was calculated based on audited financial statements as of December 31, 2022.

Note 2: The ending balance is the financing credit lines to the respective borrowers approved by the board of directors of lenders.

Note 3: The interest rate was for the year ended December 31, 2022.

Note 4: The foreign currency amounts are expressed in New Taiwan dollars at exchange rate as of December 31, 2022.

TABLE 2

ASIA CEMENT CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED

FOR THE YEAR ENDED DECEMBER 31, 2022

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

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Each 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 1)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 3)										
0	The Corporation	ACE	b	50% of net worth (\$80,408,424)	\$ 839,250	\$ -	\$ -	None	-	100% of net worth (\$160,816,847)	Y	-	-
		ACP	b	Same as above	1,119,000	-	-	None	-	Same as above	Y	-	-
		ACP II	b	Same as above	979,125	-	-	None	-	Same as above	Y	-	-
		ACP III	b	Same as above	839,250	-	-	None	-	Same as above	Y	-	-
		ACP IV	b	Same as above	839,250	-	-	None	-	Same as above	Y	-	-
		AIC	b	Same as above	25,797,800	25,744,700	15,098,556	None	16.01	Same as above	Y	-	-
		DCI	b	Same as above	26,028,875	25,765,500	13,290,122	None	16.02	Same as above	Y	-	-
		ACL	b	Same as above	979,125	-	-	None	-	Same as above	Y	-	-
		ACM	b	Same as above	979,125	-	-	None	-	Same as above	Y	-	-
		ACM II	b	Same as above	839,250	-	-	None	-	Same as above	Y	-	-
		ACM III	b	Same as above	839,250	-	-	None	-	Same as above	Y	-	-
		ACM IV	b	Same as above	979,125	-	-	None	-	Same as above	Y	-	-
		NHC	b	Same as above	1,190,825	1,183,300	354,000	None	0.74	Same as above	Y	-	-
		FSMS	b	Same as above	30,000	30,000	30,000	None	0.02	Same as above	Y	-	-
		AEE	b	Same as above	350,000	350,000	275,000	None	0.22	Same as above	Y	-	-
		YLPPC	b	Same as above	472,555	450,000	106,700	None	0.28	Same as above	Y	-	-
		YSRMC	b	Same as above	100,000	-	-	None	-	Same as above	Y	-	-
1	DCI	ACL	d	50% of net worth (\$7,806,477)	321,650	306,600	-	None	1.96	100% of net worth (\$15,612,953)	Y	-	-
		ACM	d	Same as above	321,650	306,600	-	None	1.96	Same as above	Y	-	-
		FSMS	d	Same as above	100,000	100,000	42,000	None	0.64	Same as above	Y	-	-
2	AIC	ACP	d	50% of net worth (\$3,042,369)	321,650	306,600	-	None	5.04	100% of net worth (\$6,084,737)	Y	-	-
		ACP II	d	Same as above	308,400	306,600	-	None	5.04	Same as above	Y	-	-
3	YLSS	YLSS	d	50% of net worth (\$1,182,423)	100,000	-	-	None	-	100% of net worth (\$2,364,846)	-	-	-

(Continued)

Note 1: The net value was calculated based on audited financial statements as of December 31, 2022.

Note 2: The foreign currency amounts are expressed in New Taiwan dollars at exchange rate as of December 31, 2022.

Note 3: The relationship between guarantor and guarantee are as follows:

- a. A company with which the Corporation engages business.
- b. A company in which the Corporation directly and indirectly holds more than 50% of the voting shares.
- c. A company that directly and indirectly holds more than 50% of the voting shares in the Corporation.
- d. A company in which the Corporation directly and indirectly holds more than 90% of the voting shares.
- e. The Corporation fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
- f. All capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
- g. 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)

TABLE 3

ASIA CEMENT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

DECEMBER 31, 2022

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Corporation	China Conch Venture Holdings Ltd.	-	Financial assets at fair value through profit or loss - current	11,443,000	\$ 758,438	0.63	\$ 758,438	
	Deutsche Far Eastern DWS Taiwan Flagship Security Investment Trust Fund	-	Financial assets at fair value through profit or loss - current	10,000,000	280,900	-	280,900	
	China Conch Environment Protection Holdings Ltd.	-	Financial assets at fair value through profit or loss - current	11,443,000	141,760	0.63	141,760	
	Opas Fund Segregated Portfolio Tranche A	Related party in substance	Financial assets at fair value through profit or loss - current	3,825	131,595	-	131,595	
	Opas Fund Segregated Portfolio Tranche C	Related party in substance	Financial assets at fair value through profit or loss - current	2,217	128,286	-	128,286	
	Far EasTone	The chairman of the investor is the chairman of the legal representative of the investee	Financial assets at fair value through other comprehensive income - current	31,034,372	2,045,165	0.95	2,045,165	
	Far Eastern Department Stores Ltd.	The investor and the investee have the same chairman	Financial assets at fair value through other comprehensive income - noncurrent	80,052,950	1,721,138	5.65	1,721,138	
	Oriental Union Chemical Corp.	The investor and the investee have the same chairman	Financial assets at fair value through other comprehensive income - noncurrent	63,766,522	1,186,057	7.20	1,186,057	
	CHC Resources Corporation	The investor is the corporate director of the investee	Financial assets at fair value through other comprehensive income - noncurrent	22,801,185	1,048,855	9.17	1,048,855	
	Far Eastern International Bank	The chairman of the investor is the vice-chairman of the investee	Financial assets at fair value through other comprehensive income - noncurrent	93,302,771	1,026,330	2.29	1,026,330	
	Taiwan Stock Exchange Corp.	-	Financial assets at fair value through other comprehensive income - noncurrent	11,864,831	678,906	1.41	678,906	
	China Shanshui Investment Corp	-	Financial assets at fair value through other comprehensive income - noncurrent	49,928	269,672	4.99	269,672	
	Kaohsiung Rapid Transit	The investor is the corporate director of the investee	Financial assets at fair value through other comprehensive income - noncurrent	15,873,243	65,403	5.70	65,403	
	L' Hotel de Chine Hotel	-	Financial assets at fair value through other comprehensive income - noncurrent	598,121	25,414	0.20	25,414	
	Pan Asia Engineers & Constructors Corp.	The investor is the corporate supervisor of the investee	Financial assets at fair value through other comprehensive income - noncurrent	1,551,395	16,569	1.36	16,569	
	Ding Ding Hotel Corp.	The chairman of the investor is the chairman of the legal representative of the investee	Financial assets at fair value through other comprehensive income - noncurrent	555,638	16,021	0.53	16,021	
	China Trade & Development Corp.	-	Financial assets at fair value through other comprehensive income - noncurrent	250,003	3,902	0.38	3,902	
	Linkou Recreation Corporation	-	Financial assets at fair value through other comprehensive income - noncurrent	5	-	0.50	-	
DCI	Chang An Fund	-	Financial assets at fair value through profit or loss - current	145,000	4,845,680	-	4,845,680	
	Yuanta/P-shares Taiwan Dividend Plus ETF	-	Financial assets at fair value through profit or loss - current	9,500,000	241,300	-	241,300	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
DCI	Chicony Electronics CO., Ltd	-	Financial assets at fair value through profit or loss - current	2,120,000	\$ 182,956	0.28	\$ 182,956	
	Taiwan Semiconductor Manufacturing Corp	-	Financial assets at fair value through profit or loss - current	400,000	179,400	-	179,400	
	ASE Technology Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	1,700,000	159,630	0.04	159,630	
	Delta Electronics, Inc.	-	Financial assets at fair value through profit or loss - current	530,000	151,845	0.02	151,845	
	Yuanta Taiwan High Dividend LowVolatility ETF	-	Financial assets at fair value through profit or loss - current	3,400,000	125,154	-	125,154	
	Formosa Plastics Corporation	-	Financial assets at fair value through profit or loss - current	1,360,000	118,048	0.02	118,048	
	Yuanta Global NextGen Communications ETF	-	Financial assets at fair value through profit or loss - current	4,200,000	107,982	-	107,982	
	Cathay Pacific Global Smart Electric Vehicle ETF Fund	-	Financial assets at fair value through profit or loss - current	9,500,000	102,030	-	102,030	
	Yuanta 5G Key Technology Fund	-	Financial assets at fair value through profit or loss - current	4,200,000	100,212	-	100,212	
	Anhui Conch Cement Company Limited	-	Financial assets at fair value through profit or loss - current	880,000	93,886	0.02	93,886	
	Chin-Poon Corporation	-	Financial assets at fair value through profit or loss - current	3,150,000	90,563	0.79	90,563	
	China Resources Cement Holdings Limited	-	Financial assets at fair value through profit or loss - current	5,376,000	86,979	0.08	86,979	
	Taiwan Cement Co., Ltd.	-	Financial assets at fair value through profit or loss - current	2,355,665	79,268	0.03	79,268	
	TungThih Electronic Co., Ltd	-	Financial assets at fair value through profit or loss - current	330,000	44,880	0.39	44,880	
	Polaris Taiwan Top 50 Tracker Fund	-	Financial assets at fair value through profit or loss - current	400,000	44,080	-	44,080	
	China Mobile Communications Corporation	-	Financial assets at fair value through profit or loss - current	210,000	42,470	-	42,470	
	TCI Co., Ltd.	-	Financial assets at fair value through profit or loss - current	245,000	41,895	0.21	41,895	
	Zhiyi Technology Co., Ltd.	-	Financial assets at fair value through profit or loss - current	410,000	39,237	0.19	39,237	
	Industrial and Commercial Bank of China, A share	-	Financial assets at fair value through profit or loss - current	2,000,000	38,212	-	38,212	
	ChinaAMC CSI 300 Index ETF	-	Financial assets at fair value through profit or loss - current	160,000	27,912	0.06	27,912	
	Hsing Ta Cement Co., Ltd.	-	Financial assets at fair value through profit or loss - current	1,609,854	25,194	0.47	25,194	
	Chunghwa Picture Tubes, Ltd	-	Financial assets at fair value through profit or loss - current	275,223	-	-	-	
	Far Eastern International Bank	The chairman of the investor's ultimate parent company is the vice-chairman of the investee	Financial assets at fair value through other comprehensive income - current	40,093,072	441,024	0.99	441,024	
	Mega Financial Holding Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	10,206,950	309,781	0.08	309,781	
	Tripod Technology Corporation	-	Financial assets at fair value through other comprehensive income - current	1,700,000	159,800	0.32	159,800	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
DCI	Far EasTone	The chairman of the investor's ultimate parent company is the chairman of the legal representative of the investee	Financial assets at fair value through other comprehensive income - current	215,000	\$ 14,169	0.01	\$ 14,169	Note 3
	Oriental Union Chemical Corp.	The investor's ultimate parent company and the investee have the same chairman	Financial assets at fair value through other comprehensive income - current	41,246	767	-	767	
	Far Eastern International Bank	The chairman of the investor's ultimate parent company is the vice-chairman of the investee	Financial assets at fair value through other comprehensive income - noncurrent	119,750,963	1,317,261	2.94	1,317,261	
	Far Eastern International Leasing Corporation	The investor is the corporate director of the investee	Financial assets at fair value through other comprehensive income - noncurrent	45,258,938	602,813	10.14	602,813	
	Far Eastern Department Stores Ltd.	The investor's ultimate parent company and the investee have the same chairman	Financial assets at fair value through other comprehensive income - noncurrent	13,630,966	293,066	0.96	293,066	
	CHC Resources Corporation	The major shareholder of the investor is the corporate director of the investee	Financial assets at fair value through other comprehensive income - noncurrent	4,812,514	221,376	1.94	221,376	
	Oriental Union Chemical Corp.	The investor's ultimate parent company and the investee have the same chairman	Financial assets at fair value through other comprehensive income - noncurrent	10,506,792	195,426	1.19	195,426	
	Ding Ding Hotel Corp.	The chairman of the investor's ultimate parent company is the chairman of the legal representative of the investee	Financial assets at fair value through other comprehensive income - noncurrent	213,442	6,154	0.21	6,154	
	Picvue Electronics Co., Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	161,700	-	0.06	-	
FMT	Everest Textile Co., Ltd.	The chairman of the investor's major shareholder is the chairman of the legal representative of the investee	Financial assets at fair value through other comprehensive income - current	18,314,020	129,846	2.64	129,846	
	Oriental Union Chemical Corp.	The investor's ultimate parent company and the investee have the same chairman	Financial assets at fair value through other comprehensive income - noncurrent	2,256,782	41,976	0.25	41,976	
	Far Eastern Department Store Ltd.	The investor's ultimate parent company and the investee have the same chairman	Financial assets at fair value through other comprehensive income - noncurrent	1,185,713	25,493	0.08	25,493	
	Yi Tong Fiber Co., Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	2,628,227	15,408	5.94	15,408	
FDT	Far Eastern International Bank	The chairman of the investor's ultimate parent company is the vice-chairman of the investee	Financial assets at fair value through other comprehensive income - current	350,146	3,852	0.01	3,852	
	Oriental Union Chemical Corp.	The investor's ultimate parent company and the investee have the same chairman	Financial assets at fair value through other comprehensive income - noncurrent	3,254,125	60,527	0.37	60,527	
	Far Eastern Department Store Ltd.	The investor's ultimate parent company and the investee have the same chairman	Financial assets at fair value through other comprehensive income - noncurrent	935,029	20,103	0.07	20,103	
	Ding & Ding Management Consultants Co., Ltd.	The investor is the corporate supervisor of the investee	Financial assets at fair value through other comprehensive income - noncurrent	2,053,530	8,376	16.00	8,376	
AEE	Ding & Ding Management Consultants Co., Ltd.	The investor is the corporate director of the investee	Financial assets at fair value through other comprehensive income - noncurrent	646,873	900	5.04	900	
YLPPC	Yamay International Development Corp.	-	Financial assets at fair value through other comprehensive income - noncurrent	15	-	-	-	
AIC	Grand Power Fund	-	Financial assets at fair value through profit or loss - current	122,000	4,059,661	-	4,059,661	
	Yuanta/P-shares Taiwan Dividend Plus ETF	-	Financial assets at fair value through profit or loss - current	9,500,000	241,300	-	241,300	
	Chicony Electronics Co., Ltd.	-	Financial assets at fair value through profit or loss - current	2,120,000	182,956	0.28	182,956	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
AIC	Taiwan Semiconductor Manufacturing Corp.	-	Financial assets at fair value through profit or loss - current	400,000	\$ 179,400	-	\$ 179,400	
	Hon Hai Precision Industry Co., Ltd.	-	Financial assets at fair value through profit or loss - current	1,720,000	171,828	0.01	171,828	
	ASE Technology Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	1,700,000	159,630	0.04	159,630	
	Delta Electronics, Inc.	-	Financial assets at fair value through profit or loss - current	530,000	151,845	0.02	151,845	
	Yuanta Taiwan High Dividend LowVolatility ETF	-	Financial assets at fair value through profit or loss - current	3,400,000	125,154	-	125,154	
	Formosa Plastics Corporation	-	Financial assets at fair value through profit or loss - current	1,360,000	118,048	0.02	118,048	
	Yuanta Global NextGen Communications ETF	-	Financial assets at fair value through profit or loss - current	4,200,000	107,982	-	107,982	
	Cathay Pacific Global Smart Electric Vehicle ETF Fund	-	Financial assets at fair value through profit or loss - current	9,500,000	102,030	-	102,030	
	Yuanta 5G Key Technology Fund	-	Financial assets at fair value through profit or loss - current	4,200,000	100,212	-	100,212	
	Anhui Conch Cement Company Limited	-	Financial assets at fair value through profit or loss - current	880,000	93,886	0.02	93,886	
	Hsing Ta Cement Co., Ltd.	-	Financial assets at fair value through profit or loss - current	5,881,650	92,048	1.72	92,048	
	China Mobile Communications Corporation	-	Financial assets at fair value through profit or loss - current	448,000	90,603	-	90,603	
	Chin-Poon Corporation	-	Financial assets at fair value through profit or loss - current	3,150,000	90,563	0.79	90,563	
	China Resources Cement Holdings Limited	-	Financial assets at fair value through profit or loss - current	5,376,000	86,979	0.08	86,979	
	Opas Fund Segregated Portfolio Tranche C	Related party in substance	Financial assets at fair value through profit or loss - current	1,330	76,972	-	76,972	
	China AMC CSI 300 Index ETF	-	Financial assets at fair value through profit or loss - current	380,000	66,292	0.14	66,292	
	China Construction Bank Corporation, A share	-	Financial assets at fair value through profit or loss - current	2,500,000	61,962	-	61,962	
	TCI Co., Ltd.	-	Financial assets at fair value through profit or loss - current	330,000	56,430	0.28	56,430	
	TungThih Electronic Co., Ltd.	-	Financial assets at fair value through profit or loss - current	330,000	44,880	0.39	44,880	
	Zhiyi Technology Co., Ltd.	-	Financial assets at fair value through profit or loss - current	410,000	39,237	0.19	39,237	
	Nan Ya Plastics Corporation	-	Financial assets at fair value through other comprehensive income - current	3,286,000	233,306	0.04	233,306	
	Tripod Technology Corporation	-	Financial assets at fair value through other comprehensive income - current	1,700,000	159,800	0.32	159,800	
	Far EasTone	The chairman of the investor's ultimate parent company is the chairman of the legal representative of the investee	Financial assets at fair value through other comprehensive income - current	1,426,303	93,993	0.04	93,993	
	Inventec Corporation	-	Financial assets at fair value through other comprehensive income - current	2,882,000	75,653	0.08	75,653	
	China Life Insurance Company Limited, H share	-	Financial assets at fair value through other comprehensive income - current	600,000	31,420	-	31,420	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
AIC	Far Eastern International Bank	The chairman of the investor's ultimate parent company is the vice-chairman of the investee	Financial assets at fair value through other comprehensive income - noncurrent	159,863,267	\$ 1,758,496	3.93	\$ 1,758,496	
	Ding Shen Investment Co., Ltd.	The investor is the corporate director of the investee	Financial assets at fair value through other comprehensive income - noncurrent	40,328,640	436,356	18.00	436,356	
	Far Eastern Department Store Ltd.	The investor's ultimate parent company and the investee have the same chairman	Financial assets at fair value through other comprehensive income - noncurrent	11,361,972	244,282	0.80	244,282	
	Oriental Union Chemical Corp.	The investor's ultimate parent company and the investee have the same chairman	Financial assets at fair value through other comprehensive income - noncurrent	1,552,156	28,870	0.18	28,870	
	Hsin Nan Construction Co., Ltd.	-	Financial assets at fair value through other comprehensive income - noncurrent	2,696	-	-	-	
ACE	Fides Global Fund SPC-Innovation SP3	-	Financial assets at fair value through profit or loss - current	10,000	334,908	-	334,908	
	Nova Horizon Capital SPC - Clean Energy SP1	-	Financial assets at fair value through profit or loss - current	10,000	334,326	-	334,326	
	Grand Power Fund	-	Financial assets at fair value through profit or loss - current	9,960	332,893	-	332,893	
	Noah Global SPC - Ark SP1	-	Financial assets at fair value through profit or loss - current	10,000	322,034	-	322,034	
ACP	Fides Global Fund SPC-Innovation SP3	-	Financial assets at fair value through profit or loss - current	10,000	334,908	-	334,908	
	Nova Horizon Capital SPC - Clean Energy SP1	-	Financial assets at fair value through profit or loss - current	10,000	334,326	-	334,326	
	Noah Global SPC - Ark SP1	-	Financial assets at fair value through profit or loss - current	10,000	322,034	-	322,034	
	Cementon Micronesia L.L.C.	-	Financial assets at fair value through other comprehensive income - noncurrent	100	119,574	10.00	119,574	
ACP II	Fides Global Fund SPC-Innovation SP3	-	Financial assets at fair value through profit or loss - current	10,000	334,908	-	334,908	
	Nova Horizon Capital SPC - Clean Energy SP1	-	Financial assets at fair value through profit or loss - current	10,000	334,326	-	334,326	
	Noah Global SPC - Ark SP1	-	Financial assets at fair value through profit or loss - current	10,000	322,034	-	322,034	
ACP III	Fides Global Fund SPC-Innovation SP3	-	Financial assets at fair value through profit or loss - current	10,000	334,908	-	334,908	
	Nova Horizon Capital SPC - Clean Energy SP1	-	Financial assets at fair value through profit or loss - current	10,000	334,326	-	334,326	
	Grand Power Fund	-	Financial assets at fair value through profit or loss - current	9,960	332,893	-	332,893	
	Noah Global SPC - Ark SP1	-	Financial assets at fair value through profit or loss - current	10,000	322,034	-	322,034	
ACP IV	Fides Global Fund SPC-Innovation SP3	-	Financial assets at fair value through profit or loss - current	10,000	334,908	-	334,908	
	Grand Power Fund	-	Financial assets at fair value through profit or loss - current	9,960	332,893	-	332,893	
	Noah Global SPC - Ark SP1	-	Financial assets at fair value through profit or loss - current	10,000	322,034	-	322,034	
	Nova Horizon Capital SPC - Clean Energy SP1	-	Financial assets at fair value through profit or loss - current	5,000	167,163	-	167,163	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
ACM	Fides Global Fund SPC-Innovation SP3	-	Financial assets at fair value through profit or loss - current	10,000	\$ 334,908	-	\$ 334,908	
	Nova Horizon Capital SPC - Clean Energy SP1	-	Financial assets at fair value through profit or loss - current	10,000	334,326	-	334,326	
	Noah Global SPC - Ark SP1	-	Financial assets at fair value through profit or loss - current	10,000	322,034	-	322,034	
ACM II	Fides Global Fund SPC-Innovation SP3	-	Financial assets at fair value through profit or loss - current	10,000	334,908	-	334,908	
	Nova Horizon Capital SPC - Clean Energy SP1	-	Financial assets at fair value through profit or loss - current	10,000	334,326	-	334,326	
	Noah Global SPC - Ark SP1	-	Financial assets at fair value through profit or loss - current	10,000	322,034	-	322,034	
ACM III	Fides Global Fund SPC-Innovation SP3	-	Financial assets at fair value through profit or loss - current	10,000	334,908	-	334,908	
	Nova Horizon Capital SPC - Clean Energy SP1	-	Financial assets at fair value through profit or loss - current	10,000	334,326	-	334,326	
	Noah Global SPC - Ark SP1	-	Financial assets at fair value through profit or loss - current	10,000	322,034	-	322,034	
ACM IV	Fides Global Fund SPC-Innovation SP3	-	Financial assets at fair value through profit or loss - current	10,000	334,908	-	334,908	
	Nova Horizon Capital SPC - Clean Energy SP1	-	Financial assets at fair value through profit or loss - current	10,000	334,326	-	334,326	
	Noah Global SPC - Ark SP1	-	Financial assets at fair value through profit or loss - current	10,000	322,034	-	322,034	
ACL	Fides Global Fund SPC-Innovation SP3	-	Financial assets at fair value through profit or loss - current	10,000	334,908	-	334,908	
	Nova Horizon Capital SPC - Clean Energy SP1	-	Financial assets at fair value through profit or loss - current	10,000	334,326	-	334,326	
	Noah Global SPC - Ark SP1	-	Financial assets at fair value through profit or loss - current	10,000	322,034	-	322,034	
FSMS	Stone Industry Resource System Corp	-	Financial assets at fair value through other comprehensive income - noncurrent	10,000	70	0.15	70	
YLT	Polaris Taiwan Top 50 Tracker Fund	-	Financial assets at fair value through profit or loss - current	350,000	38,570	-	38,570	
	Far Eastern International Bank	The chairman of the investor's ultimate parent company is the vice-chairman of the investee	Financial assets at fair value through other comprehensive income - noncurrent	3,573,284	39,306	0.09	39,306	
KCC	CSOP FTSE China A50 ETF	-	Financial assets at fair value through profit or loss - current	300,000	15,710	-	15,710	
KCCL	Opas Fund Segregated Portfolio Tranche C	Related party in substance	Financial assets at fair value through profit or loss - current	1,606	96,406	-	96,406	
	Allianz US High Yield Fund	-	Financial assets at fair value through profit or loss - current	97,741	16,447	-	16,447	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares or Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
OCPL	Hiap Hoe Ltd.	-	Financial assets at fair value through profit or loss - current	44,260	\$ 757	-	\$ 757	
ACSPL	Opas Fund Segregated Portfolio Tranche B	Related party in substance	Financial assets at fair value through profit or loss - current	6,660	216,172	-	216,172	
	United Emerging Markets Bond Funds	-	Financial assets at fair value through profit or loss - current	3,232,758	64,760	-	64,760	
	United Growth Fund	-	Financial assets at fair value through profit or loss - current	745,068	61,689	-	61,689	
	DBS Group	-	Financial assets at fair value through profit or loss - current	34,396	26,589	-	26,589	
	Guocoland Ltd.	-	Financial assets at fair value through profit or loss - current	26,666	985	-	985	
	INTRACO	-	Financial assets at fair value through profit or loss - current	46,875	310	-	310	
	Hong Leong Asia	-	Financial assets at fair value through profit or loss - current	20,000	303	-	303	
	Engro Corp Ltd.	-	Financial assets at fair value through profit or loss - current	2,000	48	-	48	
ACCHC	Opas Fund Segregated Portfolio Tranche B	Related party in substance	Financial assets at fair value through profit or loss - current	7,308	230,662	-	230,662	
	Opas Fund Segregated Portfolio Tranche A	Related party in substance	Financial assets at fair value through profit or loss - current	4,202	144,575	-	144,575	
	Opas Fund Segregated Portfolio Tranche C	Related party in substance	Financial assets at fair value through profit or loss - current	2,428	140,516	-	140,516	

Note 1: Marketable securities in this table are shares, bonds, beneficiary certificates and securities derived from these items under IFRS 9 “Financial Instruments: Recognition and Measurement”.

Note 2: The carrying amounts of financial instruments measured at fair values are adjusted for fair value less accumulated impairment loss; the carrying amounts of financial instruments not measured at fair values are the original cost or amortized cost less accumulated impairment loss.

Note 3: 5,000 thousand shares (\$107,500 thousand) of the securities are pledged as collaterals for bank loans of DCI.

(Concluded)

TABLE 4

ASIA CEMENT CORPORATION AND SUBSIDIARIES

**TOTAL PURCHASE FROM OR SALE TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Purchasing or (Selling) Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) or Receivable		Note
			Purchase (Sale)	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
The Corporation	YTRMC	A subsidiary of the Corporation	Sales	\$ (2,510,290)	(23)	Purchase 45 days after monthly closing	\$ -	-	\$ 528,399	46	
	ACSPL	A subsidiary of the Corporation	Sales	(596,126)	(6)	Average 30 days	-	-	18,574	2	
	U-Ming	An investee accounted for by equity method	Sales freight expense	575,462	6	Purchase 30 days after monthly closing	-	-	(134,228)	(7)	
	U-Ming Singapore	A subsidiary of an investee accounted for by equity method	Freight-in	499,676	6	Average 10 days	-	-	-	-	
	NHC	A subsidiary of the Corporation	Purchase	298,949	3	Purchase 45 days after monthly closing	-	-	(43,606)	(2)	
	YSRMC	A sub-subsidiary of the Corporation	Sales	(269,960)	(3)	Purchase 45 days after monthly closing	-	-	54,531	5	
	CHC Resources Corporation	Other related party	Sales	(139,379)	(1)	Purchase 45 days after monthly closing	-	-	18,297	2	
	YLT	A subsidiary of the Corporation	Sales freight expense	139,378	2	Average 30 days	-	-	(24,747)	(1)	
YTRMC	The Corporation	Parent company	Purchase	2,510,290	23	Purchase 45 days after monthly closing	-	-	(528,399)	(23)	
	CHC Resources Corporation	Other related party	Purchase	465,020	4	Purchase 45 days after monthly closing	-	-	(57,995)	(3)	
	Far Eastern General Construction Inc.	Other related party	Sales	(100,265)	(1)	Average 90 days	-	-	105,579	2	
ACSPL	Alliance Concrete Singapore Pte. Ltd.	An investee accounted for by equity method	Sales	(915,591)	(83)	Average 60 days	-	-	159,332	87	
	The Corporation	Parent company	Purchase	596,126	56	Average 30 days	-	-	(18,574)	(19)	
FMT	FENC	An investee accounted for by equity method	Sales	(359,226)	(31)	Purchase 30 days after monthly closing	-	-	44,048	22	
	Air Liquide Far Eastern Co.	Other related party	Sales	(196,703)	(17)	Purchase 90 days after monthly closing	-	-	72,355	37	
NHC	The Corporation	Parent company	Sales	(298,949)	(58)	Purchase 45 days after monthly closing	-	-	43,606	59	
YSRMC	The Corporation	Parent company	Purchase	269,960	28	Purchase 45 days after monthly closing	-	-	(54,531)	(36)	
YLT	CHC Resources Corporation	Other related party	Sales	(199,543)	(58)	Purchase 30 days after monthly closing	-	-	23,880	47	
	The Corporation	Parent company	Sales	(139,378)	(40)	Average 30 days	-	-	24,747	49	
FDT	Oriental Petrochemical (Taiwan) Co., Ltd.	Other related party	Sales	(146,885)	(17)	Purchase 110 days after monthly closing	-	-	39,755	40	
	Oriental Union Chemical Corp	Other related party	Sales	(128,604)	(15)	Purchase 75 days after monthly closing	-	-	8,945	9	
	FENC	An investee accounted for by equity method	Sales	(115,055)	(13)	Purchase 30 days after monthly closing	-	-	8,390	8	
JYDC	YYDCCL	The same ultimate parent company	Sales	(1,960,987)	(10)	Within 50 days	-	-	167,576	33	
	TZOCCL	The same ultimate parent company	Sales	(1,036,526)	(5)	Within 50 days	-	-	68,512	14	
	NYDC	A subsidiary of the Corporation	Purchase	555,912	3	Within 50 days	-	-	(158,027)	(25)	
	HGYDC	The same ultimate parent company	Purchase	433,087	3	Within 50 days	-	-	(92,249)	(14)	
	RYNM	A subsidiary of the Corporation	Sales	(369,643)	(2)	Within 50 days	-	-	42,936	9	
	JYLTC	A subsidiary of the Corporation	Sales freight expense	289,607	2	Within 50 days	-	-	(73,458)	(11)	
	WYDC	The same ultimate parent company	Sales	(270,003)	(1)	Within 50 days	-	-	-	-	
	NYDC	A subsidiary of the Corporation	Sales	(142,900)	(1)	Within 50 days	-	-	27,449	5	
	WAMTC	An investee accounted for by equity method	Sales freight expense	130,064	1	Within 90 days	-	-	(18,516)	(3)	
YYDCCL	JYDC	The same ultimate parent company	Purchase	1,960,987	78	Within 50 days	-	-	(167,576)	(72)	
	WAMTC	An investee accounted for by equity method	Sales freight expense	109,605	4	Within 90 days	-	-	(32,605)	(14)	
TZOCCL	JYDC	The same ultimate parent company	Purchase	1,036,526	94	Within 50 days	-	-	(68,512)	(93)	
SIYDCCL	SLCL	The same ultimate parent company	Sales	(575,390)	(7)	Within 90 days	-	-	74,272	7	
SLCL	SIYDCCL	The same ultimate parent company	Purchase	575,390	13	Within 90 days	-	-	(74,272)	(19)	
	SYTCL	The same ultimate parent company	Sales freight expense	195,276	5	Within 90 days	-	-	(32,396)	(8)	

(Continued)

Purchasing or (Selling) Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) or Receivable		Note
			Purchase (Sale)	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
NYDC	JYDC	Parent company	Sales	\$ (555,912)	(100)	Within 50 days	\$ -	-	\$ 158,027	100	
			Purchase	142,900	24	Within 50 days	-	-	(27,449)	(59)	
HGYDC	JYDC	The same ultimate parent company	Sales	(433,087)	(12)	Within 50 days	-	-	92,249	28	
	HYDCCL	The same ultimate parent company	Sales	(385,336)	(11)	Within 50 days	-	-	49,655	15	
HYDCCL	HGYDC	The same ultimate parent company	Purchase	385,336	7	Within 50 days	-	-	(49,655)	(28)	
	WYDC	The same ultimate parent company	Sales	(208,248)	(4)	Within 50 days	-	-	56,760	10	
	HXMC	An investee accounted for by equity method	Purchase	137,476	2	Within 50 days	-	-	(10,363)	(6)	
	WAMTC	An investee accounted for by equity method	Sales freight expense	122,666	2	Within 90 days	-	-	(18,721)	(11)	
RYNM	JYDC	Parent company	Purchase	369,643	98	Within 50 days	-	-	(42,936)	(100)	
JYLTC	JYDC	Parent company	Sales	(289,607)	(78)	Within 50 days	-	-	73,458	83	
WYDC	JYDC	The same ultimate parent company	Purchase	270,003	37	Within 50 days	-	-	-	-	
	HYDCCL	The same ultimate parent company	Purchase	208,248	29	Within 50 days	-	-	(56,760)	(80)	
SYTCL	SLCL	The same ultimate parent company	Sales	(195,276)	(66)	Within 90 days	-	-	32,396	70	

(Concluded)

TABLE 5**ASIA CEMENT CORPORATION AND SUBSIDIARIES****RECEIVABLES FROM RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
The Corporation	YTRMC	A subsidiary of the Corporation	\$ 600,517	5.53 times	\$ -	-	\$ 293,566	\$ -
ACSPL	Alliance Concrete Singapore Pte. Ltd.	An investee accounted for by equity method	159,332	5.66 times	-	-	73,383	-
YTRMC	Far Eastern General Construction Inc.	Other related party	105,579	0.87 times	-	-	6,947	-
JYDC	YYDCCL	The same ultimate parent company	167,576	9.27 times	-	-	167,576	-
NYDC	JYDC	Parent company	158,027	3.69 times	-	-	146,415	-
HYDCCL	ACCHC	Parent company	1,914,106	Note 1	-	-	-	-
HGYDC	ACCHC	Parent company	1,112,626	Note 1	-	-	-	-
WYDC	ACCHC	Parent company	534,278	Note 1	-	-	-	-
SIYDCCL	SYCPCL	The same ultimate parent company	264,430	Note 1	-	-	-	-
OIHPL	ACCHC	Parent company	197,482	Note 1	-	-	-	-
HYDCCL	OIHPL	The same ultimate parent company	174,420	Note 2	-	-	-	-
SLCL	SLCCL	A subsidiary of the Corporation	158,658	Note 1	-	-	-	-
JYDC	SHYLCP	The same ultimate parent company	116,790	Note 1	-	-	-	-

Note 1: The accounts receivable from financing.

Note 2: Other receivables.

TABLE 6

ASIA CEMENT CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES ON WHICH THE CORPORATION EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INVESTMENT IN MAINLAND CHINA)
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2022			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying Amount			
The Corporation	ACCHC	Cayman	Investment	\$ 13,660,637	\$ 13,660,637	1,061,209,202	67.73	\$ 50,215,202	\$ 1,832,333	\$ 1,241,039	A subsidiary of the Corporation
	FENC	Taiwan	Textile	3,459,787	3,459,787	1,272,277,085	23.77	37,765,199	8,160,292	1,300,515	
	DCI	Taiwan	Investment	2,556,033	2,556,033	730,646,976	99.99	15,612,641	1,307,885	1,307,859	A subsidiary of the Corporation
	U-Ming	Taiwan	Marine transportation	510,236	510,236	331,701,152	39.25	12,762,614	4,404,311	1,728,741	
	CHP	Taiwan	Power plant	8,502,050	8,502,050	568,307,076	99.70	11,228,967	1,492,403	1,487,955	A subsidiary of the Corporation
	CSCGL	Cayman	Investment	4,821,008	4,821,008	331,878,315	7.62	7,370,358	3,160,831	172,928	
	AIC	Taiwan	Investment	1,212,679	1,212,679	403,088,522	100.00	6,084,737	1,074,111	1,074,111	A subsidiary of the Corporation
	ACSPL	Singapore	Cement	188,338	188,277	10,499,618	99.99	5,769,966	257,066	257,041	A subsidiary of the Corporation
	YTRMC	Taiwan	Ready-mixed concrete, cement - related products	1,042,261	1,042,261	199,991,837	99.99	4,098,097	1,421,700	1,421,667	A subsidiary of the Corporation
	YDC	Taiwan	Investment	2,232,220	2,232,220	178,707,648	35.50	3,094,985	23,941	2,832	
	YYI	Taiwan	Investment	911,058	911,058	155,000,823	29.92	2,552,446	753,903	225,569	
	YLSS	Taiwan	Stainless steel	2,661,240	2,661,240	200,000,000	100.00	2,505,493	220,146	211,859	A subsidiary of the Corporation
	OSC	Taiwan	Broker	154,207	154,207	136,713,259	18.93	1,823,386	(470,768)	(89,127)	
	FMT	Taiwan	Transportation	70,279	70,177	29,555,742	99.95	1,555,689	306,533	306,389	A subsidiary of the Corporation
	FEDSDL	Taiwan	Retails	500,000	500,000	53,250,000	25.00	670,573	143,440	35,860	
	YDLC	Taiwan	Leasing	309,049	309,049	34,640,189	43.60	379,095	19,402	8,459	
	NHC	Taiwan	Cement, granulated blast-furnace slag	411,106	411,106	26,138,828	99.98	322,911	49,286	49,276	A subsidiary of the Corporation
	YLT	Taiwan	Transportation	25,015	25,012	5,160,817	51.61	280,364	29,779	15,367	A subsidiary of the Corporation
	AEE	Taiwan	Engineering	7,929	7,906	8,094,680	99.76	193,391	39,820	39,725	A subsidiary of the Corporation
	YLPPC	Taiwan	Cement - related products	145,079	145,079	16,264,709	83.94	169,494	50,311	42,231	A subsidiary of the Corporation
	EISF	Taiwan	Iron and steel	31,463	31,463	3,199,823	40.40	88,368	23,796	9,614	
	SIHL	B.V.I.	Investment	2,898	2,898	90,000	100.00	59,642	7,137	7,137	A subsidiary of the Corporation
DCI	FEC	Taiwan	Construction	140,138	140,138	140,218,343	33.76	5,219,385	602,506	Not applicable	
	FENC	Taiwan	Textile	1,263,385	1,263,385	82,812,887	1.55	2,424,167	8,160,292	Not applicable	
	ACM IV	B.V.I.	Investment	1,058,465	762,554	36,100,000	100.00	1,515,012	127,580	Not applicable	A sub-subsiidiary of the Corporation
	ACL	B.V.I.	Investment	1,127,257	831,346	38,400,000	100.00	1,473,549	126,555	Not applicable	A sub-subsiidiary of the Corporation
	ACM	B.V.I.	Investment	1,106,342	810,431	37,700,000	100.00	1,355,400	123,609	Not applicable	A sub-subsiidiary of the Corporation
	YDC	Taiwan	Investment	289,987	289,987	72,989,438	14.50	1,270,141	23,941	Not applicable	
	CSCGL	Cayman	Investment	872,619	872,619	56,297,000	1.29	1,249,192	3,160,831	Not applicable	
	ACM III	B.V.I.	Investment	842,828	546,917	29,200,000	100.00	1,095,282	117,858	Not applicable	A sub-subsiidiary of the Corporation
	ACM II	B.V.I.	Investment	842,828	546,917	29,200,000	100.00	1,042,563	116,688	Not applicable	A sub-subsiidiary of the Corporation

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2022			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying Amount			
DCI	KCC	Hong Kong	Cement	\$ 36,024	\$ 36,024	1,127,000	49.00	\$ 487,155	\$ (9,480)	Not applicable	A sub-subsidiary of the Corporation
	Catalyst Tranche Two	Cayman	Investment	223,440	112,920	8,000	25.00	254,094	3,138	Not applicable	A sub-subsidiary of the Corporation
	Catalyst Tranche Three	Cayman	Investment	236,880	236,880	8,000	25.00	248,698	3,605	Not applicable	
	Catalyst Tranche One	Cayman	Investment	123,120	123,120	4,000	25.00	136,863	4,369	Not applicable	
	FSMS	Taiwan	Mining excavation, mineral processing and sales	112,096	112,096	1,294,270	99.56	125,648	3,807	Not applicable	
	U-Ming	Taiwan	Marine transportation	27,619	27,619	468,486	0.06	34,482	4,404,311	Not applicable	
NHC	CSCGL	Cayman	Investment	282,957	282,957	9,250,000	0.21	204,456	3,160,831	Not applicable	
	PGIC	Taiwan	Granulated blast-furnace slag	36,771	36,771	3,287,550	31.00	51,638	5,666	Not applicable	
	FENC	Taiwan	Textile	15,240	15,240	1,739,978	0.03	38,704	8,160,292	Not applicable	
	U-Ming	Taiwan	Marine transportation	1,027	1,027	64,143	0.01	1,528	4,404,311	Not applicable	
YTRMC	YTV	Vietnam	Ready-mixed concrete	201,823	201,823	(Note)	100.00	319,116	12,220	Not applicable	A sub-subsidiary of the Corporation
	YSRMC	Taiwan	Ready-mixed concrete	69,955	69,955	6,995,000	69.95	176,806	115,941	Not applicable	A sub-subsidiary of the Corporation
	AOG	Guam	Investment	236,240	236,240	(Note)	95.04	(19,397)	1,080	Not applicable	A sub-subsidiary of the Corporation
FMT	FDT	Taiwan	Transportation	31,463	30,894	37,972,227	99.97	927,786	148,515	Not applicable	A sub-subsidiary of the Corporation
	FENC	Taiwan	Textile	28,773	28,773	3,155,299	0.06	75,092	8,160,292	Not applicable	
FDT	YDEC	Taiwan	Retail	160,424	160,424	34,963,188	26.95	655,109	131,783	Not applicable	
	FENC	Taiwan	Textile	31,322	31,322	1,020,000	0.02	29,990	8,160,292	Not applicable	
	U-Ming	Taiwan	Marine transportation	1,891	1,891	50,000	0.01	2,391	4,404,311	Not applicable	
AEE	CSCGL	Cayman	Investment	266,942	266,942	8,368,000	0.19	184,971	3,160,831	Not applicable	
	ACCHC	Cayman	Investment	50,541	50,541	3,161,500	0.20	109,436	1,832,333	Not applicable	A subsidiary of the Corporation
	U-Ming	Taiwan	Marine transportation	38,931	38,931	3,485,997	0.41	59,484	4,404,311	Not applicable	
YLPPC	YDEC	Taiwan	Retail	20,776	20,776	5,047,539	3.89	94,483	131,783	Not applicable	
	YLPCIP	India	Tunnel lining segments	-	8,338	(Note)	-	-	-	Not applicable	A sub-subsidiary of the Corporation
	AOG	Guam	Investment	66,816	66,816	(Note)	4.96	(997)	1,080	Not applicable	A sub-subsidiary of the Corporation
AIC	ACP	B.V.I.	Investment	2,368,331	2,072,420	78,450,000	100.00	3,144,489	163,066	Not applicable	A sub-subsidiary of the Corporation
	ACP II	B.V.I.	Investment	1,103,822	807,911	37,700,000	100.00	1,507,537	127,845	Not applicable	A sub-subsidiary of the Corporation
	ACP IV	B.V.I.	Investment	849,522	553,910	29,000,000	100.00	1,102,801	125,186	Not applicable	A sub-subsidiary of the Corporation
	ACP III	B.V.I.	Investment	849,828	553,917	29,200,000	100.00	1,031,978	132,821	Not applicable	A sub-subsidiary of the Corporation
	ACE	B.V.I.	Investment	878,454	582,543	30,115,000	100.00	871,722	129,223	Not applicable	A sub-subsidiary of the Corporation
	CSCGL	Cayman	Investment	556,895	556,895	31,528,000	0.72	698,594	3,160,831	Not applicable	
	FENC	Taiwan	Textile	405,473	405,473	15,430,293	0.29	633,513	8,160,292	Not applicable	
	U-Ming	Taiwan	Marine transportation	77,446	77,446	7,796,914	0.92	126,375	4,404,311	Not applicable	
	EISF	Taiwan	Iron and steel	15,649	15,649	660,000	8.33	18,220	23,796	Not applicable	
	CHP	Taiwan	Power plant	376	376	45,568	0.01	850	1,492,403	Not applicable	A subsidiary of the Corporation
	FMT	Taiwan	Transportation	176	176	5,000	0.02	272	306,533	Not applicable	A subsidiary of the Corporation
	FDT	Taiwan	Transportation	110	110	9,717	0.03	199	148,515	Not applicable	A sub-subsidiary of the Corporation

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2022			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying Amount			
AIC	FSMS	Taiwan	Mining excavation, mineral processing and sales	\$ 119	\$ 119	5,000	0.38	\$ 125	\$ 3,807	Not applicable	A sub-subsidiary of the Corporation
	AEE	Taiwan	Engineering	116	116	6,000	0.07	120	39,820	Not applicable	A subsidiary of the Corporation
	NHC	Taiwan	Cement, granulated blast-furnace slag	78	78	5,000	0.02	80	49,286	Not applicable	A subsidiary of the Corporation
	DCI	Taiwan	Investment	76	76	6,625	-	76	1,307,885	Not applicable	A subsidiary of the Corporation
	YTRMC	Taiwan	Ready-mixed concrete, cement - related products	53	53	7,268	-	53	1,421,700	Not applicable	A subsidiary of the Corporation
	YSRMC	Taiwan	Ready-mixed concrete	37	37	5,000	0.05	44	115,941	Not applicable	A sub-subsidiary of the Corporation
YLT	U-Ming	Taiwan	Marine transportation	58,840	58,840	6,348,103	0.75	352,406	4,404,311	Not applicable	
ACE	CSCGL	Cayman	Investment	266,882	266,882	7,480,000	0.17	165,408	3,160,831	Not applicable	
	Opas Fund Segregated Portfolio Company	Cayman	Investment	1,531	1,531	33	33.00	1,687	75	Not applicable	
	Drive Catalyst SPC	Cayman	Investment	494	494	33	33.00	522	13	Not applicable	
ACP	CSCGL	Cayman	Investment	1,959,250	1,959,250	107,536,000	2.47	2,388,547	3,160,831	Not applicable	
ACP II	CSCGL	Cayman	Investment	544,689	544,689	36,865,000	0.85	820,149	3,160,831	Not applicable	
ACP III	CSCGL	Cayman	Investment	290,967	290,967	14,790,000	0.34	328,626	3,160,831	Not applicable	
ACP IV	CSCGL	Cayman	Investment	292,032	292,032	18,514,000	0.43	413,156	3,160,831	Not applicable	
ACL	CSCGL	Cayman	Investment	567,556	567,556	35,569,000	0.82	791,269	3,160,831	Not applicable	
ACM	CSCGL	Cayman	Investment	554,533	554,533	30,251,000	0.70	674,021	3,160,831	Not applicable	
ACM II	CSCGL	Cayman	Investment	293,393	293,393	16,058,000	0.37	357,146	3,160,831	Not applicable	
ACM III	CSCGL	Cayman	Investment	292,743	292,743	18,477,000	0.42	408,617	3,160,831	Not applicable	
ACM IV	CSCGL	Cayman	Investment	504,078	504,078	37,410,000	0.86	831,232	3,160,831	Not applicable	
KCC	KCCL	Hong Kong	Ready-mixed concrete	39	35	10,000	100.00	169,432	(17,199)	Not applicable	A sub-subsidiary of the Corporation
	JFTL	B.V.I.	Investment	73,538	66,218	2,427,307	100.00	5,905	1,230	Not applicable	A sub-subsidiary of the Corporation
JFTL	Profit Enterprises Int'l Ltd.	Hong Kong	Barge transportation	4,766	4,291	6,100,000	50.00	6,148	2,666	Not applicable	
AOG	Perez-Mtec-ACC, LLC	Guam	Ready-mixed concrete	9,198	8,289	(Note)	33.33	43	-	Not applicable	
	AOC	Guam	Ready-mixed concrete	243,747	219,659	(Note)	71.68	(32,623)	1,960	Not applicable	A sub-subsidiary of the Corporation
ACSPL	ACCHC	Cayman	Investment	613,200	552,600	63,790,798	4.07	3,017,509	1,832,333	Not applicable	A subsidiary of the Corporation
	Alliance Concrete Singapore Pte. Ltd. OCPL	Singapore Singapore	Ready-mixed concrete Ready-mixed concrete, leasing	159,530 387,430	142,590 346,290	6,000,000 17,000,000	50.00 100.00	608,026 278,690	535,337 4,525	Not applicable Not applicable	A sub-subsidiary of the Corporation
ACCHC	PIHPL	B.V.I.	Investment	26,999,595	24,331,337	9,379,303	100.00	87,103,033	2,335,756	Not applicable	A sub-subsidiary of the Corporation

Note: This is not a company limited by shares.

(Concluded)

TABLE 7

ASIA CEMENT CORPORATION AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022
					Outward	Inward						
SHYLCF	It manufactures and sells ready-mixed concrete and cement - related products	US\$15,000 (equivalent to NT\$459,900 thousand)	(2)	US\$12,000 (equivalent to NT\$367,920 thousand)	\$ -	\$ -	US\$12,000 (equivalent to NT\$367,920 thousand)	RMB2,057 (equivalent to NT\$9,073 thousand)	72.00	RMB1,481 (equivalent to NT\$6,532 thousand)	RMB10,598 (equivalent to NT\$46,655 thousand)	US\$800 (equivalent to NT\$24,528 thousand)
JYDC	It manufactures and sells cement, clinker and ready-mixed concrete (including cement - related products).	US\$356,104 (equivalent to NT\$10,918,149 thousand)	(2)	US\$143,817 (equivalent to NT\$4,409,429 thousand)	-	-	US\$143,817 (equivalent to NT\$4,409,429 thousand)	RMB474,570 (equivalent to NT\$2,093,200 thousand)	68.40	RMB324,606 (equivalent to NT\$1,431,749 thousand)	RMB4,786,997 (equivalent to NT\$21,073,605 thousand)	US\$50,781 (equivalent to NT\$1,556,945 thousand) RMB1,050,973 (equivalent to NT\$4,626,656 thousand)
WYDC	It manufactures and sells cement, slag powder and slag cement.	US\$36,140 (equivalent to NT\$1,108,052 thousand)	(2)	US\$26,550 (equivalent to NT\$814,023 thousand)	-	-	US\$26,550 (equivalent to NT\$814,023 thousand)	RMB(2,746) (equivalent to NT\$(12,112) thousand)	72.00	RMB(1,977) (equivalent to NT\$(8,720) thousand)	RMB441,754 (equivalent to NT\$1,944,716 thousand)	US\$4,469 (equivalent to NT\$137,020 thousand) RMB3,533 (equivalent to NT\$15,553thousand)
SHYFCF	It manufactures and sells ready-mixed concrete and cement - related products	N/A	N/A	US\$1,270 (equivalent to NT\$38,938 thousand)	-	-	US\$1,270 (equivalent to NT\$38,938 thousand)	N/A	N/A	N/A	N/A	-
OHC	Investment	US\$204,191 (equivalent to NT\$6,260,496 thousand)	(2)	US\$55,000 (equivalent to NT\$1,686,300 thousand)	-	-	US\$55,000 (equivalent to NT\$1,686,300 thousand)	RMB67,884 (equivalent to NT\$299,418 thousand)	72.00	RMB48,876 (equivalent to NT\$215,579 thousand)	RMB2,491,472 (equivalent to NT\$10,968,108 thousand)	US\$809 (equivalent to NT\$24,804 thousand)
NYLC	It manufactures and sells ready-mixed concrete and cement - related products	RMB60,000 (equivalent to NT\$264,136 thousand)	(2)	-	-	-	-	RMB14,409 (equivalent to NT\$63,554 thousand)	68.40	RMB9,856 (equivalent to NT\$43,472 thousand)	RMB110,879 (equivalent to NT\$488,118 thousand)	-
NYDC	It manufactures and sells cement, slag powder and slag cement.	RMB90,000 (equivalent to NT\$396,203 thousand)	(2)	-	-	-	-	RMB(17,080) (equivalent to NT\$(75,335) thousand)	52.20	RMB(8,916) (equivalent to NT\$(39,326) thousand)	RMB74,903 (equivalent to NT\$329,742 thousand)	-
SIYDCCL	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	US\$368,340 (equivalent to NT\$11,293,304 thousand)	(2)	US\$94,594 (equivalent to NT\$2,900,252 thousand)	-	-	US\$94,594 (equivalent to NT\$2,900,252 thousand)	RMB337,107 (equivalent to NT\$1,486,888 thousand)	72.00	RMB242,717 (equivalent to NT\$1,070,559 thousand)	RMB4,387,670 (equivalent to NT\$19,315,664 thousand)	US\$27,009 (equivalent to NT\$828,096 thousand) RMB499,190 (equivalent to NT\$2,197,564 thousand)
CYCPCL	It manufactures and sells ready-mixed concrete and cement - related products	US\$4,100 (equivalent to NT\$125,706 thousand)	(2)	US\$2,100 (equivalent to NT\$64,386 thousand)	-	-	US\$2,100 (equivalent to NT\$64,386 thousand)	RMB4,438 (equivalent to NT\$19,575 thousand)	72.00	RMB3,196 (equivalent to NT\$14,097 thousand)	RMB59,860 (equivalent to NT\$263,519 thousand)	US\$77 (equivalent to NT\$2,361 thousand)
JYLTC	Transportation	RMB12,500 (equivalent to NT\$55,028 thousand)	(2)	-	-	-	-	RMB3,182 (equivalent to NT\$14,035 thousand)	70.12	RMB2,232 (equivalent to NT\$9,845 thousand)	RMB25,876 (equivalent to NT\$113,913 thousand)	-
HYDCCL	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	US\$154,800 (equivalent to NT\$4,746,168 thousand)	(2)	US\$57,600 (equivalent to NT\$1,766,016 thousand)	-	-	US\$57,600 (equivalent to NT\$1,766,016 thousand)	RMB(242,797) (equivalent to NT\$(1,070,912) thousand)	72.00	RMB(174,814) (equivalent to NT\$(771,057) thousand)	RMB1,631,718 (equivalent to NT\$7,183,247 thousand)	US\$12,990 (equivalent to NT\$398,273 thousand) RMB221,904 (equivalent to NT\$976,879 thousand)

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022
					Outward	Inward						
CYSPC	Slag powder	N/A	N/A	US\$980 (equivalent to NT\$30,047 thousand)	\$ -	\$ -	US\$980 (equivalent to NT\$30,047 thousand)	N/A	N/A	N/A	N/A	-
SYCPCL	It manufactures and sells ready-mixed concrete and cement - related products	US\$3,300 (equivalent to NT\$101,178 thousand)	(2)	US\$2,970 (equivalent to NT\$91,060 thousand)	-	-	US\$2,970 (equivalent to NT\$91,060 thousand)	RMB(6,381) (equivalent to NT\$(28,145) thousand)	72.00	RMB(4,594) (equivalent to NT\$(20,263) thousand)	RMB8,256 (equivalent to NT\$36,345 thousand)	-
SYTCL	Transportation	US\$3,500 (equivalent to NT\$107,310 thousand)	(2)	US\$3,150 (equivalent to NT\$96,579 thousand)	-	-	US\$3,150 (equivalent to NT\$96,579 thousand)	RMB(2,514) (equivalent to NT\$(11,089) thousand)	72.00	RMB(1,810) (equivalent to NT\$(7,983) thousand)	RMB31,483 (equivalent to NT\$138,596 thousand)	US\$992 (equivalent to NT\$30,415 thousand)
YYDCCL	Cement, slag powder and ready-mixed concrete (including cement - related products)	US\$35,530 (equivalent to NT\$1,089,350 thousand)	(2)	US\$15,849 (equivalent to NT\$485,930 thousand)	-	-	US\$15,849 (equivalent to NT\$485,930 thousand)	RMB(23,378) (equivalent to NT\$(103,114) thousand)	72.00	RMB(16,832) (equivalent to NT\$(74,241) thousand)	RMB296,516 (equivalent to NT\$1,305,341 thousand)	US\$1,016 (equivalent to NT\$31,151 thousand) RMB31,173 (equivalent to NT\$137,232 thousand)
HGYDC	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	US\$86,170 (equivalent to NT\$2,641,972 thousand)	(2)	US\$15,350 (equivalent to NT\$470,631 thousand)	-	-	US\$15,350 (equivalent to NT\$470,631 thousand)	RMB88,881 (equivalent to NT\$392,030 thousand)	72.00	RMB63,994 (equivalent to NT\$282,260 thousand)	RMB1,112,907 (equivalent to NT\$4,899,306 thousand)	US\$1,837 (equivalent to NT\$56,322 thousand) RMB132,908 (equivalent to NT\$585,096 thousand)
HYTCL	Transportation	RMB13,000 (equivalent to NT\$57,229 thousand)	(2)	-	-	-	-	RMB326 (equivalent to NT\$1,438thousand)	72.00	RMB235 (equivalent to NT\$1,037 thousand)	RMB13,450 (equivalent to NT\$59,210 thousand)	-
WYCPCL	It manufactures and sells ready-mixed concrete and cement - related products	RMB60,000 (equivalent to NT\$264,136 thousand)	(2)	-	-	-	-	RMB4,339 (equivalent to NT\$19,138 thousand)	72.00	RMB3,124 (equivalent to NT\$13,779 thousand)	RMB48,890 (equivalent to NT\$215,226 thousand)	-
WYXC	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	RMB90,000 (equivalent to NT\$396,203 thousand)	(2)	-	-	-	-	RMB(171,608) (equivalent to NT\$(756,917) thousand)	64.79	RMB(111,661) (equivalent to NT\$(492,507) thousand)	RMB127,394 (equivalent to NT\$560,822 thousand)	-
HZYCCL	It manufactures and sells ready-mixed concrete and cement - related products	RMB30,000 (equivalent to NT\$132,068 thousand)	(2)	-	-	-	-	RMB274 (equivalent to NT\$1,209 thousand)	28.80	RMB79 (equivalent to NT\$348 thousand)	RMB15,427 (equivalent to NT\$67,914 thousand)	-
HXMC	Production and sales of limestone	RMB10,000 (equivalent to NT\$44,023 thousand)	(2)	-	-	-	-	RMB9,866 (equivalent to NT\$43,516 thousand)	28.80	RMB2,646 (equivalent to NT\$11,671thousand)	RMB7,274 (equivalent to NT\$32,022 thousand)	-
WAMTC	Marine transportation	RMB35,500 (equivalent to NT\$156,280 thousand)	(2)	-	-	-	-	RMB7,531 (equivalent to NT\$33,217 thousand)	34.20	RMB2,367 (equivalent to NT\$10,440 thousand)	RMB36,025 (equivalent to NT\$158,591 thousand)	-
TZOCCL	Cement - related products	US\$16,000 (equivalent to NT\$490,560 thousand)	(2)	-	-	-	-	RMB3,455 (equivalent to NT\$15,239 thousand)	72.00	RMB2,363 (equivalent to NT\$10,423 thousand)	RMB79,868 (equivalent to NT\$351,600 thousand)	-
SLCL	Cement, clinker, slag powder and ready-mixed concrete (including cement - related products)	RMB600,000 (equivalent to NT\$2,641,356 thousand)	(2)	-	-	-	-	RMB151,594 (equivalent to NT\$668,640 thousand)	72.00	RMB107,147 (equivalent to NT\$472,596 thousand)	RMB1,701,658 (equivalent to NT\$7,491,141 thousand)	-
SLCCL	Cement - related products	RMB20,000 (equivalent to NT\$88,045 thousand)	(2)	-	-	-	-	RMB(1,658) (equivalent to NT\$(7,313) thousand)	72.00	RMB(1,194) (equivalent to NT\$(5,266) thousand)	RMB(18,635) (equivalent to NT\$(82,036) thousand)	-
YDES	Real estate leasing and management	RMB1,763,425 (equivalent to NT\$7,763,055 thousand)	(2)	-	-	-	-	RMB(22,565) (equivalent to NT\$(99,528) thousand)	28.80	RMB(6,499) (equivalent to NT\$(28,665) thousand)	RMB474,161 (equivalent to NT\$2,087,380 thousand)	-

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022
					Outward	Inward						
RYNM	Building materials, products and construction waste	RMB2,000 (equivalent to NT\$8,805 thousand)	(2)	-	\$ -	\$ -	-	RMB111.907 (equivalent to NT\$493,592 thousand)	68.40	RMB76,544 (equivalent to NT\$337,615 thousand)	RMB81,173 (equivalent to NT\$357,345 thousand)	-
JRYNM	Mineral resource mining, port management, waterway general goods transportation and construction	RMB10,000 (equivalent to NT\$44,023 thousand)	(2)	-	-	-	-	RMB(717) (equivalent to NT\$(3,162) thousand)	30.78	RMB(221) (equivalent to NT\$(975) thousand)	RMB14,958 (equivalent to NT\$65,849 thousand)	-
JYDCCL	It manufactures and sells cement grinding, slag powder, doping powder and other building material products	RMB80,000 (equivalent to NT\$352,181 thousand)	(2)	-	-	-	-	RMB(2) (equivalent to NT\$(9) thousand)	61.20	RMB(1) (equivalent to NT\$(4) thousand)	RMB48,959 (equivalent to NT\$215,530 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
US\$648,051 (Note 3) (Equivalent to NT\$19,869,244 thousand)	US\$2,284,279 (Equivalent to NT\$70,035,994 thousand)	(Note 4)

- Note 1: The accrual is based on the financial statements audited by independent auditors.
- Note 2: The investor companies were incorporated in Mainland China by a company (2) (ACCHC) which was incorporated in the area other than Taiwan and Mainland China in order to invest in Mainland China.
- Note 3: As of December 31, 2022, accumulated investments in China Shanshui Cement Group Ltd, which is listed at HKEx, and China Shanshui Investment Company Limited were US\$150,620 thousand and US\$66,201 thousand, respectively, which were included in Accumulated Outward Remittance for Investment in Mainland China.
- Note 4: The Corporation obtained certificate No. 10920439220 from Industrial Development Bureau, Ministry of Economic Affairs, according to the “Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China”, the accumulation of fund is not limited.
- Note 5: The foreign currency amounts of original investment amount and carrying amount are expressed in New Taiwan dollars at exchange rate as of December 31, 2022. The foreign currency amount of net income is expressed in New Taiwan dollars at average exchange rate for the year ended December 31, 2022.

(Concluded)

TABLE 8

ASIA CEMENT CORPORATION AND SUBSIDIARIES

BUSINESS RELATIONSHIP AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
0	The Corporation	YTRMC	1	Sales	\$ 2,585,296	Based on regular terms	3
		ACSPL	1	Accounts receivable	600,517	Based on regular terms	-
		YSRMC	1	Sales	596,126	Based on regular terms	1
			1	Sales	269,960	Based on regular terms	-
1	NHC	The Corporation	2	Sales	298,949	Based on regular terms	-
2	YLT	The Corporation	2	Sales	139,378	Based on regular terms	-
3	ACCHC	PIHPL	1	Dividends receivable	864,541	Based on regular terms	-
4	PIHPL	OIHPL	1	Dividends receivable	864,541	Based on regular terms	-
5	OIHPL	SIYDCCL	1	Dividends receivable	1,570,648	Based on regular terms	-
		ACCHC	2	Other receivables	197,482	Based on regular terms	-
6	JYDC	YYDCCL	3	Sales	1,960,987	Based on regular terms	2
			3	Accounts receivable	167,576	Based on regular terms	-
		TZOCCL	3	Sales	1,036,526	Based on regular terms	1
		RYNM	1	Sales	369,643	Based on regular terms	-
		WYDC	3	Sales	270,003	Based on regular terms	-
		NYDC	1	Sales	142,900	Based on regular terms	-
		SHYLCF	3	Other receivables	116,790	Based on regular terms	-
7	HYDCCL	ACCHC	2	Other receivables	1,914,106	Based on regular terms	1
		WYDC	3	Sales	208,248	Based on regular terms	-
		OIHPL	2	Other receivables	174,420	Based on regular terms	-
8	HGYDC	ACCHC	2	Other receivables	1,112,626	Based on regular terms	-
		JYDC	3	Sales	433,087	Based on regular terms	-
		HYDCCL	3	Sales	385,336	Based on regular terms	-
9	SIYDCCL	SLCL	1	Sales	575,390	Based on regular terms	1
		SYCPCL	3	Other receivables	264,430	Based on regular terms	-
10	NYDC	JYDC	2	Sales	555,912	Based on regular terms	1
				Accounts receivable	158,027	Based on regular terms	-
11	WYDC	ACCHC	2	Other receivables	534,278	Based on regular terms	-

(Continued)

Number	Company Name	Counterparty	Relationship (Note)	Transaction Details			% to Total Revenue or Assets
				Financial Statement Account	Amount	Transaction Terms	
12	JYLTC	JYDC	2	Sales	\$ 289,607	Based on regular terms	-
13	SYTCL	SLCL	3	Sales	195,276	Based on regular terms	-
14	SLCL	SLCCL	1	Other receivables	158,658	Based on regular terms	-

Note: 1. Parent to subsidiary.
2. Subsidiary to parent.
3. Between subsidiaries.

(Concluded)

TABLE 9**ASIA CEMENT CORPORATION****INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2022**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
FENC	750,511,324	21.16
Far Eastern Medical Foundation	181,566,797	5.12

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Corporation as of the last business day for the current quarter. The share capital in the parent company only financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.