



亞洲水泥
ASIA CEMENT CORPORATION

Stock Code: 1102

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ASIA CEMENT CORPORATION

2022 Annual Report

Notice to readers

This English version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

Convening method: Video Assisted Shareholders' Meeting

(Physical Shareholders' Meeting convened and assisted by video)

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Printed on March 31, 2023

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I Report to Shareholders

2022 Business Report

I. Overlook of Business in 2022

1. Overall cement production in China has reached 2.12 Billion mt, representing a YOY drop of 10.8%. Total production of cement clinker from subsidiaries of the Company in China amounted to 23.63 Million mt in the same year, representing a YOY drop of 3.45%. Total sales of cement, cement clinker and slag powder amounted 28.24 Million mt, representing a YOY drop of 5.33%.

Net profit after tax of Asia Cement (China) Holdings Corporation, ACCH, has reached 1,832,333 thousand NTD. The Company and its subsidiaries recognized an investment profit of 1,319,280 thousand NTD.

2. According to statistics of Taiwan Cement Manufacturer's Association, sales by its member companies amounted 11,165,815 mt, YOY decrease of 7.8% where domestic sales accounted for 10,067,671 mt, YOY decrease of 2.22% and export sales accounted for 1,098,144 mt, YOY decrease of 39.49%. On the other hand, import cement amounted 3,434,518 mt, YOY increase of 45.47%. Domestic sales of the Company were 3,130,697 mt, YOY growth of 6.74% and accounted for 31.10% of the sales by domestic manufacturer and 23.19% of total sales in domestic market. Under the impact of variant of COVID virus, Russia-Ukraine war, high inflation and climate change, domestic economy appeared to be less satisfactory than expected. However, benefiting from the continuous relief of controlling measure for COVID as well as expanding scope of infrastructure by the government, demand for cement remains positive. Domestic consumption for 2022 has reached 13,502,189 mt, YOY increase of 6.67% converting to per capita consumption of 580kg, YOY growth of 7.01%.
3. The Company has seamlessly integrated businesses from different positions of stream of construction industry, ranging from mining, clinker, cement, ready-mixed concrete, pre-cast and building materials. The value of cement business has been escalated comprehensively by vertical integration of construction businesses. In addition, the footprint has been expanded to power-generation, steel and transportation and thus create highest value of the Company by diversification of investments.
4. The consolidated revenue of the Company has reached NTD 90,340,530 thousand on par with that of last year. Whereas, the consolidated operating profit has amounted to NTD 8,571,273 thousand, YOY decrease of 51.54%. In addition, investment recognized under equity method, including U-Min Marine, Far Eastern New Century and Shan-shui Cement, China, has

recognized a total investment profit of 4,311,008 thousand NTD, consolidated net profit after tax of NTD 12,597,136, represented by a ratio of net profit after tax of 13.94%. Consolidated net profit after-tax attributable to the owner of the Company amounted to 12,016,396 thousand NTD. The distribution of profits of 2022 has been adopted by 13th meeting of 27th Board of Directors with a dividend in cash of NTD 2.3 per share.

II. Operation Performance in 2022

1. Production

Unit: 1000 MT

Item Region	Cement	Difference Compared to 2021	%	Clinker	Difference Compared to 2021	%
ACC (Taiwan)	3,679	44	1.21	3,381	(26)	(0.76)

*** key performance indicator:**

Actual aggregate cement output amounted to 3,679 thousand MT with the achievement rate of 89.73%, comparing to estimated output 4,100 thousand MT.

Actual aggregate clinker output amounted to 3,381 thousand MT with the achievement rate of 93.66% comparing to estimated output 3,610 thousand MT.

Unit: 1000 MT

Item Region	Cement	Difference Compared to 2021	%	Clinker	Difference Compared to 2021	%
ACC (China)	24,224	(3,245)	(11.81)	23,632	(844)	(3.45)

*** key performance indicator:**

Actual aggregate cement output amounted to 24,224 thousand MT with the achievement rate of 84.24%% comparing to estimated output 28,755 thousand MT.

Actual aggregate clinker output amounted to 23,632 thousand MT with the achievement rate of 95.86% comparing to estimated output 24,652 thousand MT.

2. Sales

Taiwan area:

Unit: 1000 MT; NT\$1,000

Unit: 1000 MT; NT\$1,000

Volume & Value Product	2022				Difference Compared to 2021			
	Domestic Sales		Export Sales					
	Volume	Value	Volume	Value	Volume	%	Value	%
Cement & Clinker	3,155	8,356,278	547	947,700	35	0.95	1,491,391	19.09

* Key Performance Indicator:

Actual aggregate sales of cement and clinker produced by ACC amounted to 3,702 thousand MT with the achievement rate of 89.20% comparing to the estimated sales 4,150 thousand MT.

China area:

Unit: 1000 MT; NT\$1,000

Unit: 1000 MT; NT\$1,000

Volume & Value Product	2022				Difference Compared to 2021			
	Domestic Sales		Export Sales					
	Volume	Value	Volume	Value	Volume	%	Value	%
Cement & Clinker	28,110	39,694,276	-	-	(1,569)	(5.29)	(8,541,274)	(17.71)

* Key Performance Indicator:

Actual aggregate sales of cement and clinker produced by ACC (China) amounted to 28,110 thousand MT with the achievement rate of 92.93% comparing to the estimated sales 30,249 thousand MT.

III. Deployment of investment in China

1. Asia Cement was the first cement company to invest in China 27 years ago after the government opened its investment policy by allowing domestic enterprise to invest in cement industry in China.
2. Asia Cement (China) Holdings Corporation (ACCH), the subsidiary of the Company, was listed on the main board of HKEX on May 20, 2008 with total asset of 21 Billion RMB. ACCH currently owns 26 subsidiaries and is in strategically partnership with other 5 companies. The business is located in Jainxi, Sicuan, Hubei, Jiangsu and Shanghai primarily with Jiangxi Yadong Company, Sichuan Yadong Company, and Hubei Yadong Company being the core of operation in Southeast, Southwest and Central China area. On top of this foundation, ACCH has established various cement manufacturing plants, grinding mills, cement product plant and transportation company, and terminals and sales offices and therefore constituted a comprehensive and efficient network of production, transportation and sales.

IV. Summary of business in China

1. Jiangxi Yadong Cement Co., Ltd – Owns 6 cement kilns with total annual production capacity of 11.3 Million mt for cement clinker which can be used to produce cement of 14 Million mt. Jiangxi Yadong is not only the biggest cement manufacturer. It is one of the leaders in terms of production capacity for a single plant. Power generated by waste heat gathered from 6 kilns reaches 338 GWh annually which effectively reduce cost of power and reliance on power from external source.
2. Sichuan Yadong Cement – Owns 3 cement kilns with total annual production capacity of 4.95 Million mt for cement clinker which can be used to produce cement of 6 Million mt. Power generated by waste heat gathered from 3 kilns reaches 145 GWh annually which effectively reduce cost of power and reliance on power from external source. Since the completion of conveyor system, which transports limestone from quarry to the plant, extended from terminal to the plant, benefits such as increase of transportation efficiency, reduction of raw material cost and security of supply of limestone for production was observed, the system has also brought additional benefits of preventing of impact to neighborhood, road and residents around the transportation route of limestone.
3. Hubei Yadong Cement Co., Ltd - Owns 2 cement kilns with total annual production capacity of 3.3 Million mt for cement clinker which can be used to produce cement of 4 Million mt. Power generated by waste heat gathered from 2 kilns reaches 105 GWh annually which effectively reduce cost of power and reliance on power from external source.
4. Huanggang Yadong Cement Co., Ltd - Owns 1 cement kilns with total annual production capacity of 1.65 Million mt for cement clinker which can be used to produce cement of 2 Million mt. Power generated by waste heat gathered from 1 kiln reaches 41 GWh annually which effectively reduce cost of power and reliance on power from external source.
5. Sichuan Lanfeng Cement Co., Ltd.– To enforce its leading position in the market and increase its market share in Great Cheng-du market and to ensure the synergy in marketing, cost and operation, Sichuan Yadong has acquired, in May, 2014, 100% share in Sicuan Lan-feng Cement which owns two Dry-Process production line of clinker with total annual production capacity of 3.8 Million mt for cement clinker and that of 5 Million mt for cement. The company has also equipped with waste heat recycle system which can generate power of 130GWh.
6. Yangzhou Yadong Cement Co., Ltd. – Annual grinding capacity around 2.3 Million mt for cement for supply to Yangzhou area. The company also operates a batching station for read-mixed concrete for sales in domestic market.
7. Wuhan Yadong Cement Co., Ltd. – Annual grinding capacity of 1.8 Million mt for cement for supply to Wuhan area.
8. Nanchang Yadong Cement Co., Ltd. - Annual grinding capacity of 0.6 Million mt for slag powder for supply to Nanchang area.

10. Jiangling Yadong Building Materials Cement Co., Ltd. – Established in October 2022 and estimate to be ready for production by September 2023 with expectation of grinding capacity of 1.5 Million mt for cement and 0.5 Million mt for slag powder and other additive powder.

V. Prospect of performance of cement industry in Taiwan and China

1. Mainland China

Faced by impact by multiple factors beyond expectation such as pandemic, China has coordinated the prevention and control of pandemic with high efficiency and social economic development and secure the stability of economy and society with an YOY growth of economy of 3%. For the prospect of 2023, with the adjustment of prevention and control policy for pandemic and implementation of spirit of 20th National People's Congress, economy in China will comprehensively enter post-pandemic recovery. New driven forced will emerge at supply side with pulling force in domestic demand simultaneously, the overall economy is expected to recover with a growth of 5%.

Under the influence of price of energy in international market, the price of coal remains at high level. However, with the new capacity of production of coal, relief on the import policy of coal, extension of zero tariff till the end of the year and secured price of supply, it is expected that coal price would be stabilized or over reduced for the year.

Overall prospect for operation of cement industry in China is as follow,

A. Picking up of investment in infrastructure. Stabilization in real estate. Stable development in supporting industries.

- a According to the latest government working report, the government intend to issue special bond of 3.8 Trillion RMB for financing of city projects and infrastructure for initiative including industrial park, major national strategic project, protection of housing security. Investment in infrastructure remains the focus of policies in the future and to support the demand for cement.
- b With central government's firm position policy "No speculation on housing for private use" and influence of guaranteed completion of construction and transfer of entitlement of properties, real estate market is expected to reach the bottom. With the implementation a series of policies surrounding bank mortgages, bond financing, stock financing by supervisory agencies from various level of government, the housing market has stabilized gradually and is expected to reach its bottom and thus increase the demand of cement.

B. Continuous enforcement of elimination of production supply.

- a As staggered-peak production increase significantly, picking up of enforcement of the policies, this practice has been promoting continuously within the industry and will secure the goal of elimination of excessive capacity.
- b Replacement of cement capacity and introduction of new production line reached its peak and sudden decrease, project aiming at replacing production capacity of cement clinker will decrease in the future under the constraint by harsher controlling policy and recession of demands. Supply in the demand remains constrained.

C. Acceleration of high-quality product due to implementation of peaking of carbon dioxide.

With the introduction of “Implementation proposal for carbon dioxide peaking in industrial field” and “Implementation proposal for carbon dioxide peaking in building material industry” policies aiming at causing the cement industry to conserve its energy and reduce its carbon emission it has become the inevitable trend for cement industry. It has become the new battlefield for future competition of cement industry to keep expanding the input of energy conserving and emission reduction plans, establish route for mid-term and long-term thereof, keep reducing energy consumption of the production and actively explore technique for developing substitution of raw material and energy.

D. Enhancement of competition environment triggered by aggressive merger and acquisition.

As the development of the industry has entered plateau phase, more opportunities for integration have presented which accelerate the merger and acquisition of the industry and creating innovative model for integration. Delegating operation, joining forces among big enterprises, improvement of deployment in the market will be the major trend for next round of integration among the industry. Future leading enterprise will develop a strong control over the market and thus will improve the competition among the market.

E. Expansion of industry chain and accelerate upgrading by transformation.

Face by the pressure to transform on high energy consuming industry, it has become an important issue for cement company to cultivate new profit model and transformation of the industry. It is commonly acknowledged among the industry to expand reserve of the quarry and aggregate business and expand industry chain. Expansion of investment in solar power, and energy preservation and aggressively upgrade has become the new source of growth of profit in the industry.

F. Expedition of construction of unified Market. Enforcement of liquidity of product around the country.

Publishing of “Opinions of the CPC Central Committee and the State Council on Accelerating the Construction of a Unified National Market” in March, 2022 has accelerated construction of Unified National Market. As the completion and refinement of transportation infrastructure, it is expected to break the predicament of transportation of cement and accelerate the regional liquidity of product and the competition of local market.

2. Taiwan

In terms of domestic demand for construction, Taiwan government will proceed with expansion policy by promotion and implementation of various projects and tenders of infrastructure. According to announcement by DGBAS, Executive Yuan, the 2023 budget for infrastructure accounts for 172.5 Billion NTD, plus special budget of 83.2 Billion NTD for phase IV of forward looking project and special fund of 341.5 Billion for profit and non-profit division which sums up to 597.2 Billion NTD and represents an increase of 145.7 Billion NTD or growth of 32.3%.

As for real estate, Ministry of Interior published that the number of transfer of building due to sales to be 318 thousand, representing a YOY decrease of 8.6% which is the lowest in last three years. In terms of real estate market for 2023, conservative position for demand was held due to disadvantageous factors of slow domestic economy, increase of mortgage rate to the level of 2%, legislation of The Equalization of Land Rights Act and decreasing of new supply in housing.

Demand for infrastructure will remain growing in 2023 whereas projects in private sectors slight downward. The former shall contribute to the overall growth of construction business in 1H23 while it is unclear about the prospect of economy, housing policies and the shortage of labor and raising construction cost and coming presidential election, expectation for the economy remains conservative.

VI. 2023 operation plan of the Company operation in Q1, 2023

Asia Cement Taiwan expects production of clinker to be 3.3 Million mt and cement to be 3.62 Million while the sales of cement clinker and cement to be 3.648 Million mt in 2023. Asia Cement China expects production of clinker to be 23.47 Million mt and cement to be 26.09 Million while the sales of clinker and cement to be 28.31 Million mt in 2023.

The consolidated operating revenue of the Company for 1Q23 was 19,208,712 thousand NTD,

a decrease of 2% comparing to same period in 2022 of 19,681,118 thousand NTD. The consolidated net-profit after tax was amounted to 2,767,079 thousand NTD, an increase of 2% comparing to same period in 2022 of 2,716,844 thousand NTD. Net profit after tax attributable to the owner of the Company amounted to 2,687,792 thousand NTD.

VII. Implementation of ESG by the Company

The Company has dedicated to promotion of circular economy by substituting partial raw material and fuel with recycled product and waste and further reduce depletion of natural resources and resolve the problem of disposing wasted material. The Company has invested effort in ESG pro-actively and is the fourth cement plant, globally, to receive SBTi certification, to set the goal of 8% reduction of carbon emission by 2025 which response to control the rising of global temperature well-blow 2°C as the goal of carbon emission whereas the long-term goal was to reach net zero carbon emission by 2050. In the meantime, the Company also introduce low-carbon products and build a low carbon industrial chain in collaboration with its subsidiaries. In addition, the Company has initiated research on the innovation of technique used for carbon capture and utilization and aimed to provide solution to carbon emission and disposal of wasted material.

The Board of Directors has organized of Sustainability Committee as the highest decision body of ESG policies. The committee decides long-term strategy systematically in response to SDGs by United Nation and in connection with core advantage of the Company. On the foundation of operation with integrity, the Company will carry out the vision of sustainable strategy from top to bottom. The Company values corporate social responsibility and is highly recognized with various awards. Guidelines for sustainable development, Building of Workplace with Happiness, Fostering of Under-privileged Group, Cultivation of Cultural Legacy, and Creation of Inclusive Community, is promulgated as an effort to promote positive energy for the society. The Company also built an ecological garden of butterflies and stick insects which attracts tens of thousands of visitors every year to experience the beauty of nature. It is also the dedication of the Company to maintain its relationship with local community by assisting aboriginals' tribes and local community from aspects of living conditions, educations and cultural aspects to build a community of co-existing and prosperity.

II Company Profile

2.1 Date of Incorporation: March 21, 1957.

Paid-in Capital: NT\$ 35,459,275,570

(Approved by the Ministry of Economic Affairs on May 30, 2023)

Scope of Business:

01. C901030 Cement manufacturing	11. H701010 Developing, leasing, and selling residential and business buildings
02. C901040 Ready-mixed concrete manufacturing	12. H701020 Developing, leasing, and selling industrial factories
03. B601010 Quarrying	13. H703100 Real estate rental & leasing
04. C901050 Cement and ready-mixed concrete products	14. H703090 Real estate sale & purchase
05. C901990 Non-metallic mineral products	15. JE01010 Rental and leasing
06. F111090 Whole sale of building materials	16. G202010 Parking-lot business
07. F211010 Retail sale of building materials	17. G801010 Warehousing
08. F401010 International trade	18. I103060 Business management consultation services
09. IZ06010 Tally and packing	19. J101040 Waste treatment
10. A201010 Afforestation business	

In addition to permitted scope of business, the Company can broaden its business not prohibited or restricted by laws.

2.2 Company History

Responding to the Taiwan government's second four-year economic development plan, Asia Cement Corporation (ACC) was founded on March 21, 1957 by Mr. Y.Z. Hsu and others. It built its first manufacturing plant in Hengshan Township, Hsinchu County. In 1973, in response to the government's call to develop eastern Taiwan, the Company established its second plant in Hsincheng Township, Hualien County. Asia Cement and its "Skyscraper" brand cement have always occupied the core position in Taiwan's cement business. For now, these two plants can produce 5 million MT of clinker annually.

Asia Cement uses the most modern rotary kilns and introduces waste-heat recycling generators to transform waste heat and hot air into electricity. In addition, for lower cement transportation costs, Asia Cement established storage and transportation facilities in the Keelung, Taichung, Kaohsiung, and Hualien harbor. It also invested in the Group's U-Ming Marine Transport Co., Ltd., and began using U-Ming's bulk carriers to transport cement around Taiwan. The Company's "Three Highs and One Low" strategy, high quality, high efficiency, high environmental protection, and low cost, along with its management capability, have given the Company the competitive edge to efficiently face challenges in the market.

Asia Cement believes that economic growth and environmental protection can be achieved in parallel. At the beginning of the establishment of the Hualien Plant, the Company invested a lot of manpower and material resources to set up a greenhouse seedling system in the quarry to cultivate various indigenous plants and transplant them to the remnant walls of the excavation sites. The

greening results have outstanding performance and have been repeatedly recognized by experts. Asia Cement introduces the most advanced dust collection equipment to effectively control the dust fall, keeping it far below the national standard. The Company has won the Enterprise Environmental Protection Award for 3 years. The Hualien plant has invested in circular economy, energy saving, and carbon reduction in recent years, and has achieved remarkable results. The Portland cement produced by the Hualien plant has also won international recognition this year by receiving the ISO-14067:2018 (Greenhouse Gases Carbon Footprints of Products), the ISO 14046:2014 (Greenhouse Gases Water Footprints of Products), and the optimizing level of the BS 8001:2017 for circular economy model maturity through SGS certification, making Asia Cement the first cement producer to receive the certification for circular economy standard, carbon footprint and water footprint at the same time in the world. In March 2021, Asia Cement passed the Science-Based Reduction Target Initiative (SBTi), becoming the fourth cement plant in the world with a well-below 2°C target. The Company joined the Global Cement and Concrete Association (GCCA), and jointly committee in Sep. 2020 to reach 2050 Carbon Neutral goal with global peer of cement and concrete industry. In addition, we have built a butterfly ecological park based on the existing beautified environment of the Hualien plant, luring thousands of visitors to experience the beauty of nature and receiving high recognition from the general public.

Besides establishing its core business, the Company also diversifies its investment by establishing Ya Tung Ready Mixed Concrete Co., Ltd. and Ya Li Precast & Prestressed Concrete Industries Ltd. Together with Far Eastern Construction Co., Ltd. and Far Eastern General Contractor Co., Inc., Asia Cement completed its vertical integration.

ACC's diversification strategic layout for the world not only includes the complete production and sales channels in Taiwan, it also has representative offices in Hong Kong and Singapore. Furthermore, it is also expanding into the world market, exporting cement to Southeast Asia, North America, Africa, and the Middle East Asia. Meanwhile, Asia Cement began to invest in China from 1994. Currently, with the production and sale bases in Jiangxi, Sichuan, Hubei, Yangzhou, and Shanghai, the total cement production capacity in China reaches 36 million MT. Asia Cement (China) Holdings Corporation has listed on the Main Board of the Hong Kong Stock Exchange in 2008. Asia Cement (China) Holdings Corporation will continue expand capacity through strategy cooperation, or merger & acquisition.

In the future, Asia Cement will keep maintaining its deep roots in Taiwan and continue moving forward by expanding in China and worldwide.

Major events in recent 6 years are shown as the following table:

Year	Major Events
Jun. 2019	Sichuan Yadong was granted the "Road Portland Cement Production License" issued by State Administration for Market Regulation, and obtained the production qualification of special cement for airport runways.
Oct. 2019	Sichuan Yadong and Huanggang Yadong won the "National Excellence Award" in the 17th National Cement Quality Index Inspection Competition of the "Gezhouba Cement Cup" in 2019.
Dec. 2019	Huanggang Yadong was selected as the "2019 Green Factory List in Hubei Province".

Year	Major Events
Jan.2020	Four mines of ACC (China) were selected by the Ministry of Natural Resources as 2019 Green Mines List.
Mar. 2020	The China Cement Association announced the ranking of the top 50 companies in the country's cement clinker production capacity in 2020, and Asia Cement (China) ranked 10th.
May 2020	Hualien Plant obtained ISO 14067: 2018 product carbon footprint standard, ISO 14046: 2014 product water footprint standard, BS 8001: 2017 the highest maturity level of circular economy, and was the first cement plant to obtain 3 verifications at the same time.
May 2020	Sichuan Yadong was awarded the "Certificate of Standardized Laboratory for Cement Production Enterprise" by the China Building Materials Federation, with a grade of "Excellent".
Oct. 2020	Sichuan Yadong was awarded the "All Excellence Award" for the 17th National Cement Chemical Analysis Contrast in 2020.
Dec. 2020	Sichuan Yadong was awarded the "2019 Environmental Integrity Enterprise".
Jan. 2021	Two quarries of Jiangxi Yadong were selected as the 2020 Green Mine List of the Ministry of Natural Resources.
Mar. 2021	Asia Cement has passed the SBTi review and aims to control climate warming below 2°C.
Apr. 2021	Asia Cement (China) won the 10th place in the cement clinker production capacity organized by China's cement website (ccement.com).
Apr. 2021	Asia Cement Ecological Park and National Taitung University signed a strategic alliance cooperation plan to rescue the unique butterfly in Lanyu Island.
Jun. 2021	Continued to be a constituent stock of the "Taiwan Highest Salary 100 Index"..
Aug. 2021	The laboratory quality management system ISO 17025 of the Hualien Plant uses the instrument analysis method to replace the traditional analysis method to reduce the pollution of chemicals to the environment.
Sep. 2021	The ISO 9001 certification of the Hualien Plant has added product certifications for Portland Cement Type II (MH), Portland Cement Type III, Portland Cement Type V and Portland Limestone Cement. It is also the first in Taiwan to obtain the product certification of Portland Cement Type III and Portland Limestone Cement.
Sep. 2021	The Supreme Administrative Court ruled to revoke the extension of the mining rights of the Hualien Plant.
Oct. 2021	Asia Cement (China) was awarded "Asia's Best Employer Award" by HR Asia Magazine.
Oct. 2021	Asia Cement (China) was awarded the "Outstanding Contribution to Economic Benefit of the Industry" by the China Cement Association.
Nov. 2021	The company was awarded “Outstanding performance in the implementation of circular economy”, by the Environmental Protection Administration.
Nov. 2021	The company was awarded “2021 excellent greenhouse gas reduction award” by the Industrial Bureau of the Ministry of Economic Affairs.
Dec. 2021	The Company was awarded the 2021 International Innovation Award

Year	Major Events
Jan. 2022	China Cement Association announced the 2021 China Top 100 Cement Clinker Capacity List, and Asia Cement (China) ranked 10th.
Jan. 2022	Sichuan Yadong received the "National Industrial Product Production License" issued by the Sichuan Provincial Administration for Market Regulation, valid until January 28, 2027
Jan. 2022	The Hualien Plant won the "Service and Solution" award at the "2021 International Innovation Summit" held by Enterprise Asia with the "ACTEC Artificial Intelligence Control System".
Feb. 2022	The Hualien plant has passed the consultative consent process and obtained 83% support from the Bsngan Tribe to continue mining at the Hsincheng quarry.
Mar. 2022	Jiangxi Yadong donated 1 million RMB to the Ruichang Red Cross for anti-epidemic work.
Apr. 2022	The Company ranks among the top 6%-20% of listed companies in "8th Corporate Governance Evaluation".
Apr. 2022	Jiangxi Yadong sponsored RMB 5 million in the 16th Jiangxi Provincial Games held in Jiujiang City in October 2022.
May 2022	Asia Cement (China) ranked 11th in the "Announcement on the 2022 Comprehensive Strength Ranking of China's Listed Cement Companies" issued by the China Cement Association.
Jun. 2022	The company and its subsidiary Yadong Ready Mix have both been awarded the "Net Zero Mark" certification by the Taiwan Net Zero Action Alliance, and are committed to implementing the 2050 net zero vision.
Jul. 2022	Asia Cement was awarded the "Corporate Sustainability Report Award" in the 2022 Asia Responsible Entrepreneurship Awards.
Jul. 2022	The Hualien plant awarded the "2021 Excellent Insurance Unit Award" from the Central Health Insurance Administration of the Ministry of Health and Welfare.
Jul. 2022	The Hualien Plant received a Certificate of Appreciation for "Assisting in the 2022 National Middle School Games".
Aug. 2022	The Company won the "Gold Award", the highest honor of the 2nd Taiwan Sustainable Action Award, for its "Sustainable Shore Power for Cement Ships".
Aug. 2022	The Company continued to win the Best Employer in Asia Award organized by "HR Asia".
Aug. 2022	Jiangxi Yadong participated in the "Fifth National Green Mining Development Conference and 2021 Green Mine Science and Technology Award Presentation" held by the Zhongguancun Green Mine Industry Alliance, and won the honorary medal of the "Second Prize for Major Projects" of the Green Mine Science and Technology Award.
Sep. 2022	The Hualien Plant won the "Outstanding Award" in the Product Award of the "Third Taiwan Circular Economy Award" by Chung-Hua Institution for Economic Research.
Sep. 2022	Jiangxi Yadong was invited to participate in the 2022 annual meeting held by the China Cement Association and the "Top Ten Mine" awarding event. The company's limestone quarry won the title of "Top Ten Quarry" in 2022.

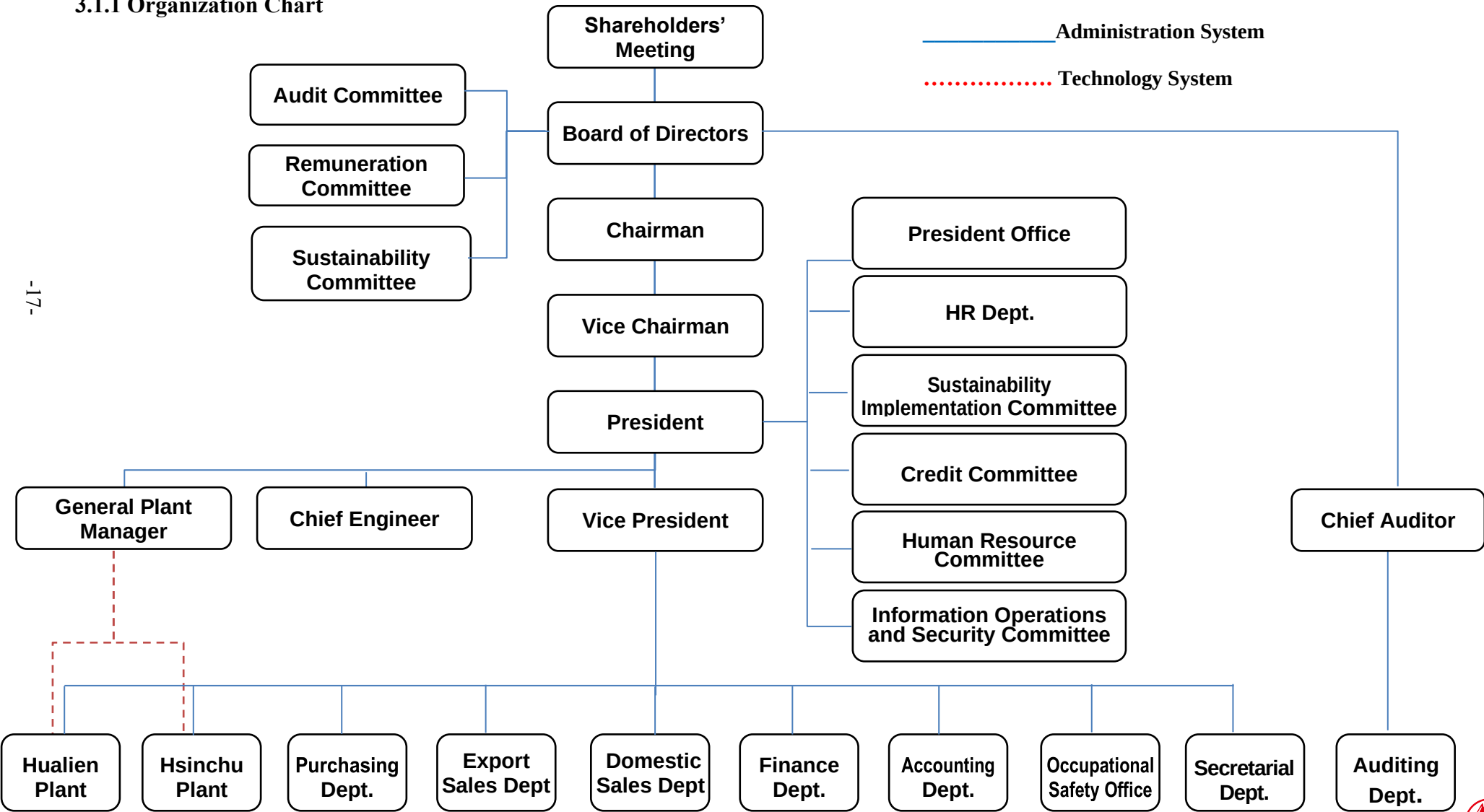
Year	Major Events
Sep. 2022	Sichuan Yadong donated RMB 1 million in the disaster area to Luding County, Ganzi Prefecture, Sichuan Province for the relief work of the magnitude 6.8 earthquake.
Sep. 2022	The Hualien Plant was awarded the "Occupational Safety and Health Management System Performance Review" certificate issued by the Occupational Safety and Health Administration of the Ministry of Labor, which is valid for three years (September 20, 2022 ~ September 19, 2025).
Oct. 2022	Asia Cement participates in the "R20 Regional Climate Action Organization" initiative, committing to net zero carbon reduction.
Nov. 2022	Asia Cement won six sustainability awards from 2022 GCSA and TCSA, including TCSA Taiwan Top 100 Sustainability Model Enterprise Award, Sustainability Report Platinum Award, Climate Leadership Award, and Social Inclusion Leader Award, as well as GCSA Excellent Case Award and Sustainability Report Bronze Award.
Nov. 2022	The Hualien Plant won the "2022 Industrial Greenhouse Gas Reduction Excellent Manufacturer Award" from the Bureau of Industry, Ministry of Economic Affairs. °
Dec. 2022	The Company won the "National Sustainable Development Award" issued by the National Sustainable Development Committee of the Executive Yuan, and is the only cement company that has ever received national recognition.
Dec. 2022	The Company won the "Learning Superstar Award" learning organization award of the 2022 Leader Campus Innovation Academy.
Mar. 2023	China Cement Network held the "2023 China Cement Industry Summit and TOP100 Awards Ceremony", and Asia Cement (China) ranked 10th.
Mar. 2023	The Hubei Yadong Quality Control Unit won the medal and certificate of the "All Excellence Award" in the 18th National Cement Chemical Analysis Comparison of "Meinuofu Cup" in 2022.
Apr. 2023	The Company ranks among the top 6%-20% of listed companies in "9th Corporate Governance Evaluation".
May 2023	The Company won the Award of the Environmentally Friendly Group of the 19th "Vision" ESG Corporate Sustainability Award for its "returning to the homeland, rediscovering the memory of the smell of the mountains and forests" project.

During the most recent fiscal year and the current fiscal year up to the date of printing of the annual report, there are no important events listed below impacting on the shareholders' equity of the Company: Mergers and acquisitions. To restructure affiliate companies. Large volume shares transferred or changed by directors, supervisors, or major shareholders who own more than 10% shareholding. Changes in the Company's management. Significant changes in business modes or business scope.

III Corporate Governance Report

3.1 Organization

3.1.1 Organization Chart



3.1.2 Major Corporate Functions

Company Organization with Functions of Risk Management

Department	Primary Functions
Auditing Dept.	Directly report to the Board of Directors. Major duties: 1.Fair presentation of the financial reports, 2.The hiring (and dismissal), independence, and performance of CPA, 3.The effective implementation of the internal control system, 4.Compliance with relevant laws and regulations, and 5.Management of the existing or potential risks.
Remuneration Committee	Directly report to the Board of Directors. Prescribe and periodically review the performance and remuneration policy for directors and managerial officers.
Sustainability Committee	Directly report to the Board of Directors. In charge of the guidance of promoting corporate sustainability and the supervision of implementing corporate sustainability policy, systems or related management principles, and periodically reporting to Board of Directors regarding the status of progression.
President Office	Assist ACC President to deal with daily affairs, plan operation strategies, and review the middle-term and long-term investment to reduce the risks resulting from improper decisions.
HR Dept.	Plan and implement HR policies to reduce relevant risks. HR Department is also responsible for promoting ethical management of the Company.
Sustainability Implementation Committee	Responsible for 1. Comply and disclose the information of corporate sustainability. 2. Plan and implement the corporate sustainability program. 3. Collect and submit the information of external assessment on corporate sustainability.
Credit Committee	Execute “Regulations for Managing Client’s Credit” enacted by the Company and take charge of risk control of account receivable.
Human Resource Committee	Review and advice to modify the Company’s organization structure, rules of personnel management, and other important human resource matters.
Information Operations and Security Committee	Responsible for reviewing internal information systems, office automation, network information, and information security protection measures on a quarterly basis, and providing tools related to operations, management, and decision-making to reduce information security and management risks.
Secretarial Dept.	Handle the affairs of general services, secretary, legal affairs, public relations, etc. Reinforce legal sense of employees to decrease the risks of violating law.
Occupational Safety Office	Responsible for occupational safety and health management, formulating policies and supervising related affairs to ensure safety of workers and reduce the risk and loss of occupational hazards.
Accounting Dept.	Handle all accounting matters including the costs, accounts, taxation to ensure management efficiency of the Company’s operation, the reliability of financial report, and the adherence of related accounting regulations to reduce company operation risks.
Finance Dept.	Responsible for financial operation strategy, investment strategy, financial management, and dividend strategy, as well as investor relationship in order to minimize financial exposure, uphold financial opportunity and maximize shareholders’ best interest.
Domestic Sales Dept.	Plan and implement domestic marketing strategy, credit customers, and identify market trends to achieve business goals and reduce relevant risks.
Export Sales Dept.	Plan and implement oversea marketing strategy, credit customers, and identify market trends to achieve business goals and reduce relevant risks.
Purchasing	Handle all purchasing and contract issuing matters, setting up hedging

Dept.	mechanism to cope with changes in raw materials prices and shortage of raw materials supply.
Hsinchu Plant Hualien Plant	Take charge of R&D, production technology, quality control, planning production policies in collaboration with sales strategies to reduce production risks.

3.1.3 Information Security Management

1. Information and communication security risk management framework, information and communication security policies, specific management plans and investment in information and communication security management resources:

The Company has set up an "Information Security Officer" in accordance with laws and regulations to coordinate information and communication security-related affairs and resources. At the same time, it has set up an "Information Security Unit" including an information security supervisor and two information security personnel to plan, monitor and implement information and communication security systems. , to ensure the ability of the enterprise to continue operating.

The Company's information security equipment is integrated into the Far Eastern Group's network architecture, with WAF, IDP, firewall, email protection, endpoint protection, etc., and risk assessment and vulnerability correction can be performed at any time through the SOC information security monitoring service.

The company's information unit has also established a number of internal control systems to effectively protect the company's information system from maintaining uninterrupted operations:

- (1) Practice the "Disaster Emergency Response Plan" once a year to ensure the resilience of important systems.
- (2) Information and communication security checks are carried out by external units every year to ensure the effectiveness of daily operations.
- (3) Quarterly check the sensitive authority and function conflicts of important systems to ensure the robustness of the system.
- (4) Execute the super user transaction inspection of important systems every month to ensure that there is no unauthorized access.

The Company has established "Asia Cement Personal Data Protection Management Measures" and "Asia Cement Computerized Information System Processing" in accordance with Articles 8 and 9 of the Regulations Governing Establishment of Internal Control Systems by Public Companies; in addition, the "Information and Communication Security Inspection Audit" has been incorporated into our 2022 and 2023 annual audit plans. The aforesaid measures have all been submitted to and approved by the Board of Directors.

Information security policy:

Our "Computerized Information System Processing" regulates the management system for various types of IT data and information in the process of output, use, and preservation. Besides, the "Regulations for Use of IT Equipment and Information Software by Employees", regulates various information security behaviors that employees must observe in carrying out their business.

Specific management plan:

A total of 20 inspections were carried out in 2022, including the "Information Security Audit" (once) "Information System Internal Control Self-assessment" (twice), "SAP Sensitive Permission Authorization and Function Conflict Anomaly Check" (quarterly) and "SAP Super User Sensitive Transaction Check" (monthly) performed each by an external unit and an internal audit unit. In 2023, it will be handled in a similar manner and will be reviewed at any time to ensure perfection.

2. No losses suffered due to major information security incidents in the most recent year and as of the date of publication of the annual report.

3.2 Directors and Management Team

3.2.1 Directors

2023.03.31

Title Name	Elected Date	Gender Age	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Experience (Education)	Other Position	Executives or Directors who are spouses or within two degrees of kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman Douglas Tong Hsu	2020.06.23	M >70	3	1975.04.28	23,278,334	0.66%	23,278,334	0.66%	6,352,467	0.18%	Honorary Doctor, Chiao Tung University Master of University of Notre Dame, Master of Economics, Columbia University	Chairman, Far Eastern New Century Corp. Chairman, Far Eastone Telecommunications Co., Ltd Chairman, Far Eastern Department Stores Ltd.	Director Director	Peter Hsu Johnny Shih	Sibling relatives by marriage
Director Tsai Hsiung Chang	2020.06.23	M >70	3	1981.04.24	459,350 *750,511,324	0.01% *21.16%	1,165,136 *750,511,324	0.03% *21.16%	110,877	0.00%	Mechanical Technology Section, National Central Industrial College (Chongqing)	Senior Advisor, Asia Cement (China) Holdings Corp.	-	-	-
Director Johnny Shih	2020.06.23	M >70	3	1984.04.25	453,745 *750,511,324	0.01% *21.16%	453,745 *750,511,324	0.01% *21.16%	6,159,993	0.17%	Master of Computer, Columbia University	Vice Chairman, Far Eastern New Century Corp. Vice Chairman, Oriental Union Chemical Corp.	Chairman Director	Douglas Tong Hsu Peter Hsu	relatives by marriage relatives by marriage
Director C.V. Chen	2020.06.23	M >70	3	1987.04.16	338,429 *750,511,324	0.01% *21.16%	338,429 *750,511,324	0.01% *21.16%	0	0%	S.J.D., Harvard University	Senior Partner, Lee and Li Attorneys-At-Law Chairman, Taipei European School	-	-	-
Director Chin-Der Ou	2020.06.23	M >70	3	2005.06.09	0 *3,849,468	0% *0.11%	0 *3,849,468	0% *0.11%	0	0%	Ph.D., Case Western Reserve University	Director, Taiwan Construction Research Institute	-	-	-
Director Kun Yen Lee	2020.06.23	M >70	3	2005.06.09	2,361,557 *1,895,136	0.07% *0.05%	3,333,557 *1,895,136	0.09% *0.05%	0	0%	Yi-Lan Elementary School	President, Asia Cement Corp. Director, U-Ming Marine Transport Corp.	-	-	-
Director Peter Hsu	2020.06.23	M >70	3	2002.06.07	13,454,981 *6,218,800	0.38% *0.18%	13,454,981 *6,218,800	0.38% *0.18%	0	0%	Master of Operations	Vice Chairman, Far Eastern New Century	Chairman	Douglas Tong Hsu	Sibling

Title Name	Elected Date	Gender Age	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Experience (Education)	Other Position	Executives or Directors who are spouses or within two degrees of kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
											Research, Stanford University Master of Information Science, UCLA	Corp. Director, Far Eastone Telecommunications Co., Ltd	Director	Johnny Shih	relatives by marriage
Director Chen Kun Chang	2020. 06.23	M >70	3	2011. 06.22	29,745 * 6,218,800	0.00% *0.18%	29,745 * 6,218,800	0.00% *0.18%	5,358	0.00%	Mechanical Section, National Taipei Institute of Technology	Vice CEO, Asia Cement (China) Holdings Corp.	-	-	-
Director Ruey Long Chen	2020. 06.23	M >70	3	2011. 06.22	0 *1,560,068	0% *0.04%	0 *1,560,068	0% *0.04%	0	0%	Bachelor of Economics, National Chung Hsing University	Chairman, China Petrochemical Industry Development Co., Ltd. Chairman, Sinocon Industrial Standards Foundation Chairman, Powerchip Technology Corp. Secretary General, Cross-Strait Entrepreneur Summit	-	-	-
Director Champion Lee	2020. 06.23	M >70	3	2002. 06.07	0 *181,566,797	0% 5.12%	0 *181,566,797	0% 5.12%	0	0%	Master of Business Administration, Texas A&I University	Director , Far Eastern New Century Corp. Director, U-Ming Marine Transport Corp.	-	-	-
Director Kwan-Tao Li	2020. 06.23	M >70	3	2002. 06.07	642,936 *1,505,585	0.02% 0.04%	642,936 *1,505,585	0.02% 0.04%	0	0%	Master, New York University	Chief Counselor, Lee and Li Attorneys-At-Law Director, Far Eastern New Century Corp. Director, Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation:	-	-	-
Independent Director Chi Schive	2020. 06.23	M >70	3	2014. 06.16	0	0%	0	0%	10,000	0.00%	PhD. in Economics, Case Western Reserve University Former	Chair Professor, Soochou University	-	-	-

Title Name	Elected Date	Gender Age	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Experience (Education)	Other Position	Executives or Directors who are spouses or within two degrees of kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
											Chairman, Taiwan Stock Exchange				
Independent Director Gordon S. Chen	2020.06.23	M 60~69	3	2014.06.16	0	0%	0	0%	0	0%	PhD. in Business Administration, National Taiwan University Former Chairman, Financial Supervisory Commission	Chairman, Central Investment Corp.	-	-	-
Independent Director Yun-Pen Chu	2020.06.23	M 60~69	3	2020.06.23	0	0%	0	0%	0	0%	PhD in Economics, University of Maryland Councilor of the Executive Yuan Chairman of the Insurance Stability Fund	Chair Professor, School of Mass Data Management, Soochow University Part-time researcher at Central University Taiwan Economic Development Research Center	-	-	-

Note 1: Information on Directors that are Representatives of Institutional Investors:

Representatives of Far Eastern New Century Corp.:	Director Tsai Hsiung Chang, Johnny Shih, C.V. Chen
Representative of Bai-Yang Investment Holdings Corp.:	Director Chin-Der Ou
Representative of Yue Ding Industry Co., Ltd.:	Director Kun Yen Lee
Representatives of Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation:	Director Peter Hsu, Chen Kun Chang
Representative of Ta Chu Chemical Fiber Co., Ltd:	Director Ruey Long Chen
Representative of Far Eastern Medical Foundation:	Director Champion Lee
Representative of U-Ming Corp.:	Director Kwan-Tao Li

Note 2: “*” indicates the number of shares held by Institutional Investors respectively represented by directors listed above.

Note 3: The shareholding excludes the shareholding that the trustor retains the power to decide the allocation of the trust fund.

Note 4: There is no director holding shares in the name of other person.

Note 5: All Directors are Taiwanese Citizens. The chairman and CEO of the Company is not the same person, nor kinship.

The First and Most Recent Date for Institutional Investors Elected as Directors (Based on the Annual Reports of the Company)

Title	Name of the Institutional Investors	First Date Elected	Most Recent Date Elected
Directors	Far Eastern New Century Corp	1987.04.16	2020.06.23
	Bai-Yang Investment Holdings Corp.	2001.05.16	2020.06.23
	Yue Ding Industry Co., Ltd.	2005.06.09	2020.06.23
	Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation	2005.06.09	2020.06.23
	Huey Kang Investment Corp.	2008.06.17	2020.06.23
	Ta Chu Chemical Fiber Co., Ltd.	2011.06.22	2020.06.23
	Far Eastern Medical Foundation	1987.04.16	2020.06.23
	U-Ming Corp.	1993.05.07	2020.06.23

3.2.2 Major Shareholders of the Institutional Shareholders

2022.12.31

Name of Institutional Shareholder	Major Shareholders of the Institutional Shareholders	%
Far Eastern New Century Corporation	Asia Cement Corporation	23.77
	Asia Eastern University of Science and Technology	4.81
	Far Eastern Medical Foundation	3.61
	Far Eastern Memorial Foundation	3.42
	Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF	3.12
	Yuan-Ze University	2.74
	Yuanta/P-shares Taiwan Dividend Plus ETF	2.41
	Douglas Tong Hsu	1.71
	Chunghwa Post Co., Ltd.	1.61
	Der Ching Investment Corp.	1.55
Bai Yang Investment Corp.	Far Eastern Department Stores Co., Ltd.	100.00
Yue Ding Industry Co.,Ltd.	Fu Da Transportation Co., Ltd.	26.95
	Yue-Tung Investment Corp.	25.36
	An Ho Garment Co., Ltd.	15.66
	Ding Yuan International Investment Corp.	13.20
	Ton Fu Investment Corp.	4.61
	Ta Chu Chemical Fiber Co., Ltd.	3.89
	Ya Li Precast Prestressed Concrete Industries Corp.	3.89
	Yuan Ding Co., Ltd.	2.59
	Bai Ding Investment Co., Ltd.	2.31
	Yu Ming Trading Corp.	1.53
	Far Eastern Apparel Co., Ltd.	0.01
Far Eastern Y. Z. Hsu Science and Technology Memorial Foundation	Far Eastern International Bank	25.00
	Far Eastern New Century Corporation (Original from Far Eastern Textile Ltd.)	23.00
	Asia Cement Corporation	18.00
	Far EasTone Telecommunications Co., Ltd	8.00
	Far Eastern Department Stores Co.,Ltd.	8.00
	U-Ming Marine Transport Corp.	4.00
	Oriental Union Chemical Corp.	4.00
	Yuan Ding Investment Company	2.00
	Oriental Securities Co., Ltd.	2.00
Ta Chu Chemical Fiber Co.,Ltd.	Yuan Ding Investment Company	41.86
	Yue Ding Industry Co., Ltd.	38.76
	Yue-Lee Investment Company	19.38
Far Eastern Medical Foundation	Y. Z. Hsu (deceased)	76.90
	He Zongyan (deceased)	2.31
	Wang Shu-peng (deceased)	2.31
	Hsu Wei Yuan (deceased)	2.31
	Huang Ying Chung (deceased)	2.31

Name of Institutional Shareholder	Major Shareholders of the Institutional Shareholders	%
	Douglas Tong Hsu	2.31
	Laurence M. Yang (deceased)	2.31
	John Hsu	2.31
	Johnny Shih	2.31
	S.S. Hsu (deceased)	2.31
	Yu Wei San	2.31
U-Ming Corp.	Far Eastern Department Stores Co., Ltd.	100.00

3.2.3 Major Shareholders of the Major Shareholders That Are Juridical Persons

2022.12.31

Name of Juridical Person	Major Shareholders of the Juridical Person	%
Asia Cement Corporation	Far Eastern New Century Corporation	21.16
	Far Eastern Medical Foundation	5.12
	Yuanta/P-shares Taiwan Dividend Plus ETF	3.07
	China Life Insurance Co., Ltd.	2.43
	Labor Pension Fund Committee of Far Eastern New Century Corporation	1.63
	Yuan Ding Investment Company	1.53
	Far Eastern Department Stores Co., Ltd.	1.41
	Yuan-Ze University	1.34
	Far Eastern Memorial Foundation	1.24
	Yu Yuan Investment Co., Ltd.	1.22
Asia Eastern University of Science and Technology	Asia Cement Corporation	50.00
	Far Eastern New Century Corporation (Original from Far Eastern Textile Ltd.)	50.00
Far Eastern Medical Foundation	Y. Z. Hsu (deceased)	76.90
	He Zongyan (deceased)	2.31
	Wang Shu-peng (deceased)	2.31
	Hsu Wei Yuan (deceased)	2.31
	Huang Ying Chung (deceased)	2.31
	Douglas Tong Hsu	2.31
	Laurence M. Yang (deceased)	2.31
	John Hsu	2.31
	Johnny Shih	2.31
	S.S. Hsu (deceased)	2.31
	Yu Wei San	2.31
Far Eastern Memorial Foundation	Y. Z. Hsu (deceased)	50.00
	Hsu Yi Chu	50.00
Yuan-Ze University	U-Ming Marine Transport Corp.	55.21
	Far Eastern Medical Foundation	26.05
	Far Eastern New Century Corporation (Original from Far Eastern Textile Ltd.)	5.52
	Fu Ming Transportation Co., Ltd.	5.25
	Far Eastern Memorial Foundation	4.91
	Asia Cement Corporation	2.76
	Connie Hsu (deceased)	0.28
	Y. Z. Hsu (deceased)	0.01
	Yu Chao-Chung (deceased)	0.01
Chunghwa Post Co., Ltd.	Ministry of Transportation and Communications	100.00
Der Ching Investment Corp.	Asia Cement Corporation	99.99
	Asia Investment Corp.	0.01
Far Eastern Department Stores Co.,Ltd.	Far Eastern New Century Corporation	17.06
	Yuan Ding Investment Co., Ltd.	9.87

Name of Juridical Person	Major Shareholders of the Juridical Person	%
	Asia Cement Corporation	5.65
	Yuan Tong Investment Co., Ltd.	5.62
	Yuan-Ze University	4.75
	PJ Asset Management Co., Ltd.	4.52
	Chia Yuan Investment Company	2.57
	The committee of Employee Pension Fund of Far Eastern Department Stores Co., Ltd.	2.11
	Yu Yuan Investment Co., Ltd.	2.06
	Tranquil Enterprise Ltd.	2.04
Fu Da Transportation Co., Ltd.	Fu Ming Transportation Co., Ltd.	99.97
	Asia Investment Corp.	0.03
Yue-Tung Investment Corp.	U-Ming Marine Transport Corp.	73.54
	U-Ming Marine Transport (Singapore) Private Ltd.	26.46
An Ho Garment Co., Ltd.	Far Eastern New Century Corporation	100.0
Ding Yuan International Investment Corp.	Far Eastern New Century Corporation	100.0
Ton Fu Investment Corp.	Oriental Union Chemical Corp.	100.0
Ta Chu Chemical Fiber Co., Ltd.	Yuan Ding Investment Company	41.86
	Yue Ding Industry Co., Ltd.	38.76
	Yue-Lee Investment Company	19.38
Ya Li Precast Prestressed Concrete Industries Corp.	Asia Cement Corporation	83.94
	Far-Eastern Construction Engineering Co.,Ltd.	16.03
Yuan Ding Co.,Ltd.	Far Eastern New Century Corporation	37.13
	Asia Cement Corporation	35.50
	Der Ching Investment Corp.	14.50
	Yuan Ding Investment Company	12.86
	Yu Ming Trading Corp.	0.002
	Far Eastern Department Stores Co., Ltd.	0.001
Bai Ding Investment Corp.	Far Eastern Department Stores Co., Ltd.	66.66
	Bai Yang Investment Corp.	33.34
Yu Ming Trading Corp.	Bai Ding Investment Co., Ltd	47.00
	Yuan Ding Investment Company	45.50
	Yue Ding Industry Co., Ltd.	5.00
	Yuan Ding Co., Ltd.	1.00
	Ding & Ding Management Consultants Co., Ltd	1.00
Far Eastern Apparel Co., Ltd.	Far Eastern New Century Corporation	100.00
Far Eastern International Bank	Yu Yuan Investment Co., Ltd.	4.83
	Yue Li Investment Corp.	4.28
	Asia Investment Corp.	3.93
	Der Ching Investment Corp.	3.93

Name of Juridical Person	Major Shareholders of the Juridical Person	%
	Yue-Tung Investment Corp.	3.80
	Special Account for trust property of Far Eastern International Bank employee in custody of FEIB	3.77
	Yuan Ding Investment Co., Ltd.	3.47
	Kai Yuan International Investment Co., Ltd.	3.13
	Yuan Tong Investment Co., Ltd.	3.12
	Ding Yuan International Investment Corp.	2.58
Far Eastern New Century Corporation	Asia Cement Corporation	23.77
	Asia Eastern University of Science and Technology	4.81
	Far Eastern Medical Foundation	3.61
	Far Eastern Memorial Foundation	3.42
	Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF	3.12
	Yuan-Ze University	2.74
	Yuanta/P-shares Taiwan Dividend Plus ETF	2.41
	Douglas Tong Hsu	1.71
	Chunghwa Post Co., Ltd.	1.61
	Der Ching Investment Corp.	1.55
Far EasTone Telecommunications Co., Ltd	Yuan Ding Investment Co., Ltd.	32.73
	Cathay Life Insurance Co., Ltd.	7.09
	Shin Kong Life Insurance Co., Ltd.	7.04
	Asia Cement Corporation	5.66
	Yuan Tong Investment Co., Ltd.	3.08
	Chunghwa Post Co., Ltd.	2.78
	Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF	2.39
	Labor Pension Fund (the New Fund)	1.83
	An Ho Garment Co., Ltd.	1.25
	Taiwan Life Insurance Co, Ltd.	1.12
U-Ming Marine Transport Corp.	Asia Cement Corporation	39.25
	Yuanta/P-shares Taiwan Dividend Plus ETF	4.68
	Fubon Taiwan High Dividend 30 ETF	1.13
	Yuan Ding Investment Co., Ltd.	1.05
	Yu Yuan Investment Co., Ltd.	0.94
	Asia Investment Co., Ltd.	0.92
	Ya Li Transportation Corporation	0.75
	JPMorgan Chase Bank N.A. Taipei Branch in Custody for Vanguard Emerging Markets Stock Index Fund Investor Shares	0.72
	Investment Account of Japan Securities Finance Co., Ltd. managed by Chase Bank	0.71

Name of Juridical Person	Major Shareholders of the Juridical Person	%
	JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	0.66
Oriental Union Chemical Corp.	Far Eastern New Century Corporation	9.17
	Yuan Ding Investment Company	8.00
	Asia Cement Corporation	7.20
	Yuan Tong Investment Co., Ltd	5.64
	Yu Yuan Investment Co., Ltd	3.75
	Kai Yuan International Investment Co., Ltd.	3.67
	Ding Yuan International Investment Co., Ltd.	3.09
	Ding Shen Investment Co., Ltd.	1.81
	Labor Pension Fund Committee of Far Eastern New Century Corporation	1.39
	An Ho Garment Co., Ltd.	1.26
Yuan Ding Investment Company	Far Eastern New Century Corporation	99.40
	Ta Chu Chemical Fiber Co.,Ltd.	0.30
	An Ho Garment Co.,Ltd.	0.30
Oriental Securities Co., Ltd.	Yuan Ding Investment Company	25.96
	Far Eastern Department Stores Co.,Ltd.	19.66
	Far Eastern New Century Corporation	19.65
	Asia Cement Corporation	18.93
	Bai Ding Investment Co., Ltd.	13.61
	An Ho Garment Co.,Ltd.	1.21
	Ta Chu Chemical Fiber Co.,Ltd.	0.51
	Douglas Tong Hsu	0.09
	Shaw Y. Wang	0.07
	Fan Yu Chen	0.03
Yue Ding Industry Co.,Ltd.	Fu Da Transportation Co., Ltd.	26.95
	Yue-Tung Investment Corp.	25.36
	An Ho Garment Co., Ltd.	15.66
	Ding Yuan International Investment Corp.	13.20
	Ton Fu Investment Corp.	4.61
	Ta Chu Chemical Fiber Co., Ltd.	3.89
	Ya Li Precast Prestressed Concrete Industries Corp.	3.89
	Yuan Ding Co., Ltd.	2.59
	Bai Ding Investment Co., Ltd.	2.31
	Yu Ming Trading Corp.	1.53
Yue-Lee Investment Company	U-Ming Marine Transport Corp.	68.18
	U-Ming Marine Transport (Singapore) Private Ltd.	31.82

3.2.4 Information on Directors

1. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and the Independence of Independent Directors:

Qualification Name	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Douglas Tong Hsu	Specialties: business management, leadership decision-making, business economics Experience: Chairman of Far Eastern New Century, Asia Cement, Oriental Union Chemical, Uming Marine, Far Eastern Department Store, Far Eastone and Vice Chairman of Far East Bank	Not applicable.	0
Tsai Hsiung Chang	Specialties: business management, leadership decision-making, industry knowledge Experience: General Manager of Asia Cement, Senior Manager of Asia Cement (China) Holding Company, Director of Uming Marine.		0
Johnny Shih	Specialties: business management, leadership decision-making, industry knowledge Experience: Vice Chairman of Far East New Century, Chairman of Everest Textile, Vice Chairman of Oriental Union Chemical, Director of CTCI		0
C.V. Chen	Specialties: Legal, business management, public welfare Experience: Senior Partner of Lee & Li Law Firm, Chairman of Taipei European School, Consultant of the Executive Yuan, Chairman of the International Law, Chairman of the Red Cross		0
Kun Yen Lee	Specialties: Business management, leadership decision-making, industry knowledge Experience: President of Asia Cement, Supervisor of Far East New Century, Director of Uming Marine.		0
Peter Hsu	Specialties: Business management, leadership decision-making, information technology Experience: Vice Chairman of Far Eastone Telecom, Director of Far East New Century, Director of Uming Marine		0
Chen Kun Chang	Specialties: Business management, industrial knowledge, engineering construction Experience: Director of Asia Cement, CEO of Asia Cement (China) Holdings Corporation		0
Ruey Long Chen	Specialties: Economics, Business management, leadership decision-making Experience: Minister of Economy, Chairman of China Petrochemical Industry Development Co., Ltd., Chairman of Sinocon Foundation, Secretary General of Cross-Strait CEO Summit		0
Champion Lee	Specialties: Business Management, Financial		2

	Accounting, Business Economics Experience: Director of Far EasTone Telecom and Uming Marine, Senior Vice President of Far East New Century		
Chin-Der Ou	Specialties: Civil Engineering, Leadership Decision-Making, Industry Knowledge Experience: Chairman of the Public Construction Commission, Deputy Mayor of Taipei City, Chairman of Taipei Smart Card Company, CEO and Chairman of Taiwan High Speed Rail.		0
Kwan-Tao Li	Specialties: Legal, Intellectual Property, Business Management, Public Welfare Experience: Special Chief Senior Consultant of Lee & Li Law Firm, Chairman of Far Eastern Memorial Foundation		0
Chi Schive	Specialties: Economics, Economic Development, Industrial Organization Experience: Minister without Portfolio, Chairman of the Taiwan Stock Exchange, President of the Taiwan Financial Research Institute	All of the following situations apply to each and every of the Independent Directors: 1. Satisfy the requirements of Article 14-2 of “Securities and Exchange Act” and “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” issued by Taiwan’s Securities and Futures Bureau. 2. Received no compensation or benefits for providing commercial, legal, financial, accounting services or consultation to the Company or to any its affiliates within the preceding two years, and the service provided is either an “audit service” or a “non-audit service”. 3. Shareholding of the Company’s shares of Independent Director (or nominee arrangement) as well as his/her spouse and minor children: Independent Director Chi Schive: 10,000 shares by his spouse and minor children.	3
Gordon S. Chen	Specialties: Business Economics, Economic Development, Industrial Organization Experience: Chairman of Taiwan Stock Exchange, Chairman of Taiwan Financial Research Institute and Chairman of Corporate Governance Association		2
Yun-Pen Chu	Specialties: Business Economics, Economic Development, Industrial Organization Experience: Minister without Portfolio, Executive Yuan Fair Trade Committee Member, Chairman of Insurance Stability Fund		2

* No director is subject to any of the provisions of Article 30 of the Company Act.

2. Diversity and independence of the board of directors:

(1) Diversity of the Board of Directors:

The 12rd meeting of the 27th board of directors of the Company on November 9, 2022 adopted the "Code of Corporate Governance" and formulated a diversity policy in Chapter 3 "Strengthening the Functions of the Board of Directors". In addition, in 2021, the shareholders' meeting passed the amendment to the "Director Election Rules", and detailed the policy of diversification of the composition of the board of directors in Article 3.

The nomination and election of the board of directors of the Company follows the provisions of the company's Articles of Incorporation and adopts the candidate nomination system. In addition to evaluating the education and experience qualifications of each candidate, it also refers to the opinions of stakeholders, and abides by the "Director Election Rules" and "the Code of Corporation Governance" to ensure the diversity and independence of directors.

Director's professional goals and implementation status:

- A. At least 6 directors with business judgment ability and 5 directors with industry knowledge are selected:

In this year, there are 10 directors with business judgment ability and 7 directors with industry knowledge, achieving the set goals.

- B. Among the directors, the number of independent directors accounts for more than 20%, and the number shall not be less than 3, and shall not be less than one-fifth of the number of directors:

The percentage of independent directors is 21%, which is higher than 20% of directors to achieve the set goals.

The ratio of directors served as employees is 21%.

71% of directors have business judgment ability, 50% have financial and accounting expertise, 22% have legal and business expertise, and 50% have industry knowledge expertise.

For members in the 27th board of directors, Douglas Tong Hsu, Tsai Hsiung Chang, Johnny Shih, Kun Yen Lee, Peter Hsu, Champion Lee, Chen Kun Chang are good at leadership, business judgment, management, crisis management, and have industry knowledge and international market views. C.V. Chen and Kwan-Tao Li specialize in legal affairs and business management. Ruey Long Chen served as Minister of Economic Affairs. Chin-Der Ou served as the deputy mayor of Taipei City. Chi Schive and Gordon S. Chen are expert at administrative and financial affairs. Yun-Pen Chu was Minister without Portfolio of the Executive Yuan. The directors of the Company have management, business judgment and relevant industry knowledge, and their academic experience includes law, finance, economics, computer, manufacturing, etc. The company will continue to evaluate the diversity of directors and continue to implement the diversity policy.

The Company's re-election of directors at the shareholders' meeting in 2023 will aim at rejuvenation.

Future goals:

- A. Increase the ratio of independent directors to 33%:

Current ratio is 21%.

B. Increase female director seats:

Currently there is no female director.

Implementation status:

After the re-election of the shareholders' meeting in 2023, the targets will be achieved.

Diversity and Independence of the Board of Directors:

Name	Gender	Age	Serving as employee	Tenure Length of independent director	Director Diversity and Competence							
					Business Judgment	Management	Finance & Accounting	Legal & Business	Crisis Management	Industrial Knowledge	International Market Outlook	Leadership
Douglas Tong Hsu	M	>70			V	V	V	V	V	V	V	V
Tsai Hsiung Chang	M	>70	V		V	V	*	V	V	V	V	V
Johnny Shih	M	>70			V	V	V	V	V	V	V	V
C.V. Chen	M	>70			V	V	*	V	V	V	V	V
Chin-Der Ou	M	>70			V	V	*	V	V	V	V	V
Kun Yen Lee	M	>70	V		V	V	*	V	V	V	V	V
Peter Hsu	M	>70			V	V	*	V	V	V	V	V
Chen Kun Chang	M	>70	V		V	V	*	V	V	V	V	V
Ruey Long Chen	M	>70			V	V	V	V	V	V	V	V
Champion Lee	M	>70			V	V	V	V	V	V	V	V
Kwan-Tao Li	M	>70			V	V	*	V	V	V	V	V
Chi Schive	M	>70		6~9	V	V	V	V	V	V	V	V
Gordon S. Chen	M	60~69		6~9	V	V	V	V	V	V	V	V
Yun-Pen Chu	M	60~69		<3	V	V	V	V	V	V	V	V

* is referred to possessing partial ability.

All Directors are Taiwanese Citizens. For the education and experience of directors, as well as their other positions, please refer to section 3.2.1.

(2) Independence of the Board of Directors:

The current board of directors consists of 14 directors, including 3 independent directors, accounting for 21% of the total number of directors. Among the 14 directors, 11 have no relatives within the second degree. None of the three independent directors have kinship relationships with other directors. Please refer to the director's information for the relationship between the directors in section 3.2.1.

*** The Company elected 3 independent directors, Chi Schive, Gordon S. Chen and Yun-Pen Chu on the Shareholders' Meeting on June 23, 2020.**

3.2.5 Management Team

Title	Name	Gender	Effective Date	Shareholding		Spouse & Minor Shareholding		Experience(Education)	Other Title
				Shares	%	Shares	%		
President	Kun Yen Lee	Male	2000.08.01	3,333,557	0.0940	0	0	Chairman of Ya Tung Ready-Mixed Concrete Co., LTD	Director, U-Ming Marine Transport Corp.
Executive Vice President	Doris Wu	Female	2016.04.01	180,000	0.0051	0	0	Bachelor degree in Accounting, California State University	Director, Oriental Securities Investment Advisory Co., Ltd
Vice President	C.M. Chen	Male	2007.07.01	39,801	0.0011	68,596	0.0019	Bachelor degree in International Trade, Tamkang University	Director, Ya Tung Ready-Mixed Concrete Co., LTD
Vice President & General Plant Manager	Z.P. Chang	Male	2009.07.01	33,999	0.0010	53,588	0.0015	Bachelor degree in Electrical Engineering, National Taiwan University	Director, Asia Engineering Co.
Vice President	T.L. Yu	Male	2019.01.01	122,202	0.0034	98	0.0000	Bachelor degree in Business Administration, University of the Philippines	Director, Yu Yuan Investment Co., Ltd
Deputy Chief Auditor	W.H. Yeh	Male	2013.10.16	0	0	0	0	Bachelor degree in Accounting, Soochow University	Supervisor, Nan Hwa Cement Corp.
Special Assistant of President Office	T.M. Chen	Male	2011.01.01	147,268	0.0042	0	0	Bachelor degree in sociology, National Taiwan University	Director, Yu Yuan Investment Co., Ltd
Assistant Vice President	H.Y. Kao	Female	2013.10.16	832	0	467	0	Bachelor degree in Accounting, Soochow University	Director, Der Ching Investment Corp.
Assistant Vice President of Finance Dept.	Dana Lee	Female	2019.03.01	0	0	0	0	Master degree in Business Administration,, Soochow University	Supervisor, Ya Li Transportation Corp.
Assistant Vice President of Finance Dept.	Karen Yang	Female	2019.03.01	8,971	0.0003	0	0	Master degree in Business Administration, Pace University USA	Supervisor, Der Ching Investment Corp.

Title	Name	Gender	Effective Date	Shareholding		Spouse & Minor Shareholding		Experience(Education)	Other Title
				Shares	%	Shares	%		
Assistant Vice President of Secretarial Dept.	C.Y. Wang	Male	2021.01.01	0	0	0	0	PhD, University of Frankfurt, Germany	-
Assistant Vice President of Finance Dept.	Y.P. Lee	Female	2021.11.01	0	0	0	0	Bachelor degree in Accounting, National Chengchi University	-
Manager of Domestic Sales Dept.	C.H. Chung	Male	2018.09.01	0	0	0	0	Master degree in International Business Administration, Da Yeh University	Director, China Hi-Ment Corporation
Manager of Export Sales Dept.	Gary Lee	Male	2018.09.01	0	0	0	0	Master degree in International business, Soochow University	Director, Asia Cement (Singapore) Pte Ltd
Manager of the Hsinchu Plant	M.H. Jiang	Male	May 22,2022	0	0	0	0	Bachelor degree in Mechanical Engineering, National Taiwan Institute of Technology	-

* Vice President W.K. Chou retired on Jan. 1, 2023.

* There is no manager holding shares in the name of any other person.

* Managers are spouse or within second- degree of consanguinity to each other: None.

* All managers are Taiwanese citizens.

1. Remuneration of Directors

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Director	Chin-Der Ou																			
Director	U-Ming Corp Representative: Kwan-Tao Li																			
Independent Director	Chi Schive Gordon S. Chen Yun-Pen Chu	0	0	0	0	6,400	6,400	400	400	6,800 0.057%	6,800 0.057%	0	0	0	0	0	0	6,800 0.057%	6,800 0.057%	0

* In addition to the above remuneration, director remuneration received from companies included in the consolidated financial statements in the most recent year to compensate directors for their services, such as being independent contractors: None.

* Please refer to Consolidated Operational Report for the list of All Companies.

* Pensions funded according to applicable laws.

* No stock bonus, warrant, or restricted stock awards for employees have been distributed from ACC and all companies listed in consolidated operational report.

* Director Tsai Hsiung Chang is assigned one vehicle. The monthly rental is NT\$ 46,200, and the annual remuneration of the driver is about NT\$ 700,000.

* Director and President Kun Yen Lee is assigned one vehicle. The monthly rental is NT\$ 50,300, and the annual remuneration of driver is about NT\$ 700,000.

* Within recent two fiscal years, all ACC directors' remuneration accounted for 1.251% and 1.536 of ACC net income. Total directors' remuneration paid by all companies listed in consolidated operational report accounted for 1.363% and 1.660% of net income received from those companies.

Classification of Remuneration Paid to ACC Directors	Name of Directors			
	A+B+C+D (Please refer to listed information above)		A+B+C+D+E+F+G (Please refer to listed information above)	
	ACC	All companies listed in Consolidated Operational Report	ACC	All companies listed in Consolidated Operational Report
Under NT\$1,000,000	Yue Ding Industry Co., Ltd., Chen Kun Chang, Ruey Long Chen, Champion Lee, Chin-Der Ou	Yue Ding Industry Co., Ltd., Ruey Long Chen, Champion Lee, Chin-Der Ou	Yue Ding Industry Co., Ltd., Chen Kun Chang, Ruey Long Chen, Champion Lee, Chin-Der Ou	Yue Ding Industry Co., Ltd., Ruey Long Chen, Chin-Der Ou
NT\$1,000,000~NT\$2,000,000	C.V. Chen, Kwan-Tao Li	Chen Kun Chang, C.V. Chen, Kwan-Tao Li	C.V. Chen, Kwan-Tao Li	C.V. Chen
NT\$2,000,000~NT\$3,500,000	Chi Schive, Gordon S. Chen, Yun-Pen Chu	Chi Schive, Gordon S. Chen, Yun-Pen Chu	Chi Schive, Gordon S. Chen, Yun-Pen Chu	Kwan-Tao Li, Chi Schive, Gordon S. Chen, Yun-Pen Chu
NT\$3,500,000~NT\$5,000,000	-	-	-	Chen Kun Chang
NT\$5,000,000~NT\$10,000,000	Bai-Yang Investment Holdings Corp, Ta Chu Chemical Fiber Co.,Ltd, Far Eastern Y.Z.Hsu Science and Technology Memorial Foundation, U-Ming	Bai-Yang Investment Holdings Corp, Ta Chu Chemical Fiber Co.,Ltd, Far Eastern Y.Z.Hsu Science and Technology Memorial Foundation, U-Ming	Bai-Yang Investment Holdings Corp, Ta Chu Chemical Fiber Co.,Ltd, Far Eastern Y.Z.Hsu Science and Technology Memorial Foundation, U-Ming	Champion Lee, Bai-Yang Investment Holdings Corp, Ta Chu Chemical Fiber Co.,Ltd, Far Eastern Y.Z.Hsu Science and Technology Memorial

	Corp, Far Eastern Medical Foundation	Corp, Far Eastern Medical Foundation	Corp, Far Eastern Medical Foundation	Foundation, U-Ming Corp, Far Eastern Medical Foundation
NT\$10,000,000~NT\$15,000,000	Tsai Hsiung Chang, Johnny Shih, Peter Hsu	Tsai Hsiung Chang, Peter Hsu	Johnny Shih, Peter Hsu	-
NT\$15,000,000~NT\$30,000,000	Kun Yen Lee, Far Eastern New Century Corp.	Kun Yen Lee, Johnny Shih, Far Eastern New Century Corp.,	Tsai Hsiung Chang, Kun Yen Lee, Far Eastern New Century Corp.	Tsai Hsiung Chang, Kun Yen Lee, Far Eastern New Century Corp.
NT\$30,000,000~NT\$50,000,000	Douglas Tong Hsu	Douglas Tong Hsu	Douglas Tong Hsu-	Johnny Shih
NT\$50,000,000~NT\$100,000,000	-	-	-	Peter Hsu,
Over NT\$100,000,000	-	-	-	Douglas Tong Hsu
Total	21	21	21	21

2. Relevant information on the remuneration of Directors, President and Vice President:

A. The Comparison of the percentage of remuneration paid to directors, President, and Vice Presidents in last 2 years:

Item Title	The Company				All companies in the consolidated statement			
	2021		2022		2021		2022	
	Total	Percentage of net income after tax	Total	Percentage of net income after tax	Total	Percentage of net income after tax	Total	Percentage of net income after tax
Directors	168,790	1.211%	165,913	1.381%	182,515	1.211%	177,518	1.477%
Independent Directors	6,800	0.045%	6,800	0.057%	6,800	0.045%	6,800	0.057%
President, Vice Presidents	37,592	0.253%	35,094	0.292%	38,168	0.253%	36,302	0.302%
Net income after tax	15,068,221	1.509%	12,016,396	1.73%	15,068,221	1.509%	12,016,396	1.836%

The remuneration of directors and independent directors in 2022 decreased compared to 2021, which is due to the decrease in Net income after tax in 2022; the total remuneration of the president and vice president also decreased compared with 2021, due to the decrease in the total amount of employee remuneration paid in 2022 .

B. Policies, Standards, Composition, and Procedures for Remuneration Determination, and the Relationship with Business Performance and Future Risks:

The policies, standards, composition, and procedures for remunerating directors, president, and vice president (hereinafter referred to as "executives") and the link between performance evaluation and remuneration, as well as the association with future risks, are as follows:

a. Policies, Standards, and Composition of Remuneration:

Directors: The remuneration for directors is determined according to the company's articles of incorporation and is approved by the Remuneration Committee and the Board of Directors before being reported in the annual shareholders' meeting in compliance with the law. The director's remuneration includes compensation (salary, bonuses, etc.), rewards (allocated based on annual profits as stipulated in Article 25 of the company's articles of incorporation), and business expenses (travel expenses), considering the remuneration standards of peers. Independent directors receive fixed compensation.

Executives: The remuneration for executives includes salary, various bonuses, special allowances, retirement fund contributions, and employee compensation. The salary is determined based on factors such as job responsibilities, external salary surveys conducted by professional consulting firms, and market salary levels that reflect performance. Various bonuses are related to the company's operational profitability as stipulated in the company's bonus regulations. Retirement fund contributions are made in accordance with the law. Employee compensation is allocated based on profits as stipulated in Article 25 of the company's articles of incorporation and is approved by the Remuneration Committee and the Board of Directors before being reported in the annual shareholders' meeting in compliance with the law.

b. Procedures for Remuneration Determination: Directors:

According to Article 25 of the company's articles of incorporation, if there is a profit for the year, director remuneration should be allocated not exceeding 2.5% of the profit. The actual distribution ratio, amount, and method of director remuneration are determined by the board of directors and reported to the shareholders' meeting. The allocation of director remuneration may consider the representative equity of each director, taking into account their contribution to the company's operations. Furthermore, according to the organization regulations of the Remuneration Committee, the responsibilities of the committee include regularly reviewing and evaluating the performance assessment and remuneration policies, systems, standards, and structures of directors and executives. Executives: According to Article 25 of the company's articles of incorporation, if there is a profit for the year, employee compensation should be allocated between 0.1% and 4% of the profit. The actual distribution ratio and amount of employee compensation are determined by the board of directors and reported to the shareholders' meeting. The criteria, disbursement dates, and conditions for the distribution of employee compensation are implemented in accordance with the company's employee compensation regulations.

c. Performance Evaluation and Linkage with Remuneration:

Directors: The procedures for determining remuneration are based on the company's "Director Performance Evaluation Guidelines." The

remuneration for directors is determined by considering their level of participation and the results of performance evaluations (such as their dedication to company affairs, communication with the management team on future development strategies, discussions on creating ESG management performance, professional expertise and continuous education of directors, and attendance rates, etc.). Additionally, according to the organization regulations of the Remuneration Committee, the committee is responsible for regularly reviewing and evaluating the performance assessment of directors and executives, as well as the policies, systems, standards, and structures of their remuneration.

Executives: Employee compensation is implemented according to the company's employee compensation regulations, which cover the achievement of company operational profit goals and individual annual targets. Company goals include financial indicators (such as achieving company revenue and net profit), while individual annual targets include achieving business objectives, controlling operating costs, managing internal control compliance and risk control, providing high-quality products and excellent customer service in the development of a circular economy, emphasizing talent development, and embodying the core values of the group (sincerity, diligence, simplicity, prudence, innovation) and corporate social responsibility indicators (such as reducing energy consumption and emissions for sustainable ESG management). Based on the achievement of these results, the actual distribution ratio and amount of employee compensation are determined in the following year through resolutions by the Remuneration Committee and the Board of Directors, showing a high correlation with the company's business performance.

d. Relationship with Future Risks: Directors:

The remuneration for directors, besides considering the company's past business performance, will also be flexibly adjusted based on future risk factors in terms of its standards, structure, and systems. Furthermore, the Remuneration Committee of the company will fulfill its duties by regularly reviewing and evaluating the remuneration of directors, and the recommendations proposed will be submitted to the board of directors for discussion, seeking a balance between sustainable business operations and risk management.

*** The succession planning of the Company's Board of Directors and important managers**

Member of the Board of Directors:

1. In 2020, the Shareholders' meeting amended the "Director Election Rules" which stipulates the director diversity policy in article 3.
2. The Company complies with the Company's AOI and the board of directors adopts the nomination system for candidates. In addition to assessing the academic experience of each candidate, and referring to the opinions of stakeholders, abide by the "Director Election Rules" and "Corporate Governance Code" to ensure the diversity and independence of directors.
3. 14 directors of the Company's 27th Board of Directors, including 3 independent directors, professional knowledge includes leadership, management, crisis management, industrial knowledge and international outlook, public welfare, legal affairs, legal compliance, economics, administration, finance , Agriculture, etc.

4. The succession of directors is partly from the senior executives of the company, but most of them still have to be promoted from the talent pool of the national society, especially independent directors who emphasize independence.
5. The Far Eastern Group to which the company belongs has a corporate culture that values corporate governance and talents. Due to the long-term succession planning, there are many companies with professional managers as general managers, vice chairman and chairman of the group.

Scheduled succession planning:

1. Increase the number of independent directors to one-third of the number of directors:

Currently 3 independent directors account for 21% of the number of directors. The future target is 5 independent directors to account for one-third of the number of directors.

2. There are currently no female directors, and it is planned to add 2 female directors.

3. Execution and operation status:

The Board of Directors proposed on May 11, 2023 to re-elect the 28th director at the 2023 AGM, and the scheduled goals will be achieved by then.

Succession planning for important managers:

The Company has cooperated with Yuanzhi University to set up a "training class" for corporate elites. Course training, followed by 30 high-level conference internships and 30 special seminars, the training has achieved good results. At present, more than 90% of the trainees have been promoted. In addition, trainees need to receive about 12 hours of back-training courses every year in order to continue to grow and improve. Due to the effectiveness of the training, this training plan model has been copied to all subsidiaries of ACC (China).

3. Remuneration of President and Vice Presidents

Unit: NT \$ 1000

Title	Name	Salary(A)		Pensions(B)		Reward and Allowance etc. (C)		Employees bonus from Distributable Earnings (D)		Total Amount (A+B+C+D)/Net Income		Other remuneration from investment business except subsidiary
		ACC	All companies*	ACC	All companies*	ACC	All companies*	ACC	All companies*	ACC	All companies*	
								Cash Bonus	Cash Bonus			
President	Kun Yen Lee	17,454	18,530	648	648	5,209	5,341	11,783	11,783	35,094	36,302	872
Executive Vice President	Doris Wu											
Vice President	C.M. Chen											
Vice President	W.K. Chou											
Vice President	T.L. Yu											
Vice President	Z.P. Chang											
										0.292%	0.302%	

* Please refer to Consolidated Operational Report for the list of All Companies.

* Pensions funded according to applicable law.

* No stock bonus, warrant, or restricted stock awards for employees have been distributed from ACC and all companies listed in consolidated operational report.

* Within recent two fiscal years, total remuneration of the President and Vice Presidents accounted for 0.249% and 0.292 of ACC net income. Total amount of President and Vice Presidents' remuneration paid by all companies listed in consolidated operational report accounted for 0.253% and 0.302% of net income received from those companies.

Classification of Remuneration Paid to ACC President and Vice Presidents	Name of President and Vice Presidents	
	ACC	All companies listed in Consolidated Operational Report
NT\$2,000,000~NT\$3,500,000	-	-
NT\$3,500,000~NT\$5,000,000	-	-
NT\$5,000,000~NT\$10,000,000	Kun Yen Lee, Doris Wu, C.M. Chen, T.L. Yu, Z.P. Chang, W.K. Chou	Kun Yen Lee, Doris Wu, C.M. Chen, T.L. Yu, Z.P. Chang, W.K. Chou
Total	6	6

* The remuneration of President and Vice Presidents is divided into two parts:

1. Monthly salary based on fixed salary rank.
2. Based on ACC's bonus system, bonus and compensation are distributed mainly in consideration of the Company's operating performance and individual annual performance.

* The Remuneration Committee has approved current remuneration system for the President and Vice Presidents.

3.2.7 Employees Remuneration to Management Team

	Title	Name	Stock Bonus	Cash Bonus	Total Amount	Total Amount/Net Income
Executive Officers	President	Kun Yen Lee	0	20,263	20,263	0.1686%
	Executive Vice President	Doris Wu				
	Vice President	C.M. Chen				
	Vice President	W.K. Chou				
	General Plant Manager	Z.P. Chang				
	Senior Assistant Vice President	T.L. Yu				
	Deputy Chief Auditor	W.H. Yeh				
	Special Assistant of President Office	T.M. Chen				
	Manager of Accounting Dept.	H.Y. Kao				
	Assistant Vice President	Dana Lee				
	Assistant Vice President	Karen Yang				
	Assistant Vice President	C.Y. Wang				

* The 2022 managers' remunerations have been approved by the BOD and will be reported to 2023 Shareholders' Meeting.

3.3 Implementation of Corporate Governance

3.3.1 Board of Directors

There are 6 meetings of the Board of Directors held in the period from January 1, 2021 to May 11, 2023. Directors' attendance condition was as follows:

Title	Name		Attendance in Person	By Proxy	Attendance Rate	Notes
Chairman	Douglas Tong Hsu		6	0	100%	Reappointment Jun.23, 2020
Director	Representatives of Far Eastern New Century Corp.	Tsai Hsiung Chang	4	2	67%	Reappointment Jun.23, 2020
		Johnny Shih	6	0	100%	Reappointment Jun.23, 2020
		C.V. Chen	5	1	83%	Reappointment Jun.23, 2020
Director	Representative of Yue Ding Industry Co., Ltd.	Kun Yen Lee	6	0	100%	Reappointment Jun.23, 2020
Director	Representatives of Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation	Peter Hsu	6	0	100%	Reappointment Jun.23, 2020
		Chen Kun Chang	6	0	100%	Reappointment Jun.23, 2020
Director	Representative of Ta Chu Chemical Fiber Co.,Ltd	Ruey Long Chen	6	0	100%	Reappointment Jun.23, 2020
Director	Far Eastern Medical Foundation	Champion Lee	6	0	100%	Reappointment Jun.23, 2020
Director	Bai-Yang Investment Holdings Corp.	Chin-Der Ou	5	1	83%	Reappointment Jun.23, 2020
Director	U-Ming Corp.	Kwan-Tao Li	4	2	67%	Reappointment Jun.23, 2020
Independent Director	Chi Schive		6	0	100%	Reappointment Jun.23, 2020
	Gordon S. Chen		6	0	100%	Reappointment Jun.23, 2020
	Yun-Pen Chu		6	0	100%	Appointment Jun.23, 2020

* Each Board of Directors Meeting has at least 2 independent director who attended the meeting in person, which meets the requirements of Article 7 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies

3.3.2 Other mentionable items:

1. Board of Directors

A. Items listed in the Article 14-3 of the Securities Exchange Act: Please refer to 3.3.12 Major Resolutions of Shareholders' Meeting and Board Meetings

B. Except for the above matters, the three independent directors of the Company gave us valuable opinions with no objections or reservations on all discussed matters. The directors' statements were all set out in the minutes of the board meeting.

2. If there is Directors' avoidance of motions in conflict of interest, the Directors' names, contents of motions, causes for avoidance and voting should be specified:

Board meeting proposal on March 7, 2023: The Company intends to purchase the shares of Far EasTone Telecom held by NTT Docomo.

Resolution: All directors present passed without objection and authorized the chairman, or a person designated by him to handle relevant matters.

3. The implementation of the Board evaluation:

Board evaluation has been completed in March 2023 and submitted it to the 14th meeting of the 27th board of directors for approval.

Evaluation frequency and period	Evaluation scope	Evaluation content:	Result 1~5
Every year 2022.01.01~ 2022.12. 31	Board of Directors	Participation level, decision-making quality, composition and structure, director selection and continuing education, internal control and other items.	4.6
Every year 2022.01.01~ 2022.12. 31	Directors	Company goals and tasks, awareness of directors' responsibilities, degree of participation, internal relationship management and communication, directors' professional and continuing education, internal control and other projects.	4.43
Every year 2022.01.01~ 2022.12. 31	Remuneration Committee	Participation, recognition of responsibilities, improvement of decision-making quality, composition and selection of members, internal control and other items.	4.89
Every year 2022.01.01~ 2022.12. 31	Audit Committee	Participation, recognition of responsibilities, improvement of decision-making quality, composition and selection of members, internal control and other items.	4.72
Every year 2022.01.01~ 2022.12. 31	Sustainability Committee	Participation, recognition of responsibilities, improvement of decision-making quality, composition and selection of members, internal control and other items.	4.94

4. Measures taken to strengthen the function of the Board:

Goals:

To enhance corporate governance and the function of the Board by enacting “the Procedures for Evaluating the Board of Directors’ Performance”

Implementation Status and Assessment:

- A. The Board enacted “the Procedures for Evaluating the Board of Directors’ Performance” on May 13, 2015 and disclosed on the Company’s website. The Procedures has been revised on March 25, 2021. It is stipulated that at least every three years, experts and scholars from external professional independent institutions will conduct evaluations.
- B. In 2022, the company entrusts Taiwan Institute of Ethical Business to handle the external evaluation of the board of directors.

Evaluation scope and indicators:

● Board functions (board composition, structure, election and training): Evaluation indicators include compositional diversity, advanced education, utilization of external resources, etc.
● Decision-making effectiveness (the degree of participation in the company's operations, improving the quality of the board of directors' decision-making): Evaluation indicators include degree of participation, understanding of the Company's operations, risk management, and sufficient information for decision-making.
● Emphasis on and supervision of internal control: Evaluation indicators include the formulation and implementation of employee codes of conduct, the supervision of internal audit and control, the smooth flow of communication and reporting channels, the disclosure and avoidance for conflicts of interests, etc.
● Attitude towards sustainable management: Evaluation indicators include ESG information disclosure, talent cultivation and succession planning, and sustainable operation.

Evaluation materials and methods: internal regulations and records, evaluation questionnaires, interviews with directors (four directors and one independent director).

C. Suggestions:

- (1) Strengthen the diversity of directors.
- (2) Continue to implement the goal of ESG operation.

D. Improve and implement plans and actions:

- i. The Company will increase the number of independent directors to one-third of the number of directors (currently 3 independent directors account for 21%, and the target is to set 5 independent directors, accounting for 33% of the number of directors); and increase the number of female directors by 2 (currently there are no female directors director).

Execution plan: The company's 2023 general meeting of shareholders will re-elect

directors, and the goals will be achieved by then.

- ii. The company has continued to implement sustainable development goals in recent years, such as developing low-carbon cement products, such as Portland limestone cement and masonry cement, using RDF, clean fuel or energy to significantly reduce the emission of greenhouse gases; and provide communication channels with stakeholders, which will help strengthen the trust of the outside world. In addition, the Company has issued sustainability reports for 9 years, which is also beneficial for stakeholders to understand the results of major ESG issues and related risk assessments related to the Company.
- E. The annual performance evaluation of the board of directors, directors and functional committees is disclosed on the board of directors and the company's website.

3.3.3 Annual priorities of Audit committee

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

The annual priorities reviewed by the Audit Committee mainly include: financial statements; audit and accounting policies and procedures; internal control systems and related policies and procedures; significant assets or derivatives transactions; major loans, endorsements or guarantees; raising or issuing securities; derivative products and cash investments; compliance; potential conflicts of interest for managers and directors; complaint report; fraud prevention and fraud investigation report; information security; company risk management; CPA independence and performance evaluation; appointment, dismissal or remuneration of CPA; appointment and dismissal of financial, accounting or internal audit managers; and other major matters prescribed by laws and regulations.

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

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

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

3.3.4 Attendance of Audit committee

There are 6 meetings of the Audit committee held in the period from January 1, 2022 to May 9, 2023. Independent directors' attendance condition was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate	Notes
Convener	Yun-Pen Chu	6	0	100%	-
Member	Chi Schive	5	1	83%	-
Member	Gordon S. Chen	6	0	100%	-

Other mentionable items:

1. Items listed in Article 14-5 of the Securities Exchange Act:

Meeting date	Items	Items listed in Article 14-5 of the Securities Exchange Act:	The resolution of the audit committee's and the Company's handling
2022/03/07	Audit report of 2021 Q4.	V	All members present at the meeting agreed to pass the items and submitted it to the board of directors in which all attended directors the approved without objection.
	Acquisition and disposal of real estate, equipment or right-of-use assets	V	
	Report of endorsements / guarantees with affiliates	V	
	Acquisition and disposal of securities.	V	
	In order to raise working capital, the Company applied for credit from financial institutions.	V	
	2021 consolidated financial report and individual financial report	V	
	2021 dividend distribution	V	
	Approval to 2021 "Internal Control System Statement"	V	
	Amendment To “Articles Of Incorporation Of Asia Cement Corporation”	V	
	Amendment To “Procedure For Acquisition And Disposal Of Assets”.	V	
	Amendment To “Procedure For Making Endorsements And Guarantees”.	V	
	Amendment To “Procedure For Loan To Others”.	V	
	Appointment of accountants auditing the financial statements for 2022.	V	
	To issue Cross Currency Swap with total amount not exceeding USD \$200 million	V	
2022/05/06	Communication meeting between independent directors and internal audit and CPA	V	All members present at the meeting agreed to pass the items and submitted it to the board of directors in which all attended directors the approved without objection.
	Audit report of 2021 Q1	V	
	Acquisition and disposal of real estate, equipment or right-of-use assets	V	
	Report of endorsements / guarantees with affiliates	V	
	Acquisition and disposal of securities.	V	
	In order to raise working capital, the Company applied for credit from financial institutions.	V	
	2021 annual business report	V	
	Consolidated financial report of 2022 Q1	V	
	Set the base date for issuance of new shares for the Company’s third overseas unsecured conversion bonds.	V	

2022/08/09	Audit report of 2022 Q2	V	All members present at the meeting agreed to pass the items and submitted it to the board of directors in which all attended directors the approved without objection.
	Acquisition and disposal of real estate, equipment or right-of-use assets	V	
	Report of endorsements / guarantees with affiliates	V	
	Acquisition and disposal of securities.		
	Consolidated financial report of 2022 H1	V	
	No profit distribution of 2022 H1	V	
	Amendments to the "Internal Control System" and its rules	V	
2022/11/08	Audit report of 2022Q3	V	All members present at the meeting agreed to pass the items and submitted it to the board of directors in which all attended directors the approved without objection.
	Acquisition and disposal of real estate, equipment or right-of-use assets	V	
	Report of endorsements / guarantees with affiliates	V	
	Acquisition and disposal of securities.	V	
	Consolidated financial report of 2022 Q3	V	
	No profit distribution of 2022 Q3	V	
	To set the 2023 audit plan	V	
	Renewal of liability insurance for directors, supervisors and important employees of the company and its subsidiaries	V	
	To amend the Code of Ethical Conduct	V	
	To amend the Meeting Rules for the Board of Directors	V	
	To amend the Corporate Governance Code	V	
	To amend Internal Material Information Processing Procedures	V	
	To enact Anti-corruption and Management Policy	V	
2023/03/03	Audit report of 2022 Q4.	V	All members present at the meeting agreed to pass the items and submitted it to the board of directors in which all attended directors the approved without objection.
	Report on the Implementation of the External Performance Evaluation of the Board of Directors	V	
	Report on issued Cross Currency Swap	V	
	Acquisition and disposal of real estate, equipment or right-of-use assets	V	
	Report of endorsements / guarantees with affiliates	V	
	Acquisition and disposal of securities.	V	
	In order to raise working capital, the Company applied for credit from financial institutions.	V	
	2022 consolidated financial report and individual financial report	V	
	2022 dividend distribution	V	
	Approval to 2022 "Internal Control System Statement"	V	
	Amendments to the "Internal Control System" and its rules	V	

	Appointment of accountants auditing the financial statements for 2022.	V	
	To approved "Pre-approval Policy for Accountants Providing Non-Assured Services"	V	
	To issue unsecured corporate bond with total amount not exceeding NT\$15 billion.	V	
	To purchase Far EasTone Telecom shares held by NTT Docomo	V	
2023/05/09	Communication meeting between independent directors and internal audit	V	All members present at the meeting agreed to pass the items and submitted it to the board of directors in which all attended directors the approved without objection.
	Communication meeting between independent directors and CPA	V	
	Audit report of 2022 Q1	V	
	Acquisition and disposal of real estate, equipment or right-of-use assets	V	
	Report of endorsements / guarantees with affiliates	V	
	Acquisition and disposal of securities.	V	
	Report on issued unsecured Bonds	V	
	2021 annual business report	V	
	Consolidated financial report of 2023 Q1	V	
	No profit distribution of 2023 Q1	V	
	Set the base date for issuance of new shares for the Company's third overseas unsecured conversion bonds.	V	

There are no other matters that did not pass the audit committee and agreed by more than two-thirds of all directors.

2. If there is Independent Directors' avoidance of motions in conflict of interest, the Independent Directors' names, contents of motions, causes for avoidance and voting should be specified: None.

3. Communications with internal audit manager and CPA:

(1) Internal audit manager reports the plans and execution of audit works to Independent Directors every quarter and implement the instructions and follow-up of each independent director.

(2) CPA and accounting manager report financial and operation business to Independent Directors every quarter

Meeting date	Items discussed with internal auditor	Items discussed with CPA
2022/03/07	1. Audit report of 2021 Q4.	1. Declaration of independence. 2. The scope and method of review. 3. Group review. 4. Major accounting policies, major accounting estimates, major events, and major transactions 5. Key review items. 6. Suggestions and communication matters.
2022/05/06	1. Communication meeting between independent directors and internal audit. 2. Audit report of 2022 Q1.	1. Declaration of independence. 2. The scope and method of review. 3. Group review. 4. Major accounting policies, major

Meeting date	Items discussed with internal auditor	Items discussed with CPA
		accounting estimates, major events, and major transactions 5. Other communication matters. 6. Regulations updates
2022/08/09	1. Audit report of 2022 Q2.	1. Declaration of independence. 2. The scope and method of review. 3. Group review. 4. Major accounting policies, major accounting estimates, major events, and major transactions 5. Other communication matters. 6. Retrospective application.
2022/11/08	1. Audit report of 2022 Q3. 2. To approve 2023 audit plan	1. Declaration of independence. 2. The scope and method of review. 3. Group review. 4. Major accounting policies, major accounting estimates, major events, and major transactions 5. Other communication matters. 6. Annual financial statement review plan. 7. Major risks 8. Key review items. 9. Regulations updates
2023/03/03	1. Audit report of 2023 Q4. 2. To issuing the 2022 "Internal Control System Statement". 3. To amend to the "Internal Control System" and its rules.	1. Declaration of independence. 2. The scope and method of review. 3. Group review. 4. Major accounting policies, major accounting estimates, major events, and major transactions 5. Key review items. 6. Suggestions and communication matters.
2023/05/09	1. Communication meeting between independent directors and internal audit. 2. Audit report of 2023 Q1.	1. Communication meeting between independent directors and internal audit. 2. Declaration of independence. 3. The scope and method of review. 4. Group review. 5. Major accounting policies, major accounting estimates, major events, and major transactions 6. Other communication matters.

The three independent directors of the Company gave us valuable opinions with no objections or reservations on all discussed matters. The directors' statements were all set out in the minutes of the Audit Committee meeting.

● Communication meeting between independent directors and internal audit

Date: May 9, 2023

Attendees: Independent Directors: Yun-Pen Chu, Chi Schive (proxy), Gordon S. Chen

Chief Auditor: W.H. Yeh

The independent directors had no suggestions or opinions at this meeting.

- Communication meeting between independent directors and CPA

Date: May 9, 2023

Attendees: Independent Directors: Yun-Pen Chu, Chi Schive(proxy), Gordon S. Chen

Deloitte & Touche: Shin Wei Dai 、 Pei De Che, Wen Ling Liu

The independent directors had no suggestions or opinions at this meeting.

3.3.5 Corporate Governance Execution Status and Deviations from “Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies”

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		The Company has established the Corporate Governance Codes with reference to “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” on Nov. 11, 2014 and revised on Nov 9, 2022. The information has been disclosed on MOPS and the Company’s website.	None
2. Shareholding structure & shareholders’ rights (1) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		The Company has appointed spokesman or his deputy as well as stock agency, Oriental Security Corporation, to handle these issues. If involved in litigation matters, the spokesman will handle that with the Secretarial Department, and legal staff. If significant event happens, legal consultants, Lee and Li, and accounting consultants, Deloitte & Touche, will help deal with the matter. This complies with our internal operating procedures.	None
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		The Company keeps tracking the list of shareholders and their the ultimate owners and follows the Article 3 of Market Information Post Regulation Reporting by Listed Companies to post related information before 31th July.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	V		In addition to enacting “Regulations for Monitoring Subsidiaries” as the risk management mechanism for its subsidiaries, the Company has also enacted “Regulations for Managing Client’s Credit” and assigned the Credit Committee to be responsible for risk control of accounts receivable. Meanwhile, to establish risk management and firewall, we have signed up with affiliates for “Procedures of Assets Acquisition and Disposal”, “Procedures for Loaning of funds to Others”, “Procedures for Endorsement and Guarantee,” and “Rules on the Management of Related Party Transaction.” The Auditing Department will report regularly to the Board of Directors and Audit Committee about any abnormal conditions and their improvements. The Auditing Department will also report to the Financial Supervisory Commission and other government agencies in accordance with relevant regulations.	None
(4) Does the company establish internal rules against insiders trading with undisclosed information?	V		The Board of Director approved “the Procedure Dealing with Internal Material Information of Asia Cement Corporation” on Dec. 21, 2009, and revised it on Aug. 10, 2017. It states that “directors, supervisors, managers and other employees shall not disclose internal material information to others, nor involve in any transaction of the Company’s stock or any other	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			forms of security.” The Procedure has been post on the Company’s website and internal bulletin board.	
3. Composition and Responsibilities of the Board of Directors (1) Does the Board develop and implement a diversified policy for the composition of its members?	V		On November 12, 2020, the board of directors of the Company revised the "Corporate Governance Code" and formulated a diversification policy in Chapter 3 "Strengthening the Functions of the Board". In addition, in 2017, the shareholders' meeting passed an amendment to the "Director Election Rules", which specified the diversification policy for the composition of the board of directors in Article 3. The Company adopts candidate nomination system for the election of directors. In addition to the assessment of each candidate's education and experience, opinion of the stakeholder and full compliance with “the election rules for directors ” and “Corporate Governance Codes” are also considered to ensure the diversity and independence of directors. In the members of the 27th Board of Directors, there are members who have abilities of leadership, operation analysis, management, crisis management, industry knowledge and international view, such as Douglas Tong Hsu,	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	V		Tsai Hsiung Chang, Johnny Shih, Peter Hsu, Kun Yen Lee, and Chen Kun Chang. C.V. Chen and Kwan-Tao Li specialize in legal matters. Ruey Long Chen served as Minister of Economy. Chin-Der Ou served as vice mayor of Taipei City. As for independent directors, Chi Schive, and Gordon S. Chen, they are expert in administrative management and financial matters. Yun-pen Chu, an independent director elected on June 23, 2020, is a well-known economist. He was the chairman of the Insurance Stability Fund, Councilor of the Executive Yuan, the director of the Taiwan Economic Development Research Center of National Central University, a member of the Fair Trade Committee, and Director of Institute of Social Sciences, Academia Sinica etc. The Company amended the AOI to increase the number of independent directors from 1/5 to 1/3 in 2022. Please refer to 3.2.4 for the diversity policy of the board of directors, targets and implementation. The diversified policy for the composition of the Board of Directors has been disclosed on the Company’s website and MOPS. The Company has established Remuneration Committee and Audit Committee pursuant to government regulations. Other voluntarily established functional committees are:	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<u>Sustainability Committee:</u> Directly report to the Board of Directors. In charge of the guidance of promoting corporate sustainability and the supervision of implementing corporate sustainability policy, systems, or related management principles, and periodically reporting to Board of Director. <u>Sustainability Implementation Committee:</u> Responsible for 1. Comply and disclose the information of corporate sustainability. 2. Plan and implement the corporate sustainability program. 3. Collect and submit the information of external assessment on corporate sustainability. <u>Human Resource Committee:</u> Review and advice to modify the Company’s organization structure, rules of personnel management, and other important human resource matters with reference to the Universal Declaration of Human Rights and International Labor Conventions. <u>Credit Committee:</u> Execute “Regulations for Managing Client’s Credit” enacted by the Company and take charge of risk control of account receivable. <u>Information Operations and Security Committee</u> Review all affairs relating to information operation system, office automation, internal and external website applications and information security to the needs of operation, management	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company establish a standard to measure the performance of the Board, and implement it annually?	V		and provide strategy to prevent the risk of information security and its efficiency. The Company enacted “Procedures for Evaluating the Board’s Performance” on May 13, 2015 and revised on Mar. 25, 2021. Every year, the members of the board of directors conduct an internal self-assessment to evaluate the performance of the board of directors in five aspects (including the degree of participation in the company's operations, improving the quality of the board of directors' decision-making, the composition and structure of the board of directors, the selection and appointment of directors and continuing education, internal control, etc.) The functional committee performance evaluation method was also passed on March 25, 2021. The evaluation conducts annually. In 2022, the performance evaluation results of the company's board of directors, audit committee, remuneration committee and sustainability committee were "outstanding". “Procedures for Evaluating the Board’s Performance” requires evaluation by external institutions every three years. The external evaluation of the Company's board of directors was conducted by Taiwan Institute of Ethical Business.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(4) Does the board of directors of the company regularly (at least once a year) evaluate the independence and suitability of CPA with reference to the audit quality indicators (AQIs), and disclose the evaluation procedures in detail?	V		The above performance evaluation and external evaluation results are not only reported to the board of directors, but also provided to the remuneration committee as a reference for remuneration payment and company nomination for renewal. The performance evaluation methods and procedures of the board of directors and the external evaluation report of the board of directors are disclosed on the company's website. 1. The company regularly evaluates the independence of CPA every year and reports to the Audit Committee and the Board of Directors. The independence and suitability of CPA in 2022 have been evaluated by the audit committee on March 3, 2023 and the board of directors on March 7, 2023. CPA have no interest, relatives, etc. relationship with the company, and when providing professional services Maintain a fair and objective attitude and obtain a independence statement issued by a certified accounting firm, which meets the standards of independence and eligibility (Note 1). 2. The audit committee on March 3, 2023 and the board of directors on March 7, 2023 refer to the audit quality in accordance with	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			Article 14-5 of the Securities Exchange Law and Article 25 and Article 29 of the Code of Practice for Corporate Governance of Listed OTC Companies Indicators (AQIs), through the assessment of the independence and suitability of the appointed accountants. Audit Quality Index (AQI) Independence and Competency Assessment Form for Certified Accountants (Note 2).	
3. Does the company establish specialized units or dedicated members and personnel responsible for corporate governance affairs, as well as carrying out key actions and reporting statuses (e.g. : including but not limited to provide the information that board directors and supervisors request to perform their duties, ensuring the general affairs of board meetings and shareholders’ meetings are held in accordance with regulations, applying and changing of company registration, and taking meeting minutes for board meetings and shareholders’ meetings.)	V		1. On May 10, 2019, the Board of Directors appoints Vice President, Wei Kun Chou of the Secretarial Dept. as the Corporate Governance Officer. The secretarial Dept. serves as the secretary of the board of directors to promote corporate governance. Each member of the Secretarial Dept. has more than 20 years' working experience in the management of legal affairs and board affairs. On January 1, 2023, lawyer Chao Yu Wang is appointed as Corporate Governance Officer. 2. The main responsibilities are as follows: • Convene internal corporate governance regulations seminars twice a year. • Develop company and organizational structure to promote the independence of the board of directors, transparency, corporate governance, and internal control. • Plan to convene the Board of Directors and Audit Committee and their agenda at least	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			prior 7 days before the meetings with sufficient meeting information to facilitate the directors to understand the contents of the relevant issues and conflict of interests in advance. - To registry the date of the shareholders' meeting every year, and to issue the meeting notice, annual report and handbook in both English and Chinese. The relevant documents shall be approved by the vice president and president. - To survey the Board's performance evaluation and report to the board of directors annually. 3. Training hours for Corporate Governance Officer have been declared to MOPS according to the regulations.	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders, as well as handle all the issues they care for in terms of corporate social responsibilities?	V		The Company provides “Stakeholder Area” section of the Company's website for the communication channel with shareholders and stakeholders with respect to any CSR issues. http://www.acc.com.tw/	None
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company designates stock agency, Oriental Security Corporation, to deal with shareholder affairs.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
7. Information Disclosure				
(1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	V		The Company has set up a Chinese/English website (www.acc.com.tw) to disclose information regarding the Company’s financials, business and corporate governance status.	None
(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	V		The Company has assigned a spokesman or his deputy to handle information collection and disclosure. The Company will also convene the institutional investors’ conference upon request and post relevant information on MOPS and ACC website. Please refer to Section 3.3.5 8(2) Investor Relations of this Annual Report.	None
8. Is there any other important information to facilitate a better understanding of the company’s corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	V		(1) Status of employee rights and employee wellness: Please refer to the “Section 5.5 Labor Relation” of this Annual Report. (2) Investor Relations: For the efficient communication between investors and the Company, in addition to the spokesman or his deputy, the Company specifies its Finance Department to serve as investor relation contact. Moreover, the Company will attend or hold investor conference if necessary. In order to ensure the information symmetry of disclosure, the Company will post relevant information and materials to MOPS and the Company's website.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			(3) Supplier relations: The Company regards our suppliers as partners. Except requiring good service, high quality, and reasonable prices to our suppliers, the Company also brings our construction contractors into its safety management system, and set up safety regulations for contractors, such as access control and issuing construction permission, and holds training courses to help contractors fulfill safety requirements. (4) Stakeholders’ Rights: For the transparency and timely disclosure of the Company, the information of finance, business, and corporate governance could be accessed on the Company’s website and MOPS in both Chinese and English. (5) The training for directors: Please refer to section 3.3.8 for detail. (6) Risk managements and assessments: Based on the principles of “protecting assets, promote interests, reducing damages and ensuring sustainable development” of the Company, the Company forms its company organization with functions of risk management. Please refer to section 3.1.2 for detail. Besides of routine business goals, each department of the Company would timely adjust to rapidly changing world for risk management.	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			(7) Customer policy: The Company serves its customers with the principles of “good service, high quality, and reasonable prices, and customer-oriented”. The Company will also meet all customers’ need by stringent quality control. (8) Responsibility insurance purchase for directors and supervisors: On November 9, 2022, the Board of Directors agreed to renew the liability insurance for directors, and supervisors, and important employees of the Company and affiliates in the consolidated financial statements, and it took effect on December 1, 2022.	
9. Base on the result of ”Corporate governance Evaluation” announced by TWSE (Taiwan Stock Exchange Corporation) in a recent year to illustrate the status of matters have been already improved and priority measures to reinforce matters haven’t been improved :	V		The Company ranked 6%~20% in “the 2022 Corporate Governance Evaluation” by the TWSE. This year the Company will focus on improving non-scored items: 1. The 2023 AGM will be convened by means of video-assisted shareholders meeting. 2. Set up an information security officer and a information security unit to strengthen the information security management structure. 3. To increase the number of independent directors to one-third of all directors in 2023. 4. The 28th Board of Directors shall include at least one female director.	None

3.3.6 The Composition, Duty, and Implementation Status of the Remuneration Committee

1. Professional Qualifications and Independence Analysis of Members of the Remuneration Committee

Position	Name	Criteria	Professional qualifications and experience	Independence Status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Members of the Remuneration Committee
Independent Director 、Convener	Chi Schive		Please refer to the annex “Disclosure of information on the professional qualification and independence of Board Director” on section 3.2.4 of this annual report for details.	All the Remuneration Committee members meet any of the following situations:	1
Independent Director	Yun-Pen Chu			1. Satisfy the requirements of Article 14-6 of “Securities and Exchange Act” and the requirements of “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange” (Note 1) issued by Taiwan’s Securities and Futures Bureau.	1
Others	M.X. Lin		Ms. M.X. Lin, graduated from Department of Industrial Education of National Taiwan Normal University with Master degree. She worked at Far EasTone as Human Resources vice president.	2. Independent Director (or nominee arrangement) as well as his/her spouse, and relative within the second degree of kinship are not directors, supervisors or employees in the Company or any of its affiliates. 3. Received no compensation or	1

			benefits for providing commercial, legal, financial, accounting services or consultation to the Company or to any its affiliates within the preceding two years, and the service provided is either an “audit service” or a “non-audit service“	

Note 1: Within the scope of execution of business, a remuneration committee member of a public company shall maintain independence, and may not have any direct or indirect interest relationship with the company. During the 2 years before being appointed or during the term of office, a remuneration committee member shall not have been or be any of the following:

- a) An employee of the company or any of its affiliates.
- b) A director or supervisor of the company or any of its affiliates.
- c) A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under any other's name, in an aggregate amount of 1 percent or more of the total number of issued shares of the company or ranking in the top 10 in shareholding.
- d) A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
- e) A director, supervisor, or employee of a corporate shareholder that directly holds 5 percent or more of the total number of issued shares of the company, or that ranks in the top 5 in shareholding, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.
- f) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.
- g) If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.
- h) A director, supervisor, managerial officer, or shareholder holding 5 percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.
- i) A professional individual who, or an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided that this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and

- acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- j) None of the circumstances specified in Article 30 of the Company Act.

Responsibilities of Remuneration Committee include:

- a. Formulate and regularly review policies, systems, standards and structures for performance evaluation and remuneration of directors and managers.
- b. Regularly evaluate and determine the remuneration of directors and managers.

2. Implementation Status of the Remuneration Committee

There are 3 members of the Remuneration Committee. Their terms of office start from Aug. 11, 2020. Totally, 2 meetings of the Remuneration Committee were held in the latest year. Members' attendance condition was as follows:

Position	Name	Attendance in Person	Attendance in Proxy	Attendance rate	Notes
Convener	Chi Schive	2	0	100	Incumbent
Member	Yun-Pen Chu	2	0	100	Incumbent
Member	M.X. Lin	2	0	100	Incumbent

Other mentionable items:

1. If the board of directors declined to adopt, or modified a recommendation of the Remuneration Committee, please specify the date, term, content, resolution, and the Company's processing situations for Remuneration Committee's resolution: None.
2. If any objections or reservations expressed by any committee member in record or in written to Remuneration Committee's resolution, please specify the date, term, content, and the committee's processing situations for objections or reservations: None.

Meeting Date	Discussion item	Approve	Opinion processing situations
2022/11/08	2021 directors', president's, and vice presidents' remuneration, and the situation of the cement industry	V	All members present at the meeting agreed to pass the items without objection.
2023/03/03	President and vice president's 2022 performance evaluation	V	
	Salary increment	V	
	2022 directors' and employees' remuneration	V	
	President and vice president's 2023 performance evaluation items	V	

*The Compensation and Remuneration Committee holds two meetings a year, and all committee members attend twice.

3.3.7 Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
1.Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	☒		1. 1. The company's board of directors is the highest guiding unit for supervising sustainable development. On July 28, 2021, the board of directors approved the establishment of a functional committee "Sustainability Committee". Three independent Directors and two directors serve as committee members, and independent director Gordon S. Chen serves as the convener, responsible for supervising the implementation of corporate sustainability policies, systems or related management guidelines, and regularly reporting the progress to the board of directors. In 2022, the Sustainability Committee held two meetings, on May 9 and November 8, and reported to the board of directors on May 10 and November 9. 2. The company has also set up a "Sustainability Promotion Committee", with the President as the chairman and the manager of the Secretarial Department as the convener, responsible for the collection and disclosure of corporate sustainability information, the planning and implementation of corporate sustainability projects. There are currently 20 part-time staff and 13 teams in charge of coordinating and submitting information on sustainability for internal and external audits. ESG teams submit their work to the Sustainability Implementation Committee on a quarterly basis. The manager of the Secretarial Department report to the Board of Directors and the Sustainability Committee twice a year, so that the Board of Directors and the	None

			Sustainability Committee can fully supervise and handle relevant operations of ESG issues.	
2.Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (Note 2)	☒		1. The Company has established a sound risk management mechanism to control possible risks within an acceptable range. The Board of Directors has approved an "Internal Control System" and established "Risk Management Policies and Procedures", which are implemented by the Board of Directors, the Sustainability Committee and all competent authorities accordingly. 2. The risk management process of the Company includes risk identification, risk measurement, risk response, risk monitoring and risk reporting. The types of risk include operational risk, financial risk, hazard risk, information security risk, compliance risk and other risks (climate change). 3. The risk assessment process and criteria for relevant materiality issues are conducted based on the AA 1000 Stakeholder Engagement Standard (AA1000 SES) 2015. For details, please refer to the "Material Topics and Stakeholders" section of the Company's Corporate Sustainability Report. In addition, considering the major risks brought about by climate change, the company also refers to UN SDGs, TCFD and other norms, and discloses relevant risk management and opportunities in the sustainability report.	None
3.Environmental Issues (1) Has the Company set an environmental management system designed to industry characteristics?	☒		1. The Company promotes relevant environmental management systems including ISO 14001 environmental management system, ISO 50001 energy management system, ISO 14064-1 greenhouse gas inventory verification, ISO 14067 product carbon footprint, ISO 14046 water footprint and BS 8001 circular economy. 2. The above management system has been verified by a third party, as detailed in the section of "Appendix: Third party verified system of Asia Cement Corporation and its subsidiaries" in the Corporate Sustainability Report of the company.	None
(2) Does the Company endeavor to use energy more efficiently and to use renewable materials	☒		Asia Cement Corporation is committed to improving energy efficiency and has established an ISO 50001 energy management system and set up an energy policy to implement energy efficiency improvements. Asia Cement	None

with low environmental impact?			Corporation has set an energy consumption target of 1% reduction in energy consumption and intensity each year with year 2019 as the base year. Asia Cement Corporation has set short-, medium- and long-term targets for circular economy, with key performance indicators such as raw material substitution ratio and fuel substitution ratio, as detailed in the "Low Carbon Green Leadership" and "Circular Economy" sections of the Company's Corporate Sustainability Report.	
(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	☒		The climate change risk management process of Asia Cement Corporation consists of three steps: identification and assessment of existing risk opportunities, definition of significant risk opportunities, financial impact analysis and significant risk opportunities, and response measures and cost estimation. Existing risk opportunities are identified and evaluated annually by scoring the relevance, impact and period of occurrence of risk opportunity items based on TCFD transformation risks, physical risks and opportunities, and establishing a risk opportunity evaluation matrix. For more details, please refer to the TCFD section of the Company's Corporate Sustainability Report.	None
(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	☒		Asia Cement Corporation annually collects data on greenhouse gases, water consumption, and waste quantity and discloses them in its Corporate Sustainability Report. The relevant data has been verified by SGS Taiwan. For more details, please refer to the "Low Carbon Green Leadership" and "Circular Economy" sections of our Corporate Sustainability Report. Regarding the part of greenhouse gases, Asia Cement Corporation has promoted Science based target and passed the Science-Based Targets Initiative (SBTi) review in March 2021, completing the carbon reduction targets setting and committing to an 8% reduction in cementation material emissions intensity by 2025, with 2019 as the base year.	None
4.Social Issues (1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international	☒		In accordance with the OECD principles, we follow the United Nations "Universal Declaration of Human Rights", the "Global Compact", the "United Nations Guiding Principles on Business and Human Rights", the United Nations "International Labor Organization Convention", and other internationally recognized human rights standards with the contents including workplace gender equality, safe and healthy workplaces,	None

human rights conventions?		harmonious labor relations, and assistance to employees in maintaining physical and mental health and work-life balance, etc. to establish a human rights policy that is consistent with business ethics, environmental, social issues, human rights, and other public policy commitments. The Human Rights Declaration and Commitment signed by our general manager is publicly disclosed on our Company's external and internal websites. The human rights policy applies to Asia Cement Corporation and its subsidiaries. Our Company has established management principles through the development of internal management laws and the implementation of internal audits, including compliance with all national labor laws/Labor Standards Act, prohibition of child labor, prohibition of forced/compulsory labor, work and rest hours, non-discrimination and harassment, prohibition of human trafficking, freedom of association, implementation of equal respect for equal pay for equal work, and maternity protection. Specific Management Plan: In 2022, our company organized training programs related to human rights issues, including corporate social responsibility in human rights practices, labor safety, health management, and psychological well-being. A total of 198 sessions were held, with a total attendance of 2,215 participants, and approximately 478 hours of class time. The summary of the implementation of our company's human rights management policy is as follows: 1. In accordance with the provisions of the Labor Standards Act and other relevant laws, the Company attaches great importance to the balance of employees' health, work, family and leisure life; at the same time, we implement the management of working hours, prohibits child labor and prohibits all forms of forced/compulsory labor and discrimination. 2. In order to establish an equal workplace for both genders, our company has implemented a system of unpaid parental leave system for raising children, and also provides family care leave, menstrual leave, maternity leave, paternity leave, and nursery rooms for employees. 3. The Company inculcates the concept of paying attention to health to our employees, and every year we arrange physical examinations and health seminars for our head office and factory employees. We also work with	

			the Hsinchu Lifeline Association to promote the Employee Assistance Program (EAP), which provides professional information services to help employees address the mind, body, and spirit for overall health. For more details, please refer to the special chapter on labor relations in P.93 and the description of our 2021 Sustainability Report on Happy Workplace. <u>Specific management program:</u> In 2022, we held 198 classes for education and training on human rights-related issues (including courses related to the practice of corporate social responsibility in human rights, labor safety education, health management and mental health), with 2,215 attendees and 478 hours of class time.	
(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	☒		The article 25 of the Company's Articles of Incorporation clearly stipulates that if the Company has a profit in the year, it shall allocate 0.1% to 4% as employee compensation. The salary and compensation policy stipulates that the salary and compensation of employees includes the bonus of the Company's operating performance, and bonus calculations are reviewed and awarded based on the operating results achieved by the Company during the year. The operating performance and results are shared with our employees to motivate all employees to work together for the Company's goals. 1. In setting the salary and compensation system, we will not only consider our employees' education degrees, work experiences, whether they have licenses and professional skills, but also treat all of them as equals regardless of their gender, age, race, socio-economic class, religion, marital and family status, etc. 2. To plan a fair and reasonable salary and compensation system, in addition to the above-mentioned philosophy, our company also participates in annual market salary and compensation surveys to ensure	None

			that our employees' salaries and compensation rank among the best in the industry. ※The Company continued to be rated as a constituent stock of the "Taiwan High Pay 100 Index" by Taiwan Stock Exchange Corporation in 2021. 3. Due to the rational participation of the labor unions of Hsinchu and Hualien plants over the years, all those members have jointly realized our company's reasonable salary and compensation policy and we have been awarded the "the high-performance organization signing collective bargaining agreement in Year 2013" by the Ministry of Labor. Both our employers and employees received the award. 4. The rules of conduct for employees' work performance, training results, and corporate volunteer services are integrated with the annual performance appraisal of employees as set forth in our "Work Rules for staff", and a clear system of rewards and punishments has been established. Please refer to the description of our 2022 Sustainability Report on Happy Workplace. 5. Every year, the Company will consider the profitability of the company's operation and make salary adjustments and promotions accordingly based on the results of individual performance appraisals, with an average salary adjustment of 1% to 3%. The Company has established a welfare system for full-time employees, including the establishment of a "Labor Retirement Reserve Fund Supervisory Committee", which a 6% of the monthly pension fund is allocated to employees' personal accounts at the Labor Insurance Bureau according to the Monthly Contribution Wages Classification of Labor Pension to protect employees' rights and interests. In addition, a monthly appropriate Labor Retirement Reserve Fund (with a rate of 8%) is made to protect the rights and interests of employees who choose the old labor retirement system. The Employee Welfare Committee has been established to provide welfare funds and conduct welfare activities in accordance with the law. Our plants have commonly been set up with basketball courts, tennis courts, badminton courts, billiard courts, and swimming pools for employees'	

		recreation. Other various benefits include subsidies for holiday bonus, International Workers' Day holiday on May 1st, birthday gift certificate, health examination that is offered better than laws and regulations, group comprehensive policy cover paid by the company, scholarships for staff children's education, cash as wedding gifts, company trips, and staff club activities. The system of vocation and leave without pay and so on is handled in accordance with labor-related regulations such as the Labor Standards Act and the Act of Gender Equality in Employment. <u>Gender Equality and Diversity Implementation</u> Our Company is committed to providing employees with a respectful and safe working environment. We prioritize diversity in our hiring practices and ensure fairness in terms of compensation and promotion opportunities. No employee should experience discrimination, harassment, or inequality based on race, gender, religious beliefs, age, political affiliation, or any other protected status under applicable regulations. At our company, we adhere to equal pay for equal work regardless of gender, and we provide equal opportunities for advancement. Women hold 20% of entry-level management positions, 23% of senior management positions, 6% of revenue-generating roles (business units), and 4% of STEM positions. We empower individuals of all genders to work comfortably by promoting a female-friendly workplace. We have implemented measures to prevent and address sexual harassment, including the establishment of a "Sexual Harassment Complaint Handling Committee" and a formal procedure for handling complaints. We have also set up an employee complaint mailbox, and as of the year 2022, we have had no reported incidents of sexual harassment. Furthermore, we organized a company-wide diversity and inclusion seminar and provided educational materials on preventing workplace harassment, reaching a total of 450 participants. Our commitment to workplace diversity is also reflected in our ethnic diversity indicators. The indigenous population in Taiwan comprises approximately 2.5% of the total population. However, indigenous employees make up 21.5% of our company, demonstrating a significantly higher	

			representation of indigenous individuals compared to the general population. In addition to employing a high percentage of indigenous employees, we actively support and organize cultural celebrations and events for indigenous communities, respecting their cultural customs and highlighting our commitment to a diverse workforce. We have also achieved 100% compliance with regulations regarding the employment of disabled individuals and provide a safe working environment with facilities that accommodate their needs, ensuring that our disabled colleagues can work comfortably and confidently.	
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	☒		Asia Cement Corporation has a complete occupational safety and health management team that conducts on-the-job education and training on a regular or ad hoc basis. In addition to trying its best to reduce its own risks, Asia Cement Corporation also assists its subsidiaries and contractors to provide counseling guidance and training through roving education and training, so that they can raise their safety awareness and reduce the incidence of occupational accidents. In 2022, 1,693 participants and 1,341 contractors participated in the occupational safety education training. Please refer to (VI) Occupational Safety and Health in the special chapter on labor relations in our company's annual report and the "Occupational Safety and Health" section of our company's Corporate Sustainability Report.	None
(4) Has the Company established effective career development training programs for employees?	☒		The Company organizes training courses every year based on the functional needs of different departments and levels, combined with the Company's development strategy, to provide executives and employees with ample opportunities for learning and training. This not only achieves the goal of integrating training and application but also links to employees' career development. In 2022, the training courses were structured around two main themes: digital transformation and ESG sustainable development. Courses were designed to meet the specific skills required by different job categories and levels. The training content included orientation for new employees, core competency training, specialized/functional training, management training, digital transformation and ESG sustainable development series, and accelerated development series for the new generation of talents. These courses aimed to	None

			continuously develop the capabilities of our colleagues at Asia Cement to face changes and challenges. We also encourage internal trainers to share their knowledge through teaching, ensuring the company's inheritance more complete and institutionalized. In 2022, a total of 594 sessions were completed, with 4,479 participants receiving 15,334 hours of training. Our company has also established the "Asia Cement and Subsidiaries' Modern Executive Training Program" specifically for high-potential successors. The program features lectures delivered by professors who excel in various fields related to corporate leadership and management. The training program has yielded excellent results, with over 97% of the participants receiving promotions to mid-level management positions within their respective units. Furthermore, some of the participants have advanced to become top executives within their units. Please refer to section 5.5 of this report for more detailed information regarding our company's employee development and training programs.	
(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	☒		The Company has always followed government regulations and industry-related norms to ensure customer health, customer privacy, marketing labeling, and service quality. Customer privacy: Asia Cement Corporation attaches great importance to the privacy of its customers, and is committed to maintaining the confidentiality of information provided by customers during business dealings. In order to ensure customer feel at ease in dealing with Asia Cement Corporation and avoid leakage of business information, we strictly requires all our employees to comply with our company's relevant confidentiality regulations. Article 6 (Duty of Confidentiality) of our company's internal code of ethical conduct requires that all employees of our company shall be obligated to maintain confidentiality of technical or non-technical information about our company, or the information of our company's purchase and sales customers, unless they are authorized or required by law to disclose such information. Information that should be kept confidential includes all undisclosed information that may be used or leaked by others to the detriment of our company or its customers. Documents with confidential information arising	None

			from business transactions will be destroyed periodically or immediately, depending on the degree of confidentiality. There were no cases of violation of customers' privacy rights in 2022. Marketing labeling: Asia Cement Corporation did not violate product-related regulations, nor did it sell controversial products in 2022. Service quality: Our company has established a "Customer Complaint Handling Regulations" to provide consumers with a transparent and effective grievance procedure. Once we receive a complaint from a consumer about quality and service processes, we would assign a dedicated person to handle it, both at home and abroad, so that we can deal with consumer complaints fairly and immediately.	
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	☒		1. Asia Cement Corporation has established a supplier policy to ensure that suppliers comply with the principles of sustainable development in terms of environmental, social and economic aspects, and requires its suppliers to sign the "Supplier Statement of Commitment for Social Responsibility" in accordance with the contents of the policy. The supplier policy includes issues such as environmental standards, child labor, human rights, working conditions (working hours), compensation, occupational safety and health, business ethics, and sustainable procurement. 2. The total number of suppliers that have signed the commitment letter in 2022 is 374. The risk assessment of Asia Cement Corporation 's suppliers is conducted in accordance with the "Criteria and Management Measures for the Selection of Suppliers". The risks are classified into four levels: significant, high, medium and low after scoring according to the relevant supervisors' assessment. For projects with moderate or higher risks, relevant control measures must be formulated, and the rest are listed as observation items. The supplier risk level for 2022 is all in low risk. 3. Please refer to Corporate Sustainability Report - Supply Chain	None

			Management for details.	
5.Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	☒		1. The 2022 Asia Cement Corporate Sustainability Report is prepared in accordance with the GRI standards and is prepared and disclosed according to the “Sustainability Accounting Standards Board (SASB)” Construction Materials Industry Disclosure Guidelines. 2. The 2022 Asia Cement Corporate Sustainability Report had been certified by SGS Taiwan, which was proceeded according to AA 1000 standard.	None
6.If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company’s operations: None.				
7.Other important information to facilitate better understanding of the company’s promotion of sustainable development: A. Please refer to the chapter on environmental protection expenditure information (1) ISO-14001 environmental management system (2) Air pollution prevention and control (3) Revegetation and beautification (4) Future environmental protection work priorities (5) Fulfillment of social responsibility and labor relations (6) Occupational safety and health in this annual report. B. Please refer to our Corporate Sustainability Report and website for details. ESG website: https://esg.acc.com.tw/en/				

3.3.8 Climate Related Information

1. Implementing Status of climate related issues

Item	Status of Implementation			
1. Stating the supervision and governance of board directors and management on climate related risks and opportunities.	Asia Cement's Board of Directors established a Sustainability Committee with five directors in which one independent director took the position of the convener. The Company also established a Sustainability Promotion Committee underneath the President and formed an ESG Promotion Team driving all departments to implement ESG issues. ESG Promotion Team reports to Sustainability Promotion Committee on the quarterly basis and Sustainability Promotion Committee reports to Sustainability Committee every six months about ESG related results. Sustainability Promotion Committee is responsible of examining and guiding strategies, important action plans, risk management policies, annual budget and business plans, as well as setting business goals for the organization, monitoring the status of implementation, supervising important capital expenditures and putting climate related issues into consideration. Furthermore, through Board of Directors it checks the progress on reaching Asia Cement's goal of net-zero emission. Sustainability Promotion Committee is directly managed by the General Manager, it requests all production units and business units to evaluate climate change related risks and opportunities, especially the long-term impact to business operation caused by climate change, the impacts covering factory assets, manufacturing processes, raw material delivery, even laws and regulations and the change of consumers preferences. Sustainability Promotion Committee is also responsible of reviewing the risk management policy of the Company, examining the management report of significant risk issues. It is also in charge of the overall risk management matters including the integration and coordination of cross-departmental common risk management issues, promoting and communicating important risk management affairs, implementing and tracing all resolutions relating to risk management assigned by Sustainability Committee and drafting risk management report. It reports to Board of Directors and Sustainability Committee every six months.			
2. Stating how the business, strategies and finance (short, mid and long term) are impacted by the identified climate	Key climate risks	Transition risk: GHG emission pricing increased by policies and regulations	Transition risk: Cost of the transition to low carbon technology	Transition risk: Cost increased (Electricity price soared)
	Corresponding strategies	Implementing net-zero projects of circular economy, renewable energy and energy efficiency increasing.		Fulfilling energy management system ISO 50001 to increase

risks and opportunities.				energy efficiency.
	Impact to finance	Estimating total carbon expenses increase of NT\$5.81 billion by 2030	Estimating total capital expenses increase of NT\$ 2.761 billion by 2030	Estimating total electricity expenses increase of NT\$380 million by 2030
	Key opportunities	Recycling and reusing (alternative raw material)	Using low carbon energy (alternative fuel)	Participating renewable energy
	Corresponding strategies	Increasing the capacity of using alternative raw material to increase the income of handling fee.	Increasing the capacity of using alternative fuel, increasing the income of handling fee and saving coal cost.	Installing renewable energy facility.
	Impact to finance	Estimating the benefit of using alternative raw material will be NT\$1.887 billion by 2030.	Estimating the benefit of using alternative fuel will be NT\$3.081 billion by 2030.	Cumulated mid-term (2025) benefit of renewable energy is NT\$15 million.
Please refer to ESG report of the Company for the details.				
3. Stating the impact caused by extreme climate events and transition actions to finance.	Extreme climate events, such as typhoon or heavy rainfall, caused the close of Suhua highway and blocked the supply of raw material for production. The financial impact caused by the closing down of production in the plant was estimated to be NT\$149 million. The transition action is the net-zero action plan of Asia Cement, it includes the driving of circular economy, alternative raw material and fuel and renewable energy. The influence on finance will be NT\$2.761 million by 2030.			
4. Stating how to integrate the process of identifying, evaluating and managing climate risks into the	Asia Cement's climate change risk management procedure is composed of three steps: Step 1: Identifying and evaluating current risk and opportunities. Step 2: Defining significant risks and opportunities. Step 3: Analyzing financial impact, corresponding measures and cost estimate. Step 1: Each year the Company gives rating to the correlation, impact and cycles of occurrence of TCFD transition risk, physical risk and opportunity items to risks and opportunities items and creates evaluation matrix of risks and opportunities. The periods of risk and opportunity evaluation are from 2023 to 2024 as the short-term period of occurrence, from 2025 to			

overall risk management system.	2026 as the mid-term period of occurrence and from 2027 to 2030 as the long-term period of occurrence. The possibility of occurrence and level of impact of each risk and opportunity issue are analyzed. Step 2: Defining significant risks and opportunities and analyzing the impact to finance. Asia Cement's indicator of financial impact caused by climate change defines the substantial impact as the score of risk and opportunity impact over 4 (over NT\$10 million) and the score of probability of occurrence over 4 (will occur within 3 years). In 2022, the three key risks evaluated by Asia Cement were: the transition risk of policy and regulations relating to GHG emission price soaring, the transition risk of low carbon technology transition cost, the increase of transition risk caused by the cost increase (electricity price) of raw material in the market. The three key opportunities evaluated by Asia Cement were: the efficiency of resource recycle and reuse (alternative raw material), the sources of using low carbon energy (alternative fuel) and participating renewable energy items. Step 3: Corresponding measures and cost estimate. Focusing on the evaluated substantial risks and opportunities to evaluate the corresponding measures of actions and the associated cost to ensure the effectiveness of expected results.
5. If scenario analysis is used to evaluate the resilience of facing the risks of climate change, then the scenario, parameters, assumptions, analysis factors and the major financial impact used in the analysis must be described.	Transition scenario: Asia Cement evaluated the transition risk based on the “Beyond 2°C Scenario (B2DS)” drafted by International Energy Agency (IEA). The result of analyzing IEA B2DS scenario was as follows: Asia Cement participated Science-Based Target Initiative of carbon reduction (SBTi) and created carbon reduction scenario by department in accordance with IEA B2DS scenario. The first stage is by 2025, comparing to 2019, the scopes 1+2 GHG emission intensity of cementitious material will be reduced by 8% per ton. The impact of IEA B2DS scenario to the target and strategy: Asia Cement sets the targets of carbon reduction every year based on the IEA B2DS scenario analysis. The reduction boundary is cementitious material production locations (Hsinchu plant and Hualien plant) plus the headquarter, and the low carbon transition strategy of the Company is to reach the target of reduction. The main strategy is to drive circular economy of alternative raw material and fuel, increasing energy efficiency and installing renewable energy. Asia Cement drives net-zero carbon emission and further adopts science-based carbon reduction target (SBTi) cement department net-zero standard. Comparing to 2019, it has planned to set a near-term target of net-zero emission, comparing to 2019, reducing cementitious material scopes 1+2 GHG emission intensity by 26.4% per ton by 2030 based on 1.5°C reduction scenario. Physical scenario: Adopting “Representative Concentration Pathways 8.5 (RCP 8.5)”, RCP8.5 is a hypothetical scenario in which GHG has the most emission. Asia Cement identified a risk matrix as controlling measure by multiplying hazard factor

	with vulnerability factor based on RCP 8.5 scenario. The results of risk matrix identification conducted by Asia Cement showed that the major items of risks were slope land disasters and threats by strong wind, and the major items of impact included auxiliary raw material (clay) transporting system, raw material grinding system and rotary kiln system. The impact of RCP 8.5 scenario to targets and strategies: Asia Cement drafted a disaster emergency response plan and continued to monitor climate related risks based on RCP 8.5 scenario analysis.
6. If a transition plan is adopted in responding to the management of climate related risks, then the content of the plan, the indicators and goals used for identifying and managing physical and transition risks must be explained.	Climate change is a trend that cannot be halted, it has caused a far-reaching impact to Asia Cement. We committed to realize net-zero emission by 2050 and passed the setting of science-based carbon reduction target based on B2DS scenario. The first stage is by 2025, comparing to 2019, the scopes 1+2 GHG emission intensity of cementitious material will be reduced by 8% per ton and reaching the target of carbon reduction path in two years consecutively. The second stage is that Asia Cement drives net-zero carbon emission and further adopting science-based carbon reduction target (SBTi) cement department net-zero standard. Comparing to 2019, it has planned to set a near-term target of net-zero emission, comparing to 2019, reducing cementitious material scopes 1+2 GHG emission intensity by 26.4% per ton by 2030 based on 1.5°C reduction scenario. The Company adopted five strategies of reaching net-zero by 2050 in order to reach the goal of net-zero emission including reducing the ratio of clinker in cement, increasing alternative material and fuel, promoting circular economy, reducing indirect emission from electricity and carbon capture and storage (CCS). Regarding the physical risk caused by climate change, Taiwan is located at sub-tropical zone, it suffers more from severe weather due to global warming. Hence, the Company adopted the most strict RCP8.5 scenario which has the most GHG emission to analyze the possible climate risk that might be faced and strengthened the corresponding measures.
7. If the internal carbon pricing is used as the planning tool, then the basis of pricing must be explained.	Referring to the SBTi carbon reduction target, Asia Cement established internal carbon pricing shadow prices for reaching the target of carbon reduction, adopted measures for reaching the target of reducing carbon footprint, conducted low carbon technology analysis plus the necessary investment as the tools for managing the driving of low-carbon transition investments and energy efficiency. In the Rules for Managing Internal Carbon Pricing, Asia Cement drafted an internal carbon pricing structure which is changed in phases. It is NT\$216 from 2021 to 2025. Asia Cement's main mechanism for driving carbon reduction is circular economy. In the process of analyzing internal carbon pricing, the Company calculated the effect of carbon reduction of the alternative material/fuel per ton and selected the preferred items to drive the reduction first.
8. If the goals relating to climate are set,	The baseline year of Asia Cement's commitment to science-based carbon reduction target was 2019, the commitment was that by 2025 the scopes 1+2 emission intensity of cementitious material in the headquarter, Hsinchu plant and Hualien plant will be

then the covered activities, GHG emission scope, scheduled timeline and the progress to be reached in each year must be explained; if carbon offsets or renewable energy certificates (RECs) is used to reach the related goals, then the source and volume of carbon credit for offsetting or the number of RECs must be explained.	reduced by 8%, equivalent to the reduction of over 258,000 tons of GHG emission. In 2022, the actual scopes1+2 emission intensity was 0.839 (to be verified by third party on June 30, 2023). Asia Cement did not use carbon offset or renewable energy certificates to reach the target.
9. Status of GHG inventory and verification (filled in 1-1).	It is planned to complete the third party (SGS) inspection and verification on June 30, 2023.

2. Status of GHG Emission and Verification

The basic information of the Company ☒ Companies of steel industry or cement industry with capital over NT\$10 billion ☐ Companies with capital from NT\$5 billion up to NT\$10 billion ☐ Companies with capital under NT\$5 billion	At least disclosing the following based on public listed company sustainability development path ☒ GHG disclosure of parent company ☐ GHG verification of parent company ☐ GHG disclosure of subsidiaries in the consolidated financial report ☐ GHG verification of subsidiaries in the consolidated financial report

Scope 1	Total emission (tons of CO ₂ e)	Density (tons of CO ₂ e/NT\$1million)	Verification Institute	Description of verification status (note 3)
Parent company	2,939,275	273.608	SGS Taiwan Ltd.	Third-party verification to be completed on June 30, 2023
Scope 2	Total emission (tons of CO ₂ e)	Density (tons of CO ₂ e/NT\$1million)	Verification Institute	Description of verification status (note 3)
Parent company	185,695	17.286	SGS Taiwan Ltd.	Third-party verification to be completed on June 30, 2023
Scope 3	101,945 tons of CO ₂ e			

Remarks for form filling:

- The data of scopes 1+2 in the form must be prepared in accordance with the schedule specified in Item 2 of Article 10 of the standard, the data of scope 3 may be disclosed by the company itself.
- The company may conduct GHG inventory in accordance with the following standard:
 - Greenhouse Gas Protocol (GHG Protocol).
 - ISO 14064-1 published by International Organization for Standardization (ISO).
- The verification institute shall comply with the verification regulations drafted by Taiwan Stock Exchange Corporation (TWSE) and Taipei Exchange (TPEX) with regard to sustainability report.
- Subsidiary company may fill in the form individually, collecting and organizing data (such as: by country or by region), or consolidating the data (Note 1).

5. The density of GHG emission may be calculated by unit product/ service or sales revenue, however, the data calculated based on sales revenue (NT\$ million) shall be disclosed as a minimum (note 2).
6. The percentage of emissions from the operational locations or subsidiaries which are not included in the inventory calculation shall not be over 5% of the total emission. The total emission is calculated based on the required mandatory scope of inventory specified in item 1 of the remarks for form filling.
7. The description of verification status shall summarize the content of the verification report issued by the verification institute, and the complete verification comment letter shall be enclosed in the annual report (note 3).

3.3.9 Implementation Status of Ethical Management

Evaluation Item	Implementation Status ¹			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs (1) Does the company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?	V		1. “Codes of Ethical Conduct” and “Principles for Ethical Management” of Asia Cement Corporation have been adopted by Board of Directors on June 27, 2012 and reported to the 2013 shareholders’ meeting. 2. The Company has post “Codes of Ethical Conduct” and “Principles for Ethical Management” on the Company’s intranet for compliance. 3. “Principles for Ethical Management” was amended on March 25, 2020. The company requires the directors and senior management to issue a statement of compliance with the integrity management policy, and require the employees to comply with the integrity management policy in terms of employment according Article 8.	None

Evaluation Item	Implementation Status ¹			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies? (3) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and			The Company establish precautions for directors, managers, employees for preventing high-potential unethical conducts: 1. Set a standard distinguishing improper benefit, 2. Set procedures for political donations, 3. Set procedures for charity donations or sponsorship, 4. Set reporting and handling procedures to avoid job-related conflicts of interest, 5. Set an information firewall to prevent sensitive information or undisclosed information and to prevent the use of the non-disclosed information in insider trading, 6. Set working procedures dealing with dishonest actions involved by suppliers, customers, and trading partners and others, 7. Set working procedures dealing with violators of Principles for Ethical Management, 8. Set punishment for violators and reward for whistleblowers. 1. For the purpose of developing a corporate culture of ethical management and preventing unethical conduct, HR Department enacted “Working procedures and Guidelines for Ethical Management”. It clearly expresses all kinds of bad faith conducts, preventions, and	

Evaluation Item	Implementation Status ¹			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
amendments?			punishments for violators. 2. In order to promote the Company's honest operation and sustainable development, the 12th meeting of the 27th Board of Directors of the company approved the formulation of the "Anti-corruption Management Policy", and announced the Bribery Prevention Management Manual and related operating methods from December 9, 2022 , all 14 directors and 487 employees of the company have signed the anti-corruption prevention policy compliance statement. 3. To cooperate with the implementation of the bribery prevention and control policy, the company has formulated the "Measures for Reporting and Investigation of Dishonest Behaviors". 4. On May 11, 2023, the management review report on the ISO37001 anti-corruption management system has been submitted to the 14th meeting of the 27th board of directors. The British Standards Institution (BSI) was appointed as the external auditor for this project, and in 2023 The third-party verification process was completed on March 28, and the verification certificate is expected to be issued in June 2023.	

Evaluation Item	Implementation Status ¹			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
2. Fulfill operations integrity policy				None
(1) Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?	V		All suppliers of the Company signed "Codes of Conduct and Commitment Statement for Suppliers". We will review, rate, and eliminate our suppliers based on past evaluation records and their implementations of CSR affairs. For fully implementation, the Purchasing Department has urged all suppliers to comply with our “Codes of Ethical Conduct” and “Principles for Ethical Management”. The Purchasing Department will include this item into commercial terms.	
(2) Does the company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	V		The HR Department is responsible for formulating policy and supervising ethical management for the Company. It will report the implementation status to the Board on a regular basis. In addition to report implementation status of ethical management to the Board, the HR Department will also report to independent directors. On March 25, 2020, the Board of Directors approved the establishment of the "Promoting Ethical Management Working Group" by the Corporate Governance Officer and the HR	

Evaluation Item	Implementation Status ¹			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		Department, responsible for policy formulation and implementation, and regularly (at least once a year) report to the Audit Committee and the Board of Directors. The Company's integrity management practices and annual implementation have been reported to the board of directors on November 9, 2022. The Company provides that no manager shall engage in any affairs with conflicts of interest to the Company unless otherwise released restriction by the Board and the shareholders' Meeting. All members of our Board of Directors are highly disciplined. Once there are conflicts of interests, such member will not participate in discussion and voting of the issue according to relevant regulation and keep it in the meeting minutes. The Company also has standard procedures for employees to report any potential conflicts of interests.	
(4) Does the company have effective accounting and internal control systems in place to implement ethical corporate management?	V		The Company has a strict accounting system and dedicated accounting department. For ensuring accuracy and transparency, all financial statements	

Evaluation Item	Implementation Status ¹			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?			are audited or reviewed by Deloitte & Touche in accordance with relevant regulation. In order to implement “Regulations Governing Establishment of Internal Control Systems by Public Companies” and “Principles for Ethical Management”, the Company has set up the Auditing Department which established its internal control system. And the Audit Department will regularly review and revise the internal control system. In addition, the Audit Department will develop and implement its annual internal audit plan in accordance with risk assessment. The Company does not use CPA for auditing.	
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	V		1. To establish corporate culture of ethical management and prevent unethical behaviors, the Company holds internal training sections for employees understanding our commitment to ethical management and policies. 2. Our “Codes of Ethical Conduct”, “Principles for Ethical Management”, and relevant regulations have been posted on the Company's website and internal bulletin board. In addition, all sales representatives have signed and followed the code of conduct of integrity management/anti-corruption/ethical conduct. 3. Handling of integrity management education	

Evaluation Item	Implementation Status ¹			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			and training: The company recorded the online course "Integrity Management and Ethical Behavior Promotion" to explain the legal responsibility of violation. The contents include "receiving improper benefits", "prohibiting insider trading", "Obtaining property by taking advantage of one's position", "Leaking commercial secrets", "Bribing public officials", "Participating in government procurement". The course was placed on the company's internal electronic bulletin board, and a total of about 350 colleagues participated. There is also a special chapter for the training of new recruits, and all colleagues sign and agree to abide by it.	
3. Operation of the integrity channel (1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	V		1. On November 9, 2022, the company's board of directors approved the "Anti-corruption Management Policy" and formulated the "Measures for Reporting and Investigation of Dishonest Behavior", which stipulates the acceptance unit, reporting channels, handling procedures, punishment and reward systems. 2. In addition, the company encourages employees to report to the internal audit supervisor when they find violations of honest management and unethical behavior. If the violations are found to	None

Evaluation Item	Implementation Status ¹			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures? (3) Does the company provide proper whistleblower protection?	V		be true, they will be punished according to company regulations. 3. Please refer to the company website (http://www.acc.com.tw) => corporate governance => operating procedures. The company's "Anti-Corruption Management Policy" and "Operation Measures for Reporting and Investigation of Dishonest Behaviors" clearly stipulate the investigation standard operating procedures, follow-up measures to be taken after the investigation is completed, and related confidentiality mechanisms. The company accepts real-name and anonymous reports, and promises to keep the identity of the whistleblower and the content of the whistleblower confidential, so as to protect the whistleblower from being mistreated due to the whistleblowing. All reported matters will be verified by an independent channel to protect the whistleblower.	
4. Strengthening information disclosure Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?	V		Our “Codes of Ethical Conduct”, “Principles for Ethical Management”, and relevant regulations have been posted on the Company's website and internal bulletin board.	None

Evaluation Item	Implementation Status ¹			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			The Company has designated employees responsible for disclosing relevant information on MOPS and the Company's website (http://www.acc.com.tw). The company has reported the promotion of honest business practices and implementation to the board of directors on November 9, 2022. So far, there is no violation of the company's suppliers, management or employees..	
5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation. There have been no differences.				
6. Other important information to facilitate a better understanding of the company’s ethical corporate management policies (e.g., review and amend its policies). a. The Company adds integrity information to the procurement system to ensure supplier compliance, and there are appeal channels available. b. The Company treats its employees and business partners with the highest standards of ethical conducts. Any bribery or unethical conducts made by its employees or suppliers will be punished, such as disposition, rejection of transaction, or legal prosecution. c. On November 9, 2022, the board of directors of the company formulated the "Anti-corruption Management Policy" and formulated the "Measures for Reporting and Investigation of Dishonest Behaviors".				

Note 1: The status of ethical management practices and annual implementation

Item	Description of the execution situation
Training	Manager at all levels, through various internal meetings, publicize the company's business philosophy of integrity and emphasize the importance of ethics, and strictly prohibit personal fraud.
Formulate Regulations	1. In order to establish the company's culture of ethics management, the Company's Principles for Ethical Management and its bylaws are formulated with reference to the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" published by the Taiwan Stock Exchange. 2. There are "Work Rules" and "Rewards and Punishments Rules" to regulate employee behavior, and personnel who violate relevant regulations will be treated according to the circumstances. 3. In order to guide the behavior of employees to comply with ethical standards and laws and to prevent illegality and disorder, "Codes of Ethical Conduct" provides that to accept bribes, banquets, and entertainment or engage in fraudulent behaviors are strictly forbid. 4. "Measures for Reporting Illegal and Unethical or Dishonest Behavior" establish a formal complaint channel and encourage reporting of any illegal or violation of Codes of Ethical Conduct or the Principles for Ethical Management.
Follow the principle of conflicts of interests	The Company's "Meeting Rules of the Board of Directors" stipulates that the directors must report any conflict of interests and may not participate in the discussion and voting. The "Code of Ethical Conduct" also clearly stipulates that all employees should prevent conflicts of interest. Those who have relevant situations should report to the company.
Supplier Management	All suppliers of the Company are required to sign the "Supplier Social Responsibility Commitment". In terms of ethics management, in addition to requiring suppliers to abide by the highest ethics standards in all business interactions. Any form of bribery, corruption, extortion, theft, abuse of power and improper advantage is prohibited, including money, gifts, commissions, positions, services, preferential treatment, kickbacks, etc. It is also necessary to avoid conflicts of interest. If suppliers find any potential conflicts of interest, they must immediately notify the Company and take appropriate measures to prevent possible misconduct.
Reports of Illegal and Ethics Violations	In order to implement the Company's ethical codes, the company has formulated the "Procedures for Reporting and Investigation of Dishonest Behaviors". The contact for accepting reports is as follows: https://www.acc.com.tw/en/contact-us
2022	During the severe epidemic in 2022, training method is changed to online teaching: 1. Promotion and introduction of Codes of Ethical Conduct: Starting from May 24, 2022, course topics, hours and number of

Training	participants are detailed in the table below.		
	Topic	Hours	Number of people
	1. "Receiving kickbacks or improper benefits"	0.1	350
	2. "Insider trading disclosure"	0.1	350
	3. "Obtaining property through abuse of duty"	0.1	350
	4. "Disclosure of trade secrets"	0.1	350
	5. "Bribing public officials"	0.1	350
	6. "Involvement in government procurement"	0.1	350
	2. "Prevention of Sexual Harassment in the Workplace ": Starting from May 12, 2022, the content includes prohibiting gender discrimination, preventing sexual harassment, appeal procedures, and promoting the implementation of work equality. 3. "Labor Incident Law": Starting from August 4, 2022, it was divided into six chapters. The content includes the purpose and scope of application of labor incident law, labor mediation procedure, labor incident litigation procedure, labor union role and labor incident law, labor incident preservation procedure.		
Human Rights Policy	The company follows internationally recognized human rights standards such as the "United Nations Universal Declaration of Human Rights", "United Nations Global Covenant", "United Nations Guiding Principles on Business and Human Rights", "United Nations International Labor Organization Core Conventions", and enacts our Human Rights Policy with the following key points. 1.Create a diverse and inclusive workplace, respect workplace equality, 2.Provide a safe and healthy work environment, 3.Respect employees' freedom of association, implement labor-management consultation, 4.Assist employees in maintaining physical and mental health and work-life balance. The above Human Rights Policy has been published on the Company's website.		

*So far this year, none of the company's suppliers, management or employees have violated the ethics of business operations.

- ◎ Access to Corporate Governance Best-Practice Principles and relevant regulations: Please visit the Company's website at <http://www.acc.com.tw>.
- ◎ Any other important information to facilitate better understanding of the Company's corporate governance practices: None.
- ◎ During the most recent fiscal year and the current fiscal year up to the date of printing of this annual report, any punishment occurred for the Company and its employees violating laws, and any punishment, fault and improvement occurred for the Company's employees against the regulations of Internal Audit System: None.
- ◎ To appoint certified accountants to audit internal audit system: None.

3.3.10 The Training for Directors

Name	Date	Organizer	Course Title and Lecturer	Hours
<u>Directors</u> Douglas Tong Hsu Tsai Hsiung Chang Johnny Shih Peter Hsu Kun Yen Lee C.V.Chen C.K.Chang Chin-Der Ou Champion Lee Kwan-Tao Li <u>Independent Directors</u> Yun-Pen Chu Gordon S.Chen	08/17	Taiwan Academy of Banking and Finance	Corporate Governance Forum - Insights from the Russo-Ukrainian War for Taiwan	3
<u>Directors</u> Douglas Tong Hsu Tsai Hsiung Chang Johnny Shih Peter Hsu C.V.Chen Kun Yen Lee C.K.Chang Champion Lee Kwan-Tao Li	12/21	Taiwan Academy of Banking and Finance	Corporate Governance Forum - Insights on Future Talent Deployment from Global Trends	3
<u>Directors</u> Ruey Long Chen	03/15	Corporate Governance Association	Risks Associated with Emissions Reduction and Green Energy	1.5
<u>Directors</u> Ruey Long Chen	05/13	Corporate Governance Association	Governance Path for Cybersecurity under the Challenges of Law Compliance	1.5
<u>Directors</u> Ruey Long Chen	08/12	Corporate Governance Association	International Anti-Tax Evasion Regulations	1.5
<u>Directors</u> Ruey Long Chen	11/11	Corporate Governance Association	Exploring Corporate Carbon Mindset through ESG Development Trends	1.5
<u>Directors</u> Chin-Der Ou	10/07	Securities and Futures Market Development Foundation	Risks and Impacts of Climate Change and Net-Zero Emission Policies on Business Operations	3
<u>Independent Directors</u> Chi Schive	09/22	Corporate Governance Association	How to Avoid Breach of Trust and Unconventional Transactions in Board Decision-Making	3
<u>Independent Directors</u> Chi Schive	11/10	Corporate Governance Association	Protection of Trade Secrets and Prevention of Insider Trading	3
<u>Independent Directors</u> Gordon S.Chen	11/28	Accounting Research and Development Foundation	Business Ethics and Sustainable Development	3
<u>Independent Directors</u> Yun-Pen Chu	11/23	Corporate Governance Association	Protection of Trade Secrets and Prevention of Insider Trading	3

3.3.11 The Training for Managers

Title	Name	Date	Organizer	Course Title and Lecturer	Hours
Deputy Chief Auditor	W.H.Yeh	04/01	Accounting Research and Development Foundation	Analysis of Compliance and Anti-Fraud Practices by Internal Auditors in the Context of 'Information Security' and 'Personal Privacy'	6
		07/26	Internal Audit Association	Practical Exploration and Strategies	6

Title	Name	Date	Organizer	Course Title and Lecturer	Hours
				for Dealing with 'Insider Trading' and 'Financial Misrepresentation'	
Assistant Vice President	Nancy Kao	09/05~09/06	Accounting Research and Development Foundation	Accounting Manger Continuing Training Course	12
President	Kun Yen Lee	07/28	Asia Cement	The Key Transformational Abilities for Initiating Brand Activation	9
Executive Vice President	Doris Wu				
Vice President	C.M.Chen	08/24			
Vice President	Z.P.Chang				
General Plant Manager	W.K.Chou	10/06			
Vice President	T.L.Yu				
Vice President	W.H.Yeh				
Deputy Chief Auditor	T.M.Chen				
Special Assistant	Nancy Kao				
Assistant Vice President	C.Y. Wang				
Assistant Vice President	Chenho Chung				
Manager	Gary Lee				
Manager	Yuchi Tsai				
Manager	Qingyuan Su				
Executive Vice President	Doris Wu	08/17	Taiwan Academy of Banking and Finance	Corporate Governance Forum - Insights from the Russo-Ukrainian War for Taiwan	3
Vice President	C.M.Chen				
Vice President	W.K.Chou				
Vice President	T.L.Yu				
Special Assistant	T.M.Chen				
Assistant Vice President	Nancy Kao				
Assistant Vice President	C.Y. Wang	12/21	Taiwan Academy of Banking and Finance	Corporate Governance Forum - Insights on Future Talent Deployment from Global Trends	3
President	Chenho Chung				
Manager	Gary Lee				
Manager	Qingyuan Su				
Manager	Yuchi Tsai				
Manager					
Vice President	W.K.Chou	04/22	Corporate Governance Association	Net-Zero Emissions, Carbon Neutrality, and Corporate Regulatory Compliance	3
		04/29	Corporate Governance Association	The Hidden Force Behind Corporate Governance: Operational Practices of Corporate Governance Professionals	3
		10/25	Corporate Governance Association	Interpreting Key Judgments on Corporate Governance: Focusing on Director's Responsibilities	3

W.K. Chou, Corporate Governance Officer has completed 12 hours training as required.

3.3.12 The Execution Status of Internal Control System

Asia Cement Corporation Statement of Internal Control System

Date: March 7, 2023

Asia Cement Corporation(ACC) has conducted a self-inspection of internal control system during 2022. The results are as follows:

ACC acknowledges that the implementation and maintenance of internal control system is the responsibility of Board of Directors and managerial level, and ACC has established such system. It is aimed to reasonably ensure that the goals such as effective and efficient operations (including profitability, performance, and safeguard of assets), the reliability, timeliness, transparency, and regulatory compliance of reporting , and the compliance with applicable laws and regulations are achieved.

The internal control system has its inherent limitations; whatever a perfect design is, an internal control system can provide only reasonable assurance that the above-mentioned goals will be achieved; besides, owing to the change of environment and circumstances, the effectiveness of internal control system will be changed accordingly. However, the internal control system of ACC is equipped with self-monitoring mechanisms and ACC will take corrective action once defect is identified.

According to the criteria for the internal control system as specified in “Guidelines for Implementation of Establishing Internal Control System by Public Listed Companies”(hereinafter referred to as “Guidelines,”) ACC evaluates the effectiveness of its internal control system. The said Guidelines divide internal control system into five components: (1) Control Environment, (2) Risk Assessment, (3) Control Operations, (4) Information and Communication, and (5) Monitoring. Each component includes certain items. For the foregoing items, please refer to “Guidelines”.

ACC has adopted the aforesaid criteria for internal control system to evaluate the effectiveness of design and implementation of internal control system.

Based on the findings of the evaluation mentioned in the preceding paragraph, ACC believes that as at December 31, 2022 its internal control system (including its supervision and management of subsidiaries), encompassing internal controls for knowledge of the degree of achievement of operational effectiveness and efficiency objectives, the reliability, timeliness, transparency, and regulatory compliance of reporting , and the compliance with applicable laws and regulations, was effectively designed and operating, and reasonably assured the achievement of the above-stated objectives.

This statement comprises the entire annual report and public brochure, and will be publicly disclosed. If the aforesaid statement has any unlawful attempt such as pretence and concealment, ACC will assume the legal responsibilities according to Article 20, 32, 171 and 174 of Securities and Exchange Law.

This statement has been approved by ACC Board of Directors at the meeting of March 7, 2023 with 14 directors in presence and none disagreement with the content of this statement.

Asia Cement Corporation

Chairman: Douglas Tong Hsu

President: K.Y. Lee

3.3.13 Major Resolutions of Shareholders' Meeting and Board Meetings

1. Major resolution of Regular Shareholders' Meeting

Date	Major resolutions
2022/06/29	1. Acceptance of 2021 financial statements and consolidated financial statements 2. Acceptance of the proposal for distribution of 2021 profits. 3. Amendment To "Articles of Incorporation of Asia Cement Corporation" 4. Amendment To "Procedure for Acquisition and Disposal of Assets". 5. Amendment To "Procedure for Making Endorsements and Guarantees". 6. Amendment To "Procedure for Loan to Others". 7. Amendment To "Meeting Rules for Shareholders' Meeting".
Execution Status	Major resolutions of the Shareholders' meeting have been fully implemented. 1. The record date for distribution of 2021 profits was Aug. 3, 2022. Cash dividends have been distributed on Aug. 26, 2022. 2. Amendment To "Articles of Incorporation of Asia Cement Corporation" has been approved by the MOEA. 3. Relevant amendments have been disclosed on our website.

2. Major Resolutions of the Board of Directors

Totally 6 meetings of the Board of Directors were held in the period from Jan. 1, 2022 to May 9, 2023. Directors have no opposition to major resolutions in this period.

Regarding the items listed in Article 14(3) of the Securities Exchange Act, all attended independent directors approved without disagreement.

Date	Major resolutions
2021/03/25	1. Acceptance of the 2020 employees' compensation and Directors' remuneration. 2. Acceptance of 2020 financial statements and consolidated financial statements. 3. Acceptance of the proposal for distribution of 2020 profits. 4. Acceptance to issue 2020 Statement of Internal Control System. 5. Amendment to the "Meeting Rules of the Board of Directors". 6. Amendment to the "Board of Directors Performance Evaluation Method". 7. Acceptance of 2021 business budget. 8. To convene 2021 regular shareholders' meeting. 9. Acceptance of 2021 CPA service of Deloitte & Touche. 10. To Terminate the issuance of overseas depository receipts (GDR) on the London Stock Exchange. 11. To issue unsecured corporate bonds in once or in a batch with total amount not exceeding NT\$15 billion in order to repay the loan, enrich the medium and long-term working capital, and strengthen the financial structure.
2021/05/13	1. Acceptance of 2020 Business Report. 2. To set the base date for the capital increase and issuance of new shares for overseas unsecured conversion bonds. 3. To set up "Sustainability Committee" and to amend the "Corporate Sustainability Policy". 4. Amendment to the agenda of the 2021 regular shareholder meeting.
2021/07/05	1. To change the date of 2021 regular shareholders' meeting. 2. To authorize the Chairman to set the record date for profit distribution.
2021/07/28	1. To set the base date for the capital increase and issuance of new shares for overseas unsecured conversion bonds. 2. To elect members of the "Sustainability Committee"
2021/11/12	1. To accept 2022 audit plan. 2. To set the base date for the capital increase and issuance of new shares for

	overseas unsecured conversion bonds. 3. To issue unsecured corporate bonds in once or in a batch with total amount not exceeding NT\$15 billion in order to repay the loan, enrich the medium and long-term working capital, and strengthen the financial structure. 4. To purchase liability insurance for directors, and supervisors, and important employees of the Company and its affiliates in the consolidated financial statements.
2022/03/08	1. Acceptance of the 2021 employees' compensation and Directors' remuneration. 2. Acceptance of 2021 financial statements and consolidated financial statements. 3. Acceptance of the proposal for distribution of 2021 profits. 4. Acceptance to issue 2021 Statement of Internal Control System. 5. Amendment To "Articles of Incorporation of Asia Cement Corporation" 6. Amendment To "Procedure for Acquisition and Disposal Of Assets". 7. Amendment To "Procedure for Making Endorsements and Guarantees". 8. Amendment To "Procedure for Loan to Others". 9. To convene 2022 regular shareholders' meeting. 10. Acceptance of 2022 business budget. 11. Acceptance of 2022 CPA service of Deloitte & Touche. 12. To issue Cross Currency Swap with total amount not exceeding USD \$200 million
2022/05/10	1. Acceptance of 2021 Business Report. 2. Acceptance of 2022 Q1 consolidated financial statements. 3. To set the base date for the capital increase and issuance of new shares for overseas unsecured conversion bonds. 4. To set up "Sustainability Committee" and to amend the "Corporate Sustainability Policy". 5. Amendment To "Meeting Rules for Shareholders' Meeting". 6. Amendment to the meeting methods and agenda of the 2022 regular shareholder meeting.
2022/08/10	1. Consolidated financial report for Q2 2022. 2. No profits distribution for Q2 2022. 3. Amending the company's "internal control system" and its rules.
2022/11/09	1. Consolidated financial report for Q3 2022. 2. No profits distribution for Q3 2022. 3. To accept 2023 audit plan. 4. To purchase liability insurance for directors, and supervisors, and important employees of the Company and its affiliates in the consolidated financial statements. 5. Charges for senior executives. 6. Set up an information security officer and a dedicated unit. 7. Amendment to the "Code of Integrity Management". 8. Amendment to the "Rules of Procedure of the Board of Directors". 9. Amendment to the "Corporate Governance Code". 10. Amendment to the "Internal Material Information Processing Procedures". 11. Enactment of the "Anti-corruption Management Policy".
2023/03/07	1. Acceptance of the 2022 employees' compensation and Directors' remuneration. 2. Acceptance of 2022 financial statements and consolidated financial statements. 3. Acceptance of the proposal for distribution of 2022 profits. 4. Proposal to elect 28th Board of Directors. 5. To convene 2023 regular shareholders' meeting.

	6. Acceptance to issue 2022 Statement of Internal Control System. 7. Amending the company's "internal control system" and its rules. 8. Acceptance of 2023 business budget. 9. Acceptance of 2023 CPA service of Deloitte & Touche. 10. In order to repay loans, enrich medium and long-term working capital or strengthen financial structure, the company plans to issue unsecured ordinary corporate bonds in one or more batches, with a total amount not exceeding NT\$15 billion. 11. The Company's acquisition of securities.
2023/05/11	1. Acceptance of 2022 Business Report. 2. Review the candidates for directors and independent directors. 3. Proposal to lift the restrictions on directors' non-compete liability in accordance with Article 209 of the Company Law. 4. Revise the agenda of the company's 2023 annual shareholders' regular meeting. 5. Acceptance of 2023 Q1 consolidated financial statements. 6. No profits distribution for 2023 Q1. 7. To set the base date for the capital increase and issuance of new shares for overseas unsecured conversion bonds.

3.3.14 Resignation or dismissal of the chairman, president, accounting manager, finance manager, auditing manager, and R&D manager of the Company: None.

3.4 Information of CPA Service Fee

1. Information of CPA service fee

Unit: NT\$1,000

Accounting Firm	Name of CPA	Audit period	Audit Fee	Non-audit Fee	Total	Remarks
Deloitte & Touche	H.W. Tai	01/01/2022-12/31/2022	6,730	2,615	9,345	Other non-audit fees include tax compliance audit, transfer pricing report, establish anti-bribery management system, etc.
	P. D. Chen					

- If the audit fee in the year CPA firm changes is lower than that in the prior year, specify the amount of audit fee before and after and the reason: None.
- If the audit fee dropped year on year by more than 10%, specifies the amount, percentage, reason of the reduction: None.
- Change of CPA in recent two fiscal years and subsequent periods:
The Company commissioned Deloitte & Touche-Taiwan to audit the financial statements. Due to internal function adjustments in Deloitte & Touche-Taiwan, the audit has been commissioned from CPA Hsin Wei Tai and Yu Wei Fan to CPA Hsin Wei Tai and Pei De Chen since 2021Q1.
- The ACC Chairman, President, and managers who are responsible for finance and accounting do not have any position at CPA Firm or its affiliated companies in the most recent fiscal year.

3.5 Relevant licenses and certificates obtained about transparent financial information

Department	Name	Title	Licenses and Certificates
Finance	Doris Wu	Executive Vice President	CPA, Taiwan and United States
Finance	Yu Ling Yang	Assistant Vice President	CPA, Taiwan and China
Finance	Ya Ping Li	Assistant Vice President	CPA, Taiwan
Finance	Yu De Liao	Deputy Manager	Certified Internal Auditor Certified Information Systems Auditor
Finance	Wei Zhong Chen	Deputy Manager	Chartered Financial Analyst
Auditing	Chi Wen Lu	Assistant Specialist	Certified Internal Auditor Certification in Risk Management Assurance
Accounting	Bi Chen Weng	Assistant Section Chief	CPA, Taiwan
Accounting	Ying Bei Lin	Assistant Administrator	CPA, Taiwan

3.6 Changes in Shareholdings and pledge of Directors, Managers, and Shareholders with more than 10% Shareholding

1. Changes in Shareholdings:

Title	Name	Shareholding on Dec. 31, 2022		Shareholding on Apr. 29, 2023	
		Changes of Shares	Changes of Shares Pledged	Changes of Shares	Changes of Shares Pledged
Chairman	Douglas Tong Hsu	—	—	—	—
Director	Far Eastern New Century Corporation ¹	—	—	—	—
	T.H. Chang	—	—	705,786	—
	Johnny Shih	—	—	—	—
	C.V. Chen	—	—	—	—
Director	Bai-Yang Investment Holdings Corporation	—	—	—	—
	Chin-Der Ou	—	—	—	—
Director	U-Ding Corporation	—	—	—	—
	K.Y. Lee	972,000	—	—	—
Director	Far Eastern Y.Z. Hsu Science And Technology Memorial Foundation	—	—	—	—
	Peter Hsu	—	—	—	—
	C.K. Chang	—	—	—	—
Director	Ta Chu Chemical Fiber Co.,Ltd	—	—	—	—
	Ruey Long Chen	—	—	—	—
Director	Far Eastern Medical Foundation Champion Lee	—	—	—	—
Director	U-Ming Corporation K.T. Li	—	—	—	—
Independent Director	Chi Schive	—	—	—	—
Independent Director	Gordon S. Chen	—	—	—	—
Independent Director	Yun-Pen Chu	—	—	—	—
President	K.Y. Lee	972,000	—	—	—
Executive Vice President	Doris Wu	180,000	—	—	—
Vice President	C.M. Chen	—	—	—	—
Vice President	W.K. Chou	—	—	594,796	—
Vice President	Z.P. Chang	—	—	—	—
Vice President	T.L. Yu	—	—	—	—
Deputy Chief Auditor	W.H. Yeh	—	—	—	—

¹ The majority shareholder with holding more than 10% share of the Company.

Title	Name	Shareholding on Dec. 31, 2022		Shareholding on Apr. 29, 2023	
		Changes of Shares	Changes of Shares Pledged	Changes of Shares	Changes of Shares Pledged
Special Assistant	T.M. Chen	—	—	—	—
Accounting Manager	H.Y. Kao	—	—	—	—
Assistant Vice President	Dana Lee	—	—	—	—
Assistant Vice President	Karen Yang	—	—	—	—
Assistant Vice President	C.Y. Wang	—	—	—	—
Assistant Vice President	Y.P. Lee	—	—	—	—
Manager	Z.H Zhong	—	—	—	—
Manager	Gary Lee	—	—	—	—
Plant Manager (Retired)	Z.X. Zhuang	111,000	—	—	—

2. Shareholders transfer information: Since the relative transfer of shareholders is non-related person, so there is no information on this information.
3. Shareholders pledge information: no shareholders pledged.

3.7 Information Disclosing the Relationship between any of the Company's Top 10 Shareholders

Name	Current Shareholding		Spouse & Minor Children's Shareholding		Shareholding In Name of Others		The name and relation of top10 shareholders who mutually have relations that meet the definition of the "affiliate", or mutually are spouses or within two degrees of kinship	
	Shares	%	Shares	%	Shares	%	Name	Relation
Far Eastern New Century Corporation Representative: Douglas Tong Hsu	750,511,324	21.16%	0	0%	0	0%	Far Eastern Medical Foundation	The Same Chairman
			0	0%	0	0%	Yuanta/P-shares Taiwan Dividend Plus ETF	Non-related party
			0	0%	0	0%	China Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Yuan Ding Investment Company	The Same Chairman
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	The Same Chairman
			0	0%	0	0%	Yuan-Ze University	The Same Chairman
			0	0%	0	0%	Far Eastern Memorial Foundation	Chairman is the Director of the Foundation
			0	0%	0	0%	Yu Yuan Investment Co., Ltd.	Non-related party
Far Eastern Medical Foundation Representative: Douglas Tong Hsu	181,566,797	5.12%	0	0%	0	0%	Far Eastern New Century Corporation	The Same Chairman
			0	0%	0	0%	Yuanta/P-shares Taiwan Dividend Plus ETF	Non-related party
			0	0%	0	0%	China Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Yuan Ding Investment Company	The Same Chairman
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	The Same Chairman
			0	0%	0	0%	Yuan-Ze University	The Same Chairman
			0	0%	0	0%	Far Eastern Memorial Foundation	Chairman is the Director of the Foundation
			0	0%	0	0%	Yu Yuan Investment Co., Ltd.	Non-related party
Yuanta/P-shares Taiwan Dividend Plus ETF	108,917,469	3.07%	0	0%	0	0%	Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Far Eastern Medical Foundation	Non-related party
			0	0%	0	0%	China Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Yuan Ding Investment Company	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	Non-related party
			0	0%	0	0%	Yuan-Ze University	Non-related party
			0	0%	0	0%	Far Eastern Memorial Foundation	Non-related party
			0	0%	0	0%	Yu Yuan Investment Co., Ltd.	Non-related party
China Life Insurance Co., Ltd. Representative:	86,316,000	2.43%	0	0%	0	0%	Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Far Eastern Medical Foundation	Non-related party

Name	Current Shareholding		Spouse & Minor Children's Shareholding		Shareholding In Name of Others		The name and relation of top10 shareholders who mutually have relations that meet the definition of the "affiliate", or mutually are spouses or within two degrees of kinship	
	Shares	%	Shares	%	Shares	%	Name	Relation
Saloon Tham			0	0%	0	0%	Yuanta/P-shares Taiwan Dividend Plus ETF	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Yuan Ding Investment Company	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	Non-related party
			0	0%	0	0%	Yuan-Ze University	Non-related party
			0	0%	0	0%	Far Eastern Memorial Foundation	Non-related party
			0	0%	0	0%	Yu Yuan Investment Co., Ltd.	Non-related party
Labor Pension Fund Committee of Far Eastern New Century Corporation	57,971,049	1.63%	0	0%	0	0%	Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Far Eastern Medical Foundation	Non-related party
			0	0%	0	0%	Yuanta/P-shares Taiwan Dividend Plus ETF	Non-related party
			0	0%	0	0%	China Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Yuan Ding Investment Company	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	Non-related party
			0	0%	0	0%	Yuan-Ze University	Non-related party
			0	0%	0	0%	Far Eastern Memorial Foundation	Non-related party
Yuan Ding Investment Company Representative: Douglas Tong Hsu	54,301,518	1.53%	0	0%	0	0%	Yu Yuan Investment Co., Ltd.	Non-related party
			0	0%	0	0%	Far Eastern New Century Corporation	The Same Chairman
			0	0%	0	0%	Far Eastern Medical Foundation	The Same Chairman
			0	0%	0	0%	Yuanta/P-shares Taiwan Dividend Plus ETF	Non-related party
			0	0%	0	0%	China Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	The Same Chairman
			0	0%	0	0%	Yuan-Ze University	The Same Chairman
Far Eastern Department Stores Co., Ltd. Representative: Douglas Tong Hsu	50,000,492	1.41%	0	0%	0	0%	Far Eastern Memorial Foundation	Chairman is the Director of the Foundation
			0	0%	0	0%	Yu Yuan Investment Co., Ltd.	Non-related party
			0	0%	0	0%	Far Eastern New Century Corporation	The Same Chairman
			0	0%	0	0%	Far Eastern Medical Foundation	The Same Chairman
			0	0%	0	0%	Yuanta/P-shares Taiwan Dividend Plus ETF	Non-related party
			0	0%	0	0%	China Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Yuan Ding Investment Company	The Same Chairman
			0	0%	0	0%	Yuan-Ze University	The Same Chairman

Name	Current Shareholding		Spouse & Minor Children's Shareholding		Shareholding In Name of Others		The name and relation of top10 shareholders who mutually have relations that meet the definition of the "affiliate", or mutually are spouses or within two degrees of kinship	
	Shares	%	Shares	%	Shares	%	Name	Relation
			0	0%	0	0%	Far Eastern Memorial Foundation	Chairman is the Director of the Foundation
			0	0%	0	0%	Yu Yuan Investment Co., Ltd.	Non-related party
Yuan-Ze University Representative: Douglas Tong Hsu	47,499,567	1.34%	0	0%	0	0%	Far Eastern New Century Corporation	The Same Chairman
			0	0%	0	0%	Far Eastern Medical Foundation	The Same Chairman
			0	0%	0	0%	Yuanta/P-shares Taiwan Dividend Plus ETF	Non-related party
			0	0%	0	0%	China Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Yuan Ding Investment Company	The Same Chairman
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	The Same Chairman
			0	0%	0	0%	Far Eastern Memorial Foundation	Chairman is the Director of the Foundation
			0	0%	0	0%	Yu Yuan Investment Co., Ltd.	Non-related party
			0	0%	0	0%	Far Eastern New Century Corporation	Director of the Foundation is the Chairman
Far Eastern Memorial Foundation Representative: Kwan-Tao Li	44,115,478	1.24%	0	0%	0	0%	Far Eastern Medical Foundation	Director of the Foundation is the Chairman
			0	0%	0	0%	Yuanta/P-shares Taiwan Dividend Plus ETF	Non-related party
			0	0%	0	0%	China Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Yuan Ding Investment Company	Director of the Foundation is the Chairman
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	Director of the Foundation is the Chairman
			0	0%	0	0%	Yuan-Ze University	Director of the Foundation is the Chairman
			0	0%	0	0%	Yu Yuan Investment Co., Ltd.	Non-related party
			0	0%	0	0%	Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Far Eastern Medical Foundation	Non-related party
Yu Yuan Investment Co., Ltd Representative: C.M. Chen	43,268,479	1.22%	0	0%	0	0%	Yuanta/P-shares Taiwan Dividend Plus ETF	Non-related party
			0	0%	0	0%	China Life Insurance Co., Ltd.	Non-related party
			0	0%	0	0%	Labor Pension Fund Committee of Far Eastern New Century Corporation	Non-related party
			0	0%	0	0%	Yuan Ding Investment Company	Non-related party
			0	0%	0	0%	Far Eastern Department Stores Co., Ltd.	Non-related party
			0	0%	0	0%	Far Eastern Memorial Foundation	Chairman is the Director of the Foundation
			0	0%	0	0%	Yu Yuan Investment Co., Ltd.	Non-related party

Name	Current Shareholding		Spouse & Minor Children's Shareholding		Shareholding In Name of Others		The name and relation of top10 shareholders who mutually have relations that meet the definition of the “affiliate”, or mutually are spouses or within two degrees of kinship	
	Shares	%	Shares	%	Shares	%	Name	Relation
			0	0%	0	0%	Yuan-Ze University	Non-related party
			0	0%	0	0%	Far Eastern Memorial Foundation	Non-related party



3.8 Shareholding Proportion of ACC to Investees

Dec. 31, 2022

Investees	Investments by ACC		Investments by Directors, Supervisors, Managers and Directly or Indirectly Controlled Businesses		Total Investments	
	Shares	%	Shares	%	Shares	%
Asia Investment Corp.	403,088,522	100.00%	-	0.00%	403,088,522	100.00%
Sunrise Industrial Holdings Ltd.	90,000	100.00%	-	0.00%	90,000	100.00%
Yuan Long Stainless Steel Corp.	200,000,000	100.00%	-	0.00%	200,000,000	100.00%
Nan Hwa Cement Corp.	26,138,828	99.98%	5,000	0.02%	26,143,828	100.00%
Der Ching Investment Corp.	730,646,976	99.99%	6,625	0.00%	730,653,601	99.99%
Ya Tung Ready-Mixed Concrete Corp.	199,991,837	99.99%	7,968	0.00%	199,999,805	99.99%
Asia Cement (Singapore) Pte. Ltd.	10,499,618	99.99%	-	0.00%	10,499,618	99.99%
Fu Ming Transportation Co., Ltd.	29,555,742	99.95%	5,000	0.02%	29,560,742	99.97%
Asia Engineering Enterprise Corp.	8,094,680	99.76%	15,660	0.19%	8,110,340	99.95%
Chiahui Power Corp.	568,307,076	99.70%	543,464	0.10%	568,352,644	99.80%
FEDS Development Ltd.	53,250,000	25.00%	149,100,000	70.00%	202,350,000	95.00%
Yuan Ding Co., Ltd.	178,707,648	35.50%	259,922,109	51.63%	438,629,757	87.13%
Everstrong Iron & Steel Foundry Ltd.	16,264,709	83.94%	1,154	0.01%	16,265,863	83.95%
Asia Cement (China) Holdings Corp.	1,061,209,202	67.73%	71,334,798	4.55%	1,132,544,000	72.28%
Ya Li Transportation Corp.	5,160,817	51.61%	-	0.00%	5,160,817	51.61%
Everstrong Iron & Steel Foundry Ltd.	3,199,823	40.40%	660,000	8.33%	3,859,823	48.73%
Yuan Ding Leasing Corp.	34,640,189	43.60%	-	0.00%	34,640,189	43.60%
U-Ming Marine Transport Corp.	331,701,152	39.25%	20,187,202	2.39%	351,888,354	41.64%
Oriental Securities Corp.	136,713,259	18.93%	146,326,910	20.26%	283,040,169	39.19%
Far Eastern New Century Corp.	1,272,277,085	23.77%	542,231,444	10.13%	1,814,508,529	33.90%
Yue Yuan Investment Corp.	155,000,823	29.92%	515,000	0.10%	155,515,823	30.02%
China Shanshui Cement Group Ltd.	331,878,315	7.62%	428,393,000	9.84%	760,271,315	17.46%

IV Capital Formation

4.1 Capital and Shares

4.1.1 Capital Increase in the Recent Five Years

Book closure date: Apr. 29, 2023

Date	Par Value	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount (NT\$)	Shares	Amount (NT\$)	Sources of Capital	Capital Increased by Assets Other than Cash	Others
Dec.2012	NT\$10	3,600,000,000	36,000,000,000	3,230,918,107	32,309,181,070	Dividend	None	Note1
Dec.2013	NT\$10	3,600,000,000	36,000,000,000	3,295,536,469	32,955,364,690	Dividend	None	Note1
Dec.2014	NT\$10	3,600,000,000	36,000,000,000	3,361,447,198	33,614,471,980	Dividend	None	Note1
Apr.2021	NT\$10	4,000,000,000	40,000,000,000	3,367,379,460	33,673,794,600	Exchange of Overseas Unsecured Convertible Bonds	None	Note2
Jul.2021	NT\$10	4,000,000,000	40,000,000,000	3,446,057,251	34,460,572,510	Exchange of Overseas Unsecured Convertible Bonds	None	Note2
Aug.2021	NT\$10	4,000,000,000	40,000,000,000	3,523,384,400	35,233,844,000	Exchange of Overseas Unsecured Convertible Bonds	None	Note2
Sep.2021	NT\$10	4,000,000,000	40,000,000,000	3,544,174,122	35,441,741,220	Exchange of Overseas Unsecured Convertible Bonds	None	Note2
Oct.2021	NT\$10	4,000,000,000	40,000,000,000	3,545,572,071	35,455,720,710	Exchange of Overseas Unsecured Convertible Bonds	None	Note2
Apr.2022	NT\$10	4,000,000,000	40,000,000,000	3,545,927,557	35,459,275,570	Exchange of Overseas Unsecured Convertible Bonds	None	Note2
Apr.2023	NT\$10	4,000,000,000	40,000,000,000	3,546,562,881	35,465,628,810	Exchange of Overseas Unsecured Convertible Bonds	None	Note2

Note1: Ruling Ref. No. and effective date for capitalization of share dividends were No. 10101189120 dated 2012/9/11, No. 10201196030 dated 2013/9/23, and No. 10301193070 dated 2014/9/17, respectively.

Note2: The overseas unsecured convertible bonds was approved by the Financial Supervisory Commission with

4.1.2 Capital

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common Shares	3,546,562,881 Available for trading on the TWSE	453,437,119	4,000,000,000	-

4.1.3 Shelf Registration : None

4.1.4 Shareholder Structure

Book closure date: Apr. 29, 2023

Structure Amount	Governments	Financial Institutions	Other Institutional Investors	Domestic Individual Investors	Foreign Institutions & Individuals	Total
Number of Shareholders	10	56	612	130,957	669	132,304
Number of shares	34,752,724	299,539,688	1,830,200,826	738,307,681	643,761,962	3,546,562,881
Shareholding Percentage	0.98%	8.45%	51.60%	20.82%	18.15%	100.00%

Note: No foreign institutions and individuals from China Area.

4.1.5 Shareholding Distribution Status

Book closure date: Apr. 29, 2023

Class of Shareholding (Unit: Share)	Number of shareholders	Number of shares	Holding Percentage
1-999	38,507	9,518,126	0.27%
1,000-5,000	71,231	152,512,735	4.30%
5,001-10,000	11,352	87,864,074	2.48%
10,001-15,000	3,701	46,365,801	1.31%
15,001-20,000	2,156	39,382,576	1.11%
20,001-30,000	1,862	46,951,693	1.32%
30,001-40,000	839	29,840,380	0.84%
40,001-50,000	575	26,506,763	0.75%
50,001-100,000	987	70,640,078	1.99%
100,001-200,000	457	65,011,134	1.83%
200,001-400,000	238	65,972,552	1.86%
400,001-600,000	98	47,513,082	1.34%
600,001-800,000	34	23,585,034	0.67%
800,001-1,000,000	22	20,405,079	0.58%
Over 1,000,001	245	2,814,493,774	79.36%
Total	132,304	3,546,562,881	100%

Preferred Share

Book closure date: Apr. 29, 2023

Class of Shareholding (Unit: Share)	Number of shareholders	Number of shares	Holding Percentage
NA	0	0	0

4.1.6 List of Major Shareholders

Book closure date: Apr. 29, 2023

Major Shareholder	Shares	Number of Shares	Holding Percentage
Far Eastern New Century Corporation		750,511,324	21.16%
Far Eastern Medical Foundation		181,566,797	5.12%
Yuanta/P-shares Taiwan Dividend Plus ETF		108,917,469	3.07%
China Life Insurance Co., Ltd.		86,316,000	2.43%
Labor Pension Fund Committee of Far Eastern New Century Corporation		57,971,049	1.63%
Yuan Ding Investment Company		54,301,518	1.53%
Far Eastern Department Stores Co., Ltd.		50,000,492	1.41%
Yuan-Ze University		47,499,567	1.34%
Far Eastern Memorial Foundation		44,115,478	1.24%
Yu Yuan Investment Co., Ltd.		43,268,479	1.22%
Total		1,424,468,173	40.17%

4.1.7 Market Price, Net Value, Earnings and Dividends per Share

Unit: NT\$

Item		Year	2021	2022	The current year up to March 31, 2023 (Note 3)
Market Price Per Share	Highest		54.30	48.70	44.80
	Lowest		40.00	36.60	40.35
	Average		46.33	43.38	42.78
Net Value Per Share	Before Distribution		44.26	45.35	-
	After Distribution		40.86	43.05 (Note 2)	-
Earnings Per Share	Weighted Average shares (in thousand)		3,203,972	3,313,166	-
	Earnings Per Share		4.70	3.63	-
Dividends Per Share	Cash Dividends		3.40 (Note 1)	2.30 (Note 2)	-
	Stock Dividend	-	-	-	-
	Accumulated Unpaid Dividends	-	-	-	-
			-	-	-
Return on Investment	Price-Earnings Ratio		9.86	11.95	-
	Price-Dividend Ratio		13.63	18.86	-
	Cash Dividend Yield Rate		7.34%	5.30%	-

Note 1: Given to transfer the number of ordinary shares converted from outstanding overseas unsecured convertible bonds, the total number of issued and outstanding shares have increased and the cash dividend was adjusted to \$3.39965914 per ordinary share.

Note 2: The appropriation of cash dividends per share for 2022 were approved in the board of directors' meetings on March 7, 2023.

Note 3: Net value per share and earnings per share should be based on auditor-reviewed data as at the latest quarter before the publishing date of this annual report. For all other fields, data should be provided as at the end of their respective years.

4.1.8 Dividend Policy & Implementation Status

1. Dividend Policy

The Company's profits distribution or loss appropriation may be made after the end of each quarter. If the profits distribution is paid in cash, it shall be dealt with by the resolution of the board of directors in accordance with the provisions of Article 228-1 and Article 240 Paragraph 5 of the Company Act, and shall be reported to the shareholders' meeting.

When the Company 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 Company 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 Company 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 Company, then set aside a special capital reserve as required by law. Subject to certain business conditions under which the Company may retain a portion of the remaining balance, the Company 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' dividend. However, in the case of increase in the Company'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.

The distribution of shareholders' dividend shall take into consideration the changes in the outlook for the Company'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 aimed at maintaining the stability of 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 fifty percent (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 shareholders' dividend distributed in the same year.

2. Hereby lists the Company's dividend in recent years as follows:

Year	Cash Dividend	Ratio of Total Dividend	Stock dividend	Ratio of Total Dividend	Total dividend
2017	NT \$1.2	100%	NT \$0	0%	NT \$1.2
2018	NT \$2.8	100%	NT \$0	0%	NT \$2.8
2019	NT \$3.0	100%	NT \$0	0%	NT \$3.0
2020 (Adjusted)	NT \$3.46	100%	NT \$0	0%	NT \$3.46
2021 (Adjusted)	NT \$3.4	100%	NT \$0	0%	NT \$3.4
2022 (Approved by BOD)	NT \$2.3	100%	NT \$0	0%	NT \$2.3

The net income after tax for FY2022 is NT\$ 12,016,396,477. After the appropriation of Legal Reserve and Special Reserve, the Board of Directors has approved the fourth quarter cash dividend of NT\$ 2.3 per share, which is summed up to NT\$ 8,155,633,381 in total.

4.1.9 Effects on Business Performance and EPS Resulting from Stock Dividend Distribution

Not applicable because of no stock distribution.

4.1.10 Employees' Compensation and Directors' Remuneration

1. The percentages or ranges with respect to employees' compensation and directors' remuneration as set forth in the Asia Cement Corporation's Articles of Incorporation: Pursuant to the Articles of Incorporation for distribution 0.1%~4% as employees' compensation and distribution less than 2.5% as directors' remuneration base on the profit of the current year. However, the company's accumulated losses shall have been covered. The company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, determine the actual ratio, amount, form (in the form of shares or in cash) and the number of shares of the profit distributable as employees' compensation; and a report of such distribution shall be submitted to the shareholders' meeting. The actual ratio and amount of the profit distributable as directors' remuneration shall also be determined by Board of Directors, and a report of such distribution shall be submitted to the shareholders' meeting.
- 2.(1)The basis for estimating the amount of employees' compensation and directors' remuneration: Distribution 0.1%~4% as employees' compensation and less than 2.5% as directors' remuneration shall be based on the profit before income tax of the current year.
(2)The number of shares to be distributed as employees' compensation: NA
(3)The accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure for the current period: the difference would be regarded as accounting estimation adjustment and recognized as the profit and loss of 2023.
3. Information on resolved by the Board of Directors on March 7, 2023 for distribution of compensation:
(1)The amount of any compensation distributed in cash or stocks: Employees' cash compensation is NT\$ 148,125,892. Directors' cash remuneration is NT\$ 130,714,603.
(2)If there is any discrepancy between that amount and the estimated are recognized for the fiscal year shall be disclosed the discrepancy amount, its cause, and the status of treatment: No discrepancy.
(3)The amount of any employees' compensation distributed in stocks, and the amount as a percentage of the sum of profit after income tax base on the separated financial report and total employees' compensation: NA
4. The actual distribution of employees' compensation and directors' remuneration for the previous fiscal year (with an indication of the number of shares, amount and stock price of the shares distributed), and if there is any discrepancy between the actual distribution and the recognized employees' compensation and directors' remuneration shall be disclosed the discrepancy, its cause, and the status of treatment:
The Board of Directors resolved on March 8, 2022 to distribute employees' compensation NT\$ 185,108,560 and directors' remuneration NT\$ 161,969,990. The employees' compensation and directors' remuneration were fully distributed and no discrepancy with 2021 separate financial report.

◎Buyback of Treasury Stock: None.

◎Preferred Stock: None.

◎Employee Stock Option: None.

◎Restricted Stock Awards for employees: None.

◎Merger or acquisition of other company' share to issue new share: None.

4.2 Summary of Corporate Bonds

4.2.1 Issued Corporate Bonds

Type of Bond Issued		1st Unsecured Corporate Bond Issued in 2019	2nd Unsecured Corporate Bond Issued in 2019
Item			
Date Issued		May. 8, 2019	Aug. 16, 2019
Par Value		NT\$1,000,000	NT\$1,000,000
Issue and Trade Place		N/A	N/A
Issue Price		Par Value	Par Value
Nominal Amount		NT\$6,500,000,000	NT\$3,500,000,000
Interest Rate		0.88%	0.79%
Term		Five Years. Maturity: May. 8, 2024	Five Years. Maturity: Aug. 16, 2024
Guaranty/Guarantor		None	None
Trustee		China Trust Commercial Bank, Trust Department	China Trust Commercial Bank, Trust Department
Underwriter		Masterlink Securities Corporation	Yuantai Securities Co., Ltd.
Certified Lawyer		M.T.HUANG	M.T.HUANG
Certified Public Accountant		L.W. Kuo, Y.W. Fan	H.W. Tai, Y.W. Fan
Repayment Method		Repayment In Lump Sum Upon Maturity	Repayment In Lump Sum Upon Maturity
Outstanding Balance		NT\$6,500,000,000	NT\$3,500,000,000
Redemption Clauses		None	None
Restrictive Covenants		None	None
Credit Rating Agency/Date/Rating		Taiwan Ratings Corporation Long term Credit Ratings: twA+ Short term Credit Ratings: twA-1 Outlook: Stable Bond Ratings: - Credit rating date: Sep. 19, 2018	Taiwan Ratings Corporation Long term Credit Ratings: twA+ Short term Credit Ratings: twA-1 Outlook: Stable Bond Ratings: - Credit rating date: Sep. 19, 2018
Convertible	Amount Converted	None	None
	Issue/ Conversion Rules	None	None
Terms to issuance, conversion, exchange and subscription. The impacts to current shareholder equity and potential dilutions.		None	None
Custodian		None	None

Type of Bond Issued		1st Unsecured Corporate Bond Issued in 2020	2nd Unsecured Corporate Bond Issued in 2020
Item			
Date Issued		Apr. 20, 2020	Jun. 18, 2020
Par Value		NT\$1,000,000	NT\$1,000,000
Issue and Trade Place		N/A	N/A
Issue Price		Par Value	Par Value
Nominal Amount		NT\$7,700,000,000	NT\$5,500,000,000
Interest Rate		0.66%	Tranche A: 0.75% Tranche B: 0.83%
Term		Five Years. Maturity: Apr. 20, 2025	Tranche A : Five Years. Maturity : Jun. 18, 2025 Tranche B : Seven Years. Maturity : Jun. 18, 2027
Guaranty/Guarantor		None	None
Trustee		China Trust Commercial Bank, Trust Department	China Trust Commercial Bank, Trust Department
Underwriter		Yuanta Securities Co., Ltd.	Yuanta Securities Co., Ltd.
Certified Lawyer		M.T.HUANG	M.T.HUANG
Certified Public Accountant		H.W. Tai, Y.W. Fan	H.W. Tai, Y.W. Fan
Repayment Method		Repayment In Lump Sum Upon Maturity	Repayment In Lump Sum Upon Maturity
Outstanding Balance		NT\$7,700,000,000	NT\$5,500,000,000
Redemption Clauses		None	None
Restrictive Covenants		None	None
Credit Rating Agency/Date/Rating		Taiwan Ratings Corporation Long term Credit Ratings: twA+ Short term Credit Ratings: twA-1 Outlook: Stable Bond Ratings: - Credit rating date: Oct. 23, 2019	Taiwan Ratings Corporation Long term Credit Ratings: twA+ Short term Credit Ratings: twA-1 Outlook: Stable Bond Ratings: - Credit rating date: Oct. 23, 2019
Convertible	Amount Converted	None	None
	Issue/ Conversion Rules	None	None
Terms to issuance, conversion, exchange and subscription. The impacts to current shareholder equity and potential dilutions		None	None
Custodian		None	None

Type of Bond Issued		3rd Unsecured Corporate Bond Issued in 2020	4th Unsecured Corporate Bond Issued in 2020
Item			
Date Issued		Sep. 23, 2020	Dec. 23, 2020
Par Value		NT\$1,000,000	NT\$1,000,000
Issue and Trade Place		N/A	N/A
Issue Price		Par Value	Par Value
Nominal Amount		NT\$6,200,000,000	NT\$9,400,000,000
Interest Rate		Tranche A: 0.65% Tranche B: 0.73%	Tranche A: 0.57% Tranche B: 0.65%
Term		Tranche A : Five Years. Maturity : Sep. 23, 2025 Tranche B : Seven Years. Maturity : Sep. 23, 2027	Tranche A : Five Years. Maturity : Dec. 23, 2025 Tranche B : Seven Years. Maturity : Dec. 23, 2027
Guaranty/Guarantor		None	None
Trustee		China Trust Commercial Bank, Trust Department	China Trust Commercial Bank, Trust Department
Underwriter		Masterlink Securities Corporation	Yuanta Securities Co., Ltd.
Certified Lawyer		M.T.HUANG	M.T.HUANG
Certified Public Accountant		H.W. Tai, Y.W. Fan	H.W. Tai, Y.W. Fan
Repayment Method		Repayment In Lump Sum Upon Maturity	Repayment In Lump Sum Upon Maturity
Outstanding Balance		NT\$6,200,000,000	NT\$9,400,000,000
Redemption Clauses		None	None
Restrictive Covenants		None	None
Credit Rating Agency/Date/Rating		Taiwan Ratings Corporation Long term Credit Ratings: twA+ Short term Credit Ratings: twA-1 Outlook: Stable Bond Ratings: - Credit rating date: Oct. 23, 2019	Taiwan Ratings Corporation Long term Credit Ratings: twA+ Short term Credit Ratings: twA-1 Outlook: Positive Bond Ratings: - Credit rating date: Sep. 28, 2020
Convertible	Amount Converted	None	None
	Issue/ Conversion Rules	None	None
Terms to issuance, conversion, exchange and subscription. The impacts to current shareholder equity and potential dilutions		None	None
Custodian		None	None

Type of Bond Issued		1st Unsecured Corporate Bond Issued in 2021	1st Unsecured Corporate Bond Issued in 2023
Item			
Date Issued		Aug. 5, 2021	Apr. 27, 2023
Par Value		NT\$1,000,000	NT\$1,000,000
Issue and Trade Place		N/A	N/A
Issue Price		Par Value	Par Value
Nominal Amount		NT\$6,300,000,000	NT\$4,000,000,000
Interest Rate		0.60%	1.60%
Term		Five Years. Maturity: Aug. 5, 2026	Five Years. Maturity: Apr. 27, 2028
Guaranty/Guarantor		None	None
Trustee		China Trust Commercial Bank, Trust Department	China Trust Commercial Bank, Trust Department
Underwriter		KGI Securities Co., Ltd.	Yuanta Securities Co., Ltd.
Certified Lawyer		M.T.HUANG	M.T.HUANG
Certified Public Accountant		H.W. Tai, P.D. Chen	H.W. Tai, P.D. Chen
Repayment Method		Repayment In Lump Sum Upon Maturity	Repayment In Lump Sum Upon Maturity
Outstanding Balance		NT\$6,300,000,000	NT\$4,000,000,000
Redemption Clauses		None	None
Restrictive Covenants		None	None
Credit Rating Agency/Date/Rating		Taiwan Ratings Corporation Long term Credit Ratings: twA+ Short term Credit Ratings: twA-1 Outlook: Positive Bond Ratings: - Credit rating date: Sep. 28, 2020	Taiwan Ratings Corporation Long term Credit Ratings: twAA- Short term Credit Ratings: twA-1+ Outlook: Stable Bond Ratings: - Credit rating date: Oct. 11, 2022
Convertible	Amount Converted	None	None
	Issue/ Conversion Rules	None	None
Terms to issuance, conversion, exchange and subscription. The impacts to current shareholder equity and potential dilutions		None	None
Custodian		None	None

Type Of Bond Issued		3 rd Overseas Unsecured Convertible Bonds
Item		
Date Issued		Sen. 21, 2018
Par Value		US\$200,000 and in increments of US\$1,000 thereafter
Issue And Trade Place		Singapore Exchange
Issue Price		Par Value
Nominal Amount		US\$215,000,000
Interest Rate		0%
Term		Five Years Maturity: Sen. 21, 2023
Guaranty/Guarantor		None
Trustee		BNY Mellon
Underwriter		UBS AG Hong Kong Branch
Certified Lawyer		Y.H. Wang
Certified Public Accountant		I. W. Kuo, Y.W. Fan
Repayment Method		Unless previously redeemed, repurchased and cancelled or converted, the bonds will be redeemed at their principal amount with a yield calculated at the rate of 0.6% per annum on the maturity date.
Outstanding Balance		US\$660,000
Redemption Clauses		A. The Issuer may redeem the Bonds at the option of the Issuer in whole or in part at any time after three years of the Issue Date at the Early Redemption Price, if the closing price for 30 consecutive trading days (in the event of ex-rights or ex-dividends, the closing price on each applicable trading days during the period from the ex-rights or ex-dividends trading day to the ex-rights or ex-dividends record date, as the case may be, shall be adjusted to the price taking into account of impact of the ex-rights or ex-dividends) of the Issuer's common shares on the TSE is at least 130% of the amount, which is the price of Early Redemption Price multiplied by the then Conversion Price divided by the principal amount of the Bonds; B. The Issuer may redeem all of the Bonds at the Early Redemption Price in the event that at least 90% of the Bonds have been previously redeemed, repurchased and cancelled or converted. C. The Issuer may redeem all of the Bonds at the Early Redemption Price in the event of changes in ROC taxation resulting in increase of tax obligation or the necessity to pay additional interest expense or increase of additional costs to the Issuer.
Restrictive Covenants		None
Credit Rating Agency/Date/Rating		None
Convertible	Amount Converted	214,340,000

	Issue/ Conversion Rules	Except for closed periods as prescribed by ROC laws and regulations or otherwise described in the Indenture, the bondholders shall have the right to require the Issuer to convert the bonds into the converted securities at any time during the period from the next day immediately after the end of a three-month period following the Issue Date to 30th day prior to the Maturity Date. The aforementioned closed periods shall mean: A. The period during which under the laws of the ROC the Issuer has to close its shareholders' register, which period currently includes 60 days prior to the date of the annual general shareholders' meeting, 30 days prior to a special shareholders' meeting, or any other period prescribed by law. B. In the event of free distribution of shares, distribution of cash dividend or rights issues, the period from the fifteen trading days prior to the commencement day of the closed period with respect to the record date for determination of shareholders entitled to receive dividends, subscription of new shares or other benefits to the record date for the distribution or allocation of the relevant dividends, rights and benefits. C. In the event of capital reduction, the period from the record date for determination of the shareholders participating in such capital reduction to the first trading day immediately prior to the date on which the Common Shares resume trading after such capital reduction. D. Other closed period as required by ROC laws and regulations or by the TSE. E. Where any ROC laws and regulations governing closed period as above-mentioned has been changed or amended, the closed period shall be amended to comply with the prevailing laws and regulations.
Terms to issuance, conversion, exchange and subscription. The impacts to current shareholder equity and potential dilutions.		The 3 rd overseas unsecured convertible bonds with a zero coupon rate, the bonds provide a low-cost source of long-term funds and reduce the interest expenses, and therefore have a positive boost on the Issuer's profitability.
Custodian		None

4.2.2 Issued Exchangeable Bonds and Convertible Bonds

Type of Bonds Issued		3 rd Overseas Unsecured Convertible Bonds						
Item	Year	Launch Date	2018	2019	2020	2021	2022	From the current year to March. 31, 2023
Market Price of Convertible Bonds(US\$)	Highest	100	107.07	126.37	130.98	157.05	150.46	141.54
	Lowest	100	99.23	101.38	104.49	122.04	108.60	127.42
	Average	100	102.37	111.90	120.16	141.27	132.06	135.43
Conversion Price/Share		42.24	42.24	39.7	37.11	34.65	31.99 ^{Note1}	31.99
Issuing (handling) date and conversion price in issuing		Issued on September. 21, 2018 NT\$42.24/share						
Method of performing conversion obligations		Issuance of new shares						

Note1: Pursuant to the Indenture, the conversion price of the bonds had been adjusted to NT\$31.99/Share since Aug 4, 2022 as ACC distributed cash dividends and stock dividends.

4.3 Summary of Issued GDR

None.

4.4 Status on Execution of Capital Utilization Plans

Funds utilization plans have not been completed or have been completed in past 3 years but their benefits have not been appeared: none.

V Overview of Business Operation

5.1 Business Introduction

5.1.1 Business Scope

1. Scope of Business: Please refer to Section 2.1: “Scope of Business.”
2. Main Business and Percentage:
 - A. Production and sales of Cement and clinker: 94%.
 - B. Granulated blast-furnace slag: 6%.
3. New Product Research & Development: None.

5.1.2 Industry Overview

1. Market situation and future outlook

- A. The 2022 total cement production volume in Taiwan was 11,165,815 MT, decreased 7.8% compared to 2021. Among them, the domestic cement was 10,067,671 MT, and exported cement was 1,098,144 MT. Compared with those in 2021, domestic sales decreased by 2.22%, exports decreased by 45.47%. The company's domestic sale of cement in 2022 was 3,130,697 MT, an annual increase of 6.74%, accounting for 31.10% of the domestic industry and 23.19% of Taiwan's cement sales.

In 2022, under the influence of factors such as Covid 19, the Russian-Ukrainian war, high inflation and climate change, the domestic economic performance was not satisfactory. Fortunately, due to the continuous relaxation of epidemic prevention control measures and the opening borders, coupled with the government's continuous expansion of public construction scale, the demand for cement continued to rise. The cement consumption increased to 13,502,189 MT, increased by 6.67%. The 2022 per capita average cement consumption is about 590 kg, increased 7.01%.

B. For the year 2023:

(1) Outlook of the domestic market:

In 2023, the domestic economy will be affected by the global downturn, the consumption will weaken, the industry continues to adjust inventory, and the growth of construction project investment will be weak. In addition, the performance of import and export and export orders in the first quarter of 2023 will show a double-digit decline. The slowdown in export also affects investment growth. Therefore, the Taiwan Economic Research Institute predicts that the domestic economic growth rate will be 2.31% in 2023, which is 0.27 percentage points lower than the previous forecast (January 2023). Economic growth challenges are severe.

In terms of building domestic demand, the government will continue the expansion policy and promote and implement various public construction plans. According to the announcement of the General Office of Accounting and Accounting of the Executive Yuan, the budget for 2023 includes NT\$ 172.5 billion for public construction, plus NT\$ 83.2 billion for the special budget for the fourth phase of forward-looking infrastructure

construction design, and NT\$ 341.5 billion for business and non-business special funds. NT\$ 597.2 billion, an increase of NT\$ 145.7 billion or 32.3% over the same period in 2022.

In terms of real estate, the Ministry of the Interior announced that in 2022, the number of buildings sold and transferred in Taiwan's real estate market was 318,000, an annual decrease of 8.6%, a record low in the past three years. Looking forward to the real estate market in 2023, under the unfavorable factors such as the slowdown of the domestic economy, the mortgage interest rate of nearly 2%, the Equalization of Land Rights Act, and the increasing supply of new housing market, the future demand is conservative.

Overall, the construction industry boom in 2023 will continue the trend of increasing public construction demand and declining private demand. In the first half of the year, driven by public construction, it should show a growth trend. However, in the second half of the year, economic prospects are uncertain, housing market policies, construction costs and affected by the lack of workers and the presidential election, the outlook on the economy tends to be conservative.

(2) Outlook of the global markets:

In the first half of 2023, China's cement market will slowly recover, but production capacity is still greater than consumption, and there is no import demand.

Due to the rapid expansion of domestic production capacity and serious oversupply in the country, Vietnam is actively seeking export sales, seriously affecting the international cement market.

In terms of the market, Vietnam's domestic cement demand increased slightly, but under the situation of severe oversupply of production capacity, cement clinker was actively sold to Singapore, the Philippines, Bangladesh, the United States, Australia and other countries, and the demand in other Southeast Asian countries was roughly flat. In Northeast Asia, Japan's domestic demand continues to be flat, but the export price cannot compete with Vietnam due to rising coal costs, and exports will decrease by 15% compared to last year; South Korea's demand is roughly flat, and export sales will only maintain a basic amount due to carbon tax factors. The U.S. market is optimistic and stable. The western U.S. and Hawaii markets that our company sells to are not affected because the local government continues to promote infrastructure projects. The company's Hualien plant has successfully exported low-carbon cement to the US market by virtue of its excellent quality control and R&D capabilities. Looking forward to 2023, the company will continue to cooperate with the government's cement export policy, maintain the export volume of cement not exceeding the policy limit, and only maintain a small number of long-term supply customers. The company will actively purchase cement, clinker, gypsum and silica sand from other countries through the trade model and resell them in the Southeast Asian market.

Overall, the domestic market will continue to grow steadily in the first half of the year, but in the second half of the year, due to the uncertain economic outlook, it tends to be conservative, while foreign markets are cautiously watching.

C. In addition to root in Taiwan for on-going cement business operation, the Company will keep enhancing its competitiveness by largely expansion in China both in production and sales.

2. The relationships among the value chain of cement industry

The upstream, midstream and downstream sectors of cement industry, namely ready-mixed concrete, precast, and construction industry, are co-existed and blooming together. Nowadays, vertical integration is the trend in cement industry. As a result, the Company's operation strategy is to establish the downstream subsidiaries—Ya Tung Ready-mixed Concrete Corp. and Yali Precast & Prestressed Concrete Industries Corp., and to invest Far Eastern Construction Company and Far Eastern General Contractor Company to grasp the business opportunities.

3. Product development and company competitiveness

Although the cement products include Portland Cement Type I, Type II, and Special Cement, the major market demand is Portland Cement Type I. However, the overseas market has stronger demand for Special Cement in recent years. The ability to produce quality products and the shipping & loading efficiency has become the key competitive factors.

5.1.3 Technology and Research Development

As of Mar. 31, 2023

Unit: NT\$1,000

	Item	Amount
1	Storage and transportation station control and delivery system update	11,470
2	Offline backup system construction project	600
3	Portland Limestone Cement Development	1,500
4	Reduce the vibration value of mine blasting	290
	Total	13,860

5.1.4 Short-term Business Plan

- ◎ To strengthen the existing domestic and international channels of cement sales.
- ◎ To reduce costs and to maintain fully sell out the estimated production volume and sound profitability.
- ◎ Promote the brand value and maintain a good relationship with customers.
- ◎ Improve products and services to improve user satisfaction.
- ◎ Strive for the opportunity of supplying major government projects.
- ◎ Optimize the product sales structure and increase the company's profitability.
- ◎ Strengthen its own ready-mix channel and product differentiation.
- ◎ Expand circular economy.

5.1.5 Long-term Business Plan

- ◎ Maintain solid position in Taiwan - improve producing efficiency.
- ◎ Increase the investment in China (Please refer to the "I Report to Shareholders" at page 1 and the "8.2 Basic Information of Affiliates" at section 8.2 of this annual report.

- ◎ Extend the global market - Find new markets, new opportunities to expand overseas operations.

5.2 General Information of Market & Production

5.2.1. Markets Analysis

1. Major Sale Markets

A. Cement and Clinker:

“Skyscraper” is the Company’s brand-name for marketing all kinds of our products. Our domestic market includes Taiwan, Penghu, Kinmen and Matsu, and our overseas market includes west United States, Hawaii, Guam, Singapore, etc.

B. Ready-Mixed Concrete:

To provide better customer service, our subsidiary, Ya Tung Ready-Mixed Concrete Corp., has set up many plants around Taiwan, and furthermore established strategic alliance with local firms.

2. Market Share

In 2021, the Company domestic sales was 3,130,697 MT, i.e. 31.10% of the sales amount of all domestic cement producers, which was equal to 23.19% of total cement consumption in Taiwan.

3. Market supply forecast, growth opportunity, and business competitiveness:

A. In 2022, under the circumstances of the Ukrainian-Russian War, the confrontation between the United States and China, the hyperinflation in Europe and the United States, and the severe test of the financial system, the global economy will fall into gloom and doubts will not diminish. In 2023, Taiwan's economic growth will face severe challenges. The Taiwan Institute of Economics predicts that the domestic economic growth rate will be 2.31% in 2023, which is 0.27 percentage points lower than the previous forecast (January 2023).

In addition, looking forward to private construction projects in 2023, under the unfavorable factors such as the slowdown of the domestic economy, the mortgage interest rate of nearly 2%, the passage of the average land title regulations, and the increase in new supply in the housing market, builders tend to be conservative in their views on future demand. Fortunately, the government will continue the economic stimulus policy and continue to strengthen the promotion of various public constructions. The overall public construction budget in 2023 is close to NT\$ 600 billion, a record high, an increase of NT\$ 146 billion from this year, an increase of 32%.

Overall, the construction boom in 2023 will continue the trend of increasing demand for public construction and declining demand for private construction. Driven by public construction in the first half of the year, it should show a growth trend. However, in the second half of the year, economic prospects are uncertain, housing market policies, and construction costs. Under the influence of the four major variables, including the lack of jobs and the presidential election, the outlook on the economy tends to be conservative.

In addition, raw materials, labor, environmental protection costs, energy prices, sea freight and the quantity of imported cement, etc. are also important factors affecting market volume and price.

B. For the export sales, the Company is expected to export 0.4~0.5 million MT of cement and clinker in 2023, which is equivalent to 2022. The Company has long term major customers

in Malaysia, United States, and Hawaii, etc. and shall continue to maintain an excellent business relationship with them in the years to come. The Company has also expanded its trading business for cement.

- C. In the view of the vast and steady growth market in China, the production, storage, and transportation facilities of the Company constitute an effective competitive niche and profitability for the Company.

4. Positive factors for the industry development

- A. In 2023, the government will expand the investment plan in Taiwan and continue to promote public construction to revitalize the domestic market. In 2023, 172.5 billion was allocated for public construction and planning, plus NT\$ 83.2 billion for the special budget for the fourth phase of forward-looking infrastructure construction planning, and NT\$ 341.5 billion for business and non-business special funds, a total of NT\$ 597.2 billion, compared with the same basis in 2022 An increase of NT\$ 145.7 billion, an increase of about 32.3%. The industry generally believes that the government's "Taipei MRT South and North Ring Road", "Taipei MRT-Wanda Line Phase II", "Taoyuan International Airport Third Terminal Project", "Taoyuan MRT Green Line Project", "Kaohsiung Intercontinental Terminal Project", "Kaohsiung MRT Yellow Line ", "Kaohsiung MRT Red Line - Gangshan~Luzhu Extension Section", public housing turnkey projects and other projects will accelerate the contracting and construction, and promote the steady growth of market demand.
- B. As for private construction, the government is also promoting the three arrows of the housing policy. It is estimated that the number of social housing will be expanded nationwide. In addition, the government will also accelerate plans such as reconstruction of the old and urban renewal, which will help increase domestic construction investment. However, the impact of the Equalization of Land Rights Act, rising interest rates, rising prices of raw materials and lack of labor in the market are uncertain factors in the future, and follow-up changes still need to be continuously observed.

5. Negative factors and the solutions

- A. Industry relocation, environmental awareness, and emission limits of carbon dioxide will increase the difficulties in both public constructions and private housing sectors, and cause the construction industry more conservative. This will constrain the growth of cement demand.
- B. The Ministry of Economic Affairs has set limitations on trade volume of domestic cement industry according to the Foreign Trade Law. The limitations will gradually lower the export-production ratio to 22% in 2023. The over-supply condition will be worse.
- C. Mining Industry Law is currently in amending, the industry will face more stringent operating requirements and limitations.
- D. Limestone tax is raised from NT\$ 10 to NT\$ 70 per metric ton. As well as the recent rise in raw material prices will bring to the cement industry to more difficult condition.
- E. Solutions:
Improve the efficiency of current production, transportation and marketing activities and strengthen the downstream distribution channels in both domestic and overseas market.
Continue selecting good target markets, establish production and distribution channels, expand customers in emerging countries, and realize reasonable profitability.

5.2.2 Application of Major Cement Products

1. Portland Cement Type I:

It is known as ordinary cement, used for all structural projects which are not particularly exposed to sulphuric acid or underground water. Most of the current market supply is in this category.

2. Portland Cement Type II:

With lower hydration heat than Portland Cement Type I as well as low alkalis and moderate resistance to sulfate, Portland Cement Type II is for large-scale structures. It is resistant against cracking and erosion by sea water, salt, and alkali. The general purposes are as follows:

A. Underground foundation engineering: Tower Building Basement, underpass, sewers, tunnels and massive underground rapid transit systems.

B. Large-scale concrete works: Bridges, dams, water retention facilities, valve based structure.

C. Construction subject to erosion by sea water and sea wind: dock, breakwaters, caisson, breeding plants, harbors, and others.

D. Project that requires resistance to sulfate: Sewage treatment plants and chemical engineering.

3. Special Purpose Cement: Produced to meet customers' special needs.

4. Production process:

All types of cement are produced in accordance to a fixed proportion of mixtures, in the following steps:

A. Limestone and clay are mixed and ground into raw meal.

B. Raw meal is poured into the rotary kiln and burned in high temperature to produce clinker.

C. Clinker is mixed with gypsum and ground into cement.

D. Cement is sold in bulk or packages.

5.2.3 Supply Condition of Main Raw Materials

The major raw materials used by the Company consist of limestone, clay, gypsum, pyrite, iron slag, and raw coal for fuel. Except a little limestone, most limestone is produced and used by the Company. Clay is purchased from domestic suppliers through long-term contracts. Gypsum and pyrite are supplied by qualified domestic and foreign firms. Fuel coal is supplied by Australian providers via long or short term contracts.

5.2.4 Major Suppliers Information for the Last Two Years

Unit: NT\$1,000

Item	2021				2022			
	Company Name	Amount	%	Relation with Issuer	Company Name	Amount	%	Relation with Issuer
1	BB Co., Australia	805,786	27.09	Raw material supplier	Glencore Coal Sales PTY Limited	1,035,770	23.74	Raw material supplier
2	Chung Ling Co.	543,873	18.28	Raw material supplier	BB Co., Australia	981,960	22.51	Raw material supplier
3	Anhe Engineering	115,951	3.90	Construction supplier	Chung Ling Co.	401,526	9.21	Raw material supplier
4	KENWAY INTERNATIONAL LTD	85,020	2.86	Equipment supplier	KENWAY INTERNATIONAL LTD	252,765	5.80	Construction supplier
	Others	1,423,853	47.87		Others	1,691,309	38.77	
	Net Total Supplies	2,974,483	100.00		Net Total Supplies	4,363,330	100.00	

1. As of March 31, 2023, before the publication date of this annual report, the data for the first quarter of 2023 have not been verified or reviewed by accountants.
2. Variations are because of market mechanisms.

5.2.5 Major Clients Information for the Last Two Years

Unit: NT\$1,000

Item	2021				2022			
	Company Name	Amount	%	Relation with Issuer	Company Name	Amount	%	Relation with Issuer
1	Ya Tung Ready-Mixed Concrete Co.	1,629,420	18.85	Subsidiary	Ya Tung Ready-Mixed Concrete Co.	2,510,261	24.58	Subsidiary
	Others	7,014,557	81.15		Others	7,700,288	75.42	
	Net Sales	8,643,977	100.00		Net Sales	10,210,549	100.00	

1. As of March 31, 2023, before the publication date of this annual report, the data for the first quarter of 2023 have not been verified or reviewed by accountants.
2. Variations are because of market mechanisms.



5.2.6 Output of Main Products

1. ACC (Taiwan)

Unit: NT \$1,000, Cement and Clinker 1,000 MT

Year Output Product	2021			2022		
	Capacity	Production Volume	Production Value	Capacity	Production Volume	Production Value
Cement & Clinker	5,597	3,653	6,771,282	5,597	3,671	7,859,249

2. ACC (China)

Unit: NT \$1,000, Cement and Clinker 1,000 MT

Year Output Product	2021			2022		
	Capacity	Production Volume	Production Value	Capacity	Production Volume	Production Value
Cement & Clinker	36,600	29,787	33,276,188	36,600	28,530	35,189,711

5.2.7 Sales of Main Products

1. ACC (Taiwan)

Unit: NT \$1,000, Cement and Clinker 1,000 MT

Year Sales Product	2021				2022			
	Domestic Sales		Export Sales		Domestic Sales		Export Sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Cement & Clinker*	2,972	6,749,732	695	1,062,855	3,155	8,356,278	547	947,700

* Cement & Clinker produced by the Company.

2. ACC (China)

Unit: NT \$1,000, Cement and Clinker 1,000 MT

Year Sales Product	2021				2022			
	Domestic Sales		Export Sales		Domestic Sales		Export Sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Cement & Clinker*	29,679	48,235,550	-	-	28,110	39,694,276	-	-

* Cement & Clinker produced by the Company.

5.3 Human Resources

Year		2021	2022	As of Mar. 31, 2023
Number of Employees	Headquarter	151	152	143
	Hsinchu Plant	29	30	29
	Hualien Plant	303	302	301
	Total	483	484	473
Average Age		45.97	46.04	46.01
Average Years of Service		16.75	16.50	16.50
Education	Ph.D.	0.21%	0.21%	0.21%
	Masters	18.63%	18.89%	18.95%
	Bachelor's Degree	46.38%	47.23%	46.74%
	Senior High School	31.47%	30.59%	30.95%
	Below Senior High School	3.31%	3.08%	3.15%

5.4 Expenditures on Environmental Protection

Unit: NT\$ 1,000

Items		Amount
1	Green vegetation for quarry	21,270
2	Maintenance of dust collectors and dust collection bags and chimney inspection	30,249
3	Investment of fixed assets related to environmental protection	224,501
4	Training and courses for environmental protection work.	670
Total		276,690

According to government regulations, the Company set up the continuous emission monitoring system to monitor pollutant opacity of nitrogen oxides, sulfur oxides, and other pollutants.

◎ During the most recent fiscal year and the current fiscal year up to the printing date of the annual report, the loss (including compensation) and penalty resulted from environmental pollution:

None.

◎ The restriction of RoHS (to restrict the use of hazardous chemicals) is not applicable to the Company.

5.4.1 ISO-14001 Environmental Management Systems (EMS)

1. ISO-14001 EMS has become the trend in many advanced countries.
2. In August 1996, the Hualien plant of the Company passed certification by the Bureau of Commodity Inspection and Quarantine of the Ministry of Economic Affairs (MOEA), and in November of the same year, Hualien plant became one of the first organizations in Taiwan to receive ISO-14001 certification. In July 2000, Taiwan's first Environmental Report was completed by Hualien plant according to Sustainability Reporting Guidelines of Global Reporting Initiative (GRI).

3. The affiliated Jiangxi Yadong Cement Co., Sichuan Yadong Cement Co., Hubei Yadong Cement Co., Huanggang Yadong Cement Co., and Wuhan Yaxin Cement Co., have awarded ISO-14001 certification.

5.4.2 Air Pollution Prevention

1. One of the main environmental concerns relating to cement production is air pollution caused by the dust generated from production processes. Therefore, the work of dust disposal is an important duty, not only to prevent air pollution, but also to reduce the loss of raw materials and finished products. Consequently, ACC has always emphasized on the efficiency of dust collection equipment.

For increasing dust preventive facilities, Hsinchenshan Mine of the Hualien plant had built 440-meters-long fully-closed belt conveyor in 2015, which could completely prevent dust shed or spread, moreover, the Hualien plant has set up dustproof net outside of the belt conveyor and continued to build 180-meters-long fully-closed belt conveyor in 2016.

2. At present, ACC's Hualien plant has 6 electrostatic precipitators and 82 bag filters, with a total investment cost of NT \$950 million. In 2021 and 2023, the electrostatic precipitator would be replaced with a bag-type dust collector with better dust collection efficiency to improve air pollution control efficiency and air quality.
3. The good maintenance of above equipment ensures dust collection efficiency which is within the legal limit. Consequently, the quality of air around the plants is higher than national standard. As a result, the Environmental Protection Administration (EPA) especially recognized the two plants as environmental protection demonstration plants.
4. In particular, the amount of dust including chimney emissions measured by environmental protection agencies at the Hualien plant was less than 25 milligrams/m³, which was far better than national standard. The Hualien Plant has been awarded the Enterprise Environmental Protection Award for three consecutive years, the 8th National Environmental Education Award Hualien County Excellence, the Hualien County "Garden City Competition" Enterprise Group Gold Award, and the Environmental Protection Bureau's "Excellent Air Quality and Purification" Enterprise Special Award. The Plant is also the only one in the cement industry that has won the Greenhouse Gas Voluntary Reduction Excellent Manufacturer Award issued by the Industrial Bureau for many times. .

5.4.3 Greening and Beautification for Quarry Restoration

1. Both Hsinchu and Hualien plants have implemented measures for soil conservation and taken actions to green the environment by planting trees and other vegetation. For many years, the Hualien plant promotes the cultivation of the native species of trees for greening the quarry and the plant.
2. As of 2021, the green restoring area is 77.9 acres which is 77.43% of the quarry, while exploiting operation area is 20.0 acres. Recently, the quarry of the Hualien plant is visible from nearby high way and railroad. In order to integrate the quarry into the surrounding environment, the Hualien Plant introduced a new forestation method for quarry restoration. Within merely two year, trees could grow up to 4 meters high.
3. Due to Hualien Plant's dedication of environmental protection and engaging in community activities, the Taroko National Park cooperates with the Company to preserve native species of

trees for greening and beatification of the National Park and environment guidance.

4. In 2007, the Hualien Plant was awarded for the excellent performance in the project of “promoting green communities” by the Environmental Protection Administration.

The Hualien plant was awarded the “Asia Responsible Enterprise Awards” by the Enterprise Asia for three years from 2017~2019.

5.4.4 Major Environmental Protection Work in the Future

1. Reinforcing and ensuring the normal operation of environmental facilities.
2. Practicing in industry waste reduction; avoiding pollution.
3. Improving the greening rate in factory and quarry areas.
4. Utilizing wastes as resources to take social responsibilities.
5. Endlessly enhancing the environmental measures and techniques; expecting to reach the goal of “zero pollution”.

5.4.5 Fulfill Social Responsibilities

1. The Company volunteered to take care of greenbelts and pavements along the Dun-Hua South Road and An-He Road over a long period of time to fulfill its social responsibilities and strengthen relations with neighborhood.
2. Since 2001 on, Hualien plant has annually participated in local festivals such as lily blossom in Buluowan held by the Taroko National Park and donated potted flowers and plants for all visitors.
3. For our neighbors’ traffic safety, the Hualien plant has regularly sponsored Xincheng Branch of the Hualien County Police Office to renew police stands and street lamps.
4. The Company will also sponsor local activities and facilities of the villages and towns nearby the Hsinchu and Hualien plant.
5. Employees are encouraged to serve as hospital volunteers.
6. Based on ACC corporate philosophy of “feeding back to society whatever takes from society,” the Company sponsors Far Eastern Medical Foundation, Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation, and Far Eastern Memory Foundation and participates in all kinds of public service activities.

5.5 Labor Relations

The Company complies with every regulation of labor relationship. Due to the excellent labor relations, there were no damages or penalties causing from labor disputes.

1. According to law, The Company has Industrial Welfare Committee to allot welfare fund for staffs and conduct many welfare-related activities. In factory, we have basketball courts, tennis courts, badminton courts, table tennis courts, and swimming pools, etc., as staff's recreational facilities. Health examination, group insurance, subsidies for employee's education, trips, and clubs are also included in welfare plans.

2. Employee Relations

The Company provides Employee Assistance Program (EAP) service from Hsinchu Lifeline Association, EAP Center, which offers professional counsel to all issues employees may meet, such as career development, family issues, and interpersonal relationship. We will also conduct a

new personnel care questionnaire to understand the workplace adaptability of new employees and provide necessary assistance based on their feedback. In addition, various types of psychological education and care and propaganda will be posted on the company's electronic bulletin board to promote employees' mental health knowledge.

3. The Human Resources Department develops training programs and organizes courses annually based on the company's vision, mission, and operational strategies. These programs are tailored to the specific functional needs of different departments and levels. The training objectives not only aim to achieve Asia Cement's operational goals for the year but also align with the company's overall training policies. They provide supervisors and employees with ample opportunities for learning and training, thereby achieving the goal of integrating training and application while also linking to employees' career development.

In 2022, the training courses were structured around two main themes: digital transformation and ESG sustainable development. These themes formed the framework for the training programs and were supplemented with courses designed to meet the specific skills required by colleagues in different job categories and levels. The training content included orientation for new employees, core competency training, specialized/functional training, management training, digital transformation and ESG sustainable development series, and accelerated development series for the new generation of talents. These training programs aimed to continuously develop the capabilities of Asia Cement's colleagues to face changes and challenges.

Furthermore, we encouraged internal trainers to share their expertise and deliver training sessions, ensuring a more comprehensive and institutionalized knowledge transfer within the company.

In addition, colleagues at all levels within the company are encouraged to participate in vocational training courses offered by affiliated companies, government agencies, and professional training institutions, based on their actual needs. This enables them to enhance their professional competencies and stay connected with the pulse of society.

The Human Resources Department also organizes book clubs through both digital reading platforms and physical gatherings. These book club activities aim to encourage colleagues to absorb new knowledge, foster self-development, and facilitate the exchange and sharing of knowledge. The company also provides other digital learning platforms for colleagues who are interested, making learning more diverse and digitalized.

Moreover, our company has been conducting the "Asia Cement and Subsidiaries Modern Supervisor Training Program" for several years. This program is designed for high-potential talents and focuses on developing the necessary competencies for senior leadership positions. Professors from renowned universities such as National Taiwan University, National Chengchi University, National Tsing Hua University, National Yang Ming Chiao Tung University, National Cheng Kung University, and Yuan Ze University deliver the training sessions.

The participants of this program undergo an intensive 225-hour curriculum spread over two years. In addition to the coursework, they also engage in over 30 high-level meeting internships and participate in 30 specialized seminar discussions. As a result, over 97% of the program participants have received promotions within their respective job positions, becoming key

executives within their units. Some of the participants have even advanced to the highest leadership positions within their units.

Currently, the program participants continue to receive at least 9 hours of advanced leadership training courses annually. They are also responsible for various important projects within the company, actively participating in decision-making processes, and continuously growing and improving both in theory and practice.

In 2022, despite the impact of the pandemic, our company's employees successfully completed a total of 594 training sessions, with 4,479 participants and a cumulative training time of 15,334 hours. These training sessions were conducted through a combination of online and offline methods. The company allocated approximately 2.41 million NT dollars for training expenses.

4. The “Employment Rules of Asia Cement Corporation” articulates regulations in connection with appointment, service, assessment, and rewards as well as punishments, promotion, retirement, and compensation, etc. In order to guarantee the rights relating to retirement and compensation, in accordance with the law the Company sets up Supervisory Committee of the Labor Retirement Fund, allocates work’s retirement reserve fund into the special account managed by assigned institutions, regularly convenes the supervisory committee, and audits the allocation and practice of work’s retirement reserve fund. In addition, in compliance with Labor Pension Act, the Company monthly set aside pension fund for the employees who choose to be subject to the pension mechanism.
5. The Company’s management philosophy “Sincerity, Diligence, Thrift, Prudence and innovation” has been firmly in every employee’s heart. “Sincerity” implies honest and enthusiasm. “Diligence” indicates dedication. “Thrift” signifies frugality and modesty. “Prudence” represents deliberation and accuracy. In short, one important corporate culture of ACC is that every job should be done thoroughly, precisely, and perfectly.

In “Employment Rules of Asia Cement Corporation” mentioned above, the chapter 4 ‘Service’, and chapter 7 ‘Assessment, Reward, Punishment, and Promotion’ clearly illustrate the principles of conduct. In terms of management, besides emphasizing staff self-discipline, the Company also asks every department managers to take responsibilities of educating, advising, and leading their subordinates, which enables employees to fully understand the behavior and ethics criteria.

For better compliance with corporation governance, the Company has also enacted “Codes of Ethical Conduct” and “Principles for Ethical Management”.

6. Policies of labor safety and health

A. Management in Labor Safety and Health

- a. Asia Cement, driven by the principles of sustainable development and fulfilling corporate social responsibilities, firmly believes that only under healthy and safe working conditions can we manufacture reliable and safe products for customers.

To create a healthy and safe quality working environment and serve as the primary indicator for measuring the performance of various units, Asia Cement is committed to achieving the sustainable development goal of a healthy and safe workplace. It adheres to regulations and stakeholder requirements, establishes comprehensive management systems

and standards, implements risk management, prioritizes inherent safety, and continuously improves the working environment and machinery to ensure a healthy and safe workplace. Asia Cement takes shaping a healthy and safe organizational culture as its vision, creating a healthy and safe working environment with zero disasters, and protecting the health and safety of all workers (including contractors) as its goal. We promise and implement the occupational safety and health policy, and move towards the sustainable development of the enterprise.

- b. Since its initial verification of the "Taiwan Occupational Safety and Health Management System (TOSHMS)" in February 2009, Hualien Manufacturing Plant has undergone multiple versions in line with the policies of the Occupational Safety and Health Administration, Ministry of Labor. It is now aligned with "Chinese National Standard Occupational Safety and Health Management System CNS45001:2018 Z2158" and has passed the verification of "Taiwan Occupational Safety and Health Management System (TOSHMS)". In September 2022, it also passed the "Performance Review of Occupational Safety and Health Management System" conducted by the Ministry of Labor, with a validity period of three years. It is the first plant in the cement industry to pass the review.
- c. To enhance the systematic occupational safety and health management, Asia Cement has adopted policies that surpass regulatory requirements. Starting from September 2022, the headquarters, Hsinchu Plant, and subsidiaries with less than 200 employees have been implementing the ISO 45001/CNS 45001 Occupational Safety and Health Management System. It is anticipated that external audits and verification will be completed by the end of June 2023. Once completed, the entire company and its subsidiaries will have all aspects of occupational safety and health management incorporated into the systematic management. This initiative is expected to reduce accidents and ensure the health and safety of personnel, as well as the interests of the company.

B. Workplace environment and labor safety protection

To assure employee safety and health, protect the assets of the Company, and make comfortable and safe workplace, based on safety-related rules, we have the following active measures:

d. Following procurement to assure the intrinsic safety of raw materials and equipment:

Conforming to the safety and health standard is the essential consideration of purchasing raw materials and equipment to assure the intrinsic safety of manufacture procedure, products, and equipment.

e. General safety management, training courses, and related auditing:

We monthly hold safety and health committee and safety-related courses for employees and contractors to make sure that everyone working with ACC fully understands the possible hazardous factors and prevention measures in workplace, and obeys safety-related standards to preclude the occurrence of any disaster. Also, by means of “the walking around management” and frequently patrols, we investigate flaws and also improve them to assure the effective operation in safety management.

f. Workplace environmental monitoring system and usage of protective outfits:

All plants regularly monitor noise, high temperature, and radiation around workplace, so the unusual condition can be immediately detected and eliminated. Also, all employees can be protected from possible dangers by protective outfits designed for different hidden hazardous factors in workplace.

g. Health Care Management for Employees:

All plants set up medical offices with nursing staff and contracted doctors, and prepare emergency medicine, equipment, and supplies. According to related rules, all employees regularly accept health assessment and carry out health care management.

h. Emergency Drills and Exercises

All plants shall regularly exercise emergency response drills by following their emergency response plan. All employees shall be familiar with relevant details, which ensures the losses could be minimized in case of emergency.

7. ACC has enjoyed harmonious relations between management and employees for years. Employees devoted their time and hard work to the Company. In recent years, the Company's continuous excellent performance of sales and production is a proof of employees' effort. The Company's work and employment regulations are based on the Labor Law and in some cases even exceed the minimum requirements of the law. Besides reasonable payment, ACC gives seasonal bonuses to encourage clinker production, attendance award, and cost and resource-saving measures, as well as year-end bonuses based on the Company's annual performance.

The Company was awarded “2013 Excellence Recognition for its collective agreement with employees” by the Ministry of Labor.

5.6 Major Contracts

Type of Contract	Contracting Party	Contract Duration	Primary Contents	Restrictive Clauses
Bank long-term loan/guarantee	Mizuho Corporate Bank, Taipei Branch	2023/03~2025/03	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	BNP PARIBAS Taipei Branch	2022/07~2024/07	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	SMBC Bank Taipei Branch	2022/11~2024/11	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	First Commercial Bank, Tung-Hwa Branch	2023/01~2024/07	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Hwa Nan Commercial Bank, Tung-Hwa Branch	2023/02~2025/02	Interest paid monthly, principal repaid at maturity	None
Bank long-term secured loan	Far Eastern International Bank Business Dept.	2020/12~2023/12	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Yuanta Commercial Bank	2023/01~2025/01	Interest paid monthly, principal repaid at maturity	None
Bank long-term secured loan	Bank of Taiwan Wu-Chang Branch	2022/12~2024/12	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	DBS Bank (Taiwan) Ltd	2022/12~2024/12	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Land Bank of Taiwan Co., Ltd. Tung-Hwa Branch	2022/11~2024/11	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	KGI Bank	2022/08~2024/08	Interest paid monthly, principal repaid at maturity	None

Type of Contract	Contracting Party	Contract Duration	Primary Contents	Restrictive Clauses
Bank long-term unsecured loan	Chang Hwa Bank Tung-Hwa Branch	2022/08~2024/08	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	E.Sun Commercial Bank	2022/07~2024/07	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Bank of China Taipei Branch	2022/07~2024/07	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Mega International Commercial Bank Foreign Dept.	2022/06~2024/06	Interest paid monthly, principal repaid at maturity	None
Bank long-term secured loan	Mega International Commercial Bank Foreign Dept.	2022/06~2024/06	Interest paid monthly, principal repaid at maturity	None
Bank long-term unsecured loan	Taiwan Cooperative Bank Ta-An Branch	2022/06~2024/06	Interest paid monthly, principal repaid at maturity	None
Long term raw material supply	BB Co.,	2022/01~2022/12	Contract of Coal Purchase	None
Long term raw material supply	Chung Ling Co.	2021/04~2024/03	Contract of Clay Purchase	None
Long term raw material supply	FULL MAX (Gypsum)	2022/01~2022/12	Contract of Gypsum Purchase	None
Long term service provider	Anhe Enterprise	2022/01~2022/12	Contract of service	None
Long term construction service provider	Yuantai Corp.	2022/03~2023/05	Contract of construction service	None

VI Financial Information

6.1 Financial Reports & Audit Results in Recent five Years

6.1.1 Consolidated Balance Sheets

UNIT: NT\$1,000

Year Item		Five-Year Financial Summary				
		2018	2019	2020	2021	2022
Current Assets		80,358,506	89,242,066	87,023,947	105,955,718	111,449,752
Property, Plant and Equipment		52,549,341	50,681,281	52,820,212	41,431,732	39,795,675
Intangible Assets		3,694,783	7,000,317	7,254,262	6,969,037	6,789,196
Other Assets		142,585,368	150,354,848	149,988,434	162,699,582	166,208,504
Total Assets		279,187,998	297,278,512	297,086,855	317,056,069	324,243,127
Current Liabilities	Before Apportioned	62,804,294	74,335,619	64,027,610	71,082,366	70,962,661
	After Apportioned	72,216,346	84,419,961	75,960,748	83,137,311	-
Non-current Liabilities		57,335,358	53,493,855	63,172,293	65,700,817	69,047,221
Total Liabilities	Before Apportioned	120,139,652	127,829,474	127,199,903	136,783,183	140,009,882
	After Apportioned	129,551,704	137,913,816	139,133,041	148,838,128	-
Equity Attributable To Owners Of The Corporation		137,892,226	146,067,358	147,768,559	156,926,923	160,816,847
Share Capital		33,614,472	33,614,472	33,614,472	35,455,721	35,459,276
Capital Surplus		1,362,554	1,456,054	1,492,584	5,986,339	6,005,713
Retained Earnings	Before Apportioned	99,918,986	108,564,355	111,583,496	114,999,751	115,195,194
	After Apportioned	90,506,934	98,480,013	99,650,358	102,944,806	-
Other Equity		2,996,214	2,432,477	1,078,007	485,112	4,156,664
Non-Controlling Interests		21,156,120	23,381,680	22,118,393	23,345,963	23,416,398
Total Equity	Before Apportioned	159,048,346	169,449,038	169,886,952	180,272,886	184,233,245
	After Apportioned	149,636,294	159,364,696	157,953,814	168,217,941	-

6.1.2 Consolidated Statements Of Comprehensive Income

UNIT: NT\$1,000

Year Item	Five-Year Financial Summary				
	2018	2019	2020	2021	2022
Operating Revenue	82,741,004	89,347,637	78,240,880	89,654,713	90,340,503
Realized Gross Profit	21,171,461	25,586,317	23,329,476	21,180,878	11,755,482
Profit From Operations	18,153,110	22,063,176	19,670,138	17,686,217	8,571,273
Non-operating Income And Expenses	2,217,008	6,330,006	4,473,745	4,247,696	6,625,704
Income Before Income Tax	20,370,118	28,393,182	24,143,883	21,933,913	15,196,977
Net Profit For The Period	14,889,197	22,243,953	18,773,807	17,527,770	12,597,136
Other Comprehensive Income , Net	1,436,173	(617,304)	(1,189,331)	(396,550)	4,417,882
Total Comprehensive Income For The Period	16,325,370	21,626,649	17,584,476	17,131,220	17,015,018
Net Profit Attributable To Owner Of The Company	11,117,094	17,459,673	14,710,486	15,068,221	12,016,396
Net Profit Attributable To Non-Controlling Interests	3,772,103	4,784,280	4,063,321	2,459,549	580,740
Total Comprehensive Income Attributable To Owner Of The Company	12,811,353	17,652,536	13,255,580	14,758,614	16,002,287
Total Comprehensive Income Attributable To Non-Controlling Interests	3,514,017	3,974,113	4,328,896	2,372,606	1,012,731
Earnings Per Share	3.54	5.56	4.70	4.70	3.63

6.1.3 Separate Balance Sheets

UNIT: NT\$1,000

Year Item		Five-Year Financial Summary				
		2018	2019	2020	2021	2022
Current Assets		10,164,679	10,880,961	11,779,434	17,693,205	16,514,946
Property, Plant and Equipment		4,374,050	4,234,288	4,137,094	4,375,078	4,356,609
Intangible Assets		8,344	4,957	3,171	3,309	2,095
Other Assets		178,284,025	188,820,293	199,978,546	208,445,586	215,673,742
Total Assets		192,831,098	203,940,499	215,898,245	230,517,178	236,547,392
Current Liabilities	Before Apportioned	17,648,284	16,273,235	14,682,102	16,716,480	19,898,035
	After Apportioned	27,060,336	26,357,577	26,615,240	28,771,425	-
Non-current Liabilities		37,290,588	41,599,906	53,447,584	56,873,775	55,832,510

Total Liabilities	Before Apportioned	54,938,872	57,873,141	68,129,686	73,590,255	75,730,545
	After Apportioned	64,350,924	67,957,483	80,062,824	85,645,200	-
Share Capital		33,614,472	33,614,472	33,614,472	35,455,721	35,459,276
Capital Surplus		1,362,554	1,456,054	1,492,584	5,986,339	6,005,713
Retained Earnings	Before Apportioned	99,918,986	108,564,355	111,583,496	114,999,751	115,195,194
	After Apportioned	90,506,934	98,480,013	99,650,358	102,944,806	-
Other Equity		2,996,214	2,432,477	1,078,007	485,112	4,156,664
Total Equity	Before Apportioned	137,892,226	146,067,358	147,768,559	156,926,923	160,816,847
	After Apportioned	128,480,174	135,983,016	135,835,421	144,871,978	-

6.1.4 Separate Statements Of Comprehensive Income

UNIT: NT\$1,000

Year Item	Five-Year Financial Summary				
	2018	2019	2020	2021	2022
Operating Revenue	8,732,236	8,985,917	8,991,169	9,134,245	10,742,667
Realized Gross Profit	256,534	469,483	1,061,298	1,334,852	1,704,348
Profit From Operations	(393,973)	(212,675)	510,628	696,636	1,096,747
Non-operating Income And Expenses	12,588,705	18,368,775	14,952,902	14,913,920	11,617,912
Income Before Income Tax	12,194,732	18,156,100	15,463,530	15,610,556	12,714,659
Net Profit For The Year	11,117,094	17,459,673	14,710,486	15,068,221	12,016,396
Other Comprehensive Income , Net	1,694,259	192,863	(1,454,906)	(309,607)	3,985,891
Total Comprehensive Income For The Year	12,811,353	17,652,536	13,255,580	14,758,614	16,002,287
Earnings Per Share	3.54	5.56	4.70	4.70	3.63

6.1.5 Auditors' Opinions from 2018 to 2022

Year	CPA's Name	Audit Opinion
2018	Li Wen Kuo 、You Wei Fan	Unqualified Opinion with Emphasis of Matter Paragraphs and Other Matter Paragraphs
2019	Hsin Wei Dai 、You Wei Fan	Unqualified Opinion with Other Matter Paragraphs
2020	Hsin Wei Dai 、You Wei Fan	Unqualified Opinion with Other Matter Paragraphs
2021	Hsin Wei Dai 、Pei De Chen	Unqualified Opinion with Other Matter Paragraphs
2022	Hsin Wei Dai 、Pei De Chen	Unqualified Opinion with Other Matter Paragraphs

6.2 Financial Analysis

6.2.1 Consolidated Financial Statements

Item \ Year		Financial Analysis (2018~2022)				
		2018	2019	2020	2021	2022
Capital Structure Analysis	Debts Ratio (%)	43.03	43.00	42.82	43.14	43.18
	Long-term Fund to Property, Plant and Equipment (%)	411.77	439.89	441.23	593.68	636.45
Liquidity Analysis	Current Ratio (%)	127.95	120.05	135.92	149.06	157.05
	Quick Ratio (%)	112.34	109.57	125.61	136.66	143.38
	Times Interest Earned (Times)	13.17	16.60	21.75	25.53	12.73
Operating Performance Analysis	Average Collection Turnover (Times)	3.99	3.95	4.05	5.23	6.36
	Days Sales Outstanding	91	92	90	70	57
	Average Inventory Turnover (Times)	7.52	7.25	7.63	8.89	8.99
	Average Payment Turnover (Times)	7.73	5.85	4.76	6.21	6.75
	Average Inventory Turnover Days	49	50	48	41	41
	Property, Plant and Equipment Turnover (Times)	1.56	1.73	1.51	1.90	2.22
	Total Assets Turnover (Times)	0.31	0.31	0.26	0.29	0.28
Profitability Analysis	Return on Total Assets (%)	6.17	8.22	6.63	5.94	4.25
	Return on Shareholders' Equity (%)	9.77	13.54	11.07	10.01	6.91
	Pre-tax Income to Paid-in Capital Ratio (%)	60.60	84.47	71.83	61.86	42.86
	Net Margin (%)	17.99	24.90	23.99	19.55	13.94
	Basic Earnings Per Share (NT\$)	3.54	5.56	4.70	4.70	3.63
Cash Flow	Cash Flow Ratio (%)	14.75	50.14	30.65	12.09	21.57
	Cash Flow Adequacy Ratio (%)	127.58	180.16	172.34	131.52	122.43
	Cash Reinvestment Ratio (%)	2.24	11.73	3.80	(1.29)	1.20
Leverage	Operating Leverage	1.27	1.28	1.25	1.28	1.56
	Financial Leverage	1.10	1.09	1.06	1.05	1.18

Analysis of deviation of 2022 vs. 2021 over 20%:

The decrease in Times Interest Earned and Pre-tax Income to Paid-in Capital Ratio were mainly due to the decrease of income before tax in 2022.

The decrease in Return on Total Assets, Return on Shareholders' Equity and Net Margin were mainly due to the decrease of net income in 2022.

The decrease in Basic Earnings Per Share was mainly due to the decrease of net income attributable to shareholders of the corporation.

The increase in Cash Flow Ratio and Cash Reinvestment Ratio were mainly due to the increase of net cash provided by operating activities.

The increase in Operating Leverage was mainly due to the decrease of income from operations.

6.2.2 Separate Financial Statements

Item \ Year		Financial Analysis (2018~2022)				
		2018	2019	2020	2021	2022
Capital Structure Analysis	Debts Ratio (%)	28.49	28.38	31.56	31.92	32.01
	Long-term Fund to Property, Plant and Equipment (%)	4,005.05	4,432.09	4,863.71	4,886.79	4,972.89
Liquidity Analysis	Current Ratio (%)	57.60	66.86	80.23	105.84	83.00
	Quick Ratio (%)	48.17	57.37	70.79	98.09	74.10
	Times Interest Earned (Times)	37.73	50.16	43.36	40.72	28.25
Operating Performance Analysis	Average Collection Turnover (Times)	8.92	8.43	8.64	8.98	10.00
	Days Sales Outstanding	41	43	42	41	37
	Average Inventory Turnover (Times)	5.72	5.30	5.41	5.81	6.15
	Average Payment Turnover (Times)	5.44	5.18	4.45	3.85	4.41
	Average Inventory Turnover Days	64	69	67	63	59
	Property, Plant and Equipment Turnover (Times)	1.93	2.09	2.15	2.15	2.46
	Total Assets Turnover (Times)	0.05	0.05	0.04	0.04	0.05
Profitability Analysis	Return on Total Assets (%)	6.11	8.95	7.15	6.89	5.31
	Return on Shareholders' Equity (%)	8.38	12.30	10.01	9.89	7.56
	Pre-tax Income to Paid-in Capital Ratio (%)	36.28	54.01	46.00	44.03	35.86
	Net Margin (%)	127.31	194.30	163.61	164.96	111.86
	Basic Earnings Per Share (NT\$)	3.54	5.56	4.70	4.70	3.63
Cash Flow	Cash Flow Ratio (%)	18.45	47.97	47.30	39.39	42.74
	Cash Flow Adequacy Ratio (%)	88.37	83.03	80.17	69.44	66.52
	Cash Reinvestment Ratio (%)	(0.49)	(0.94)	(1.71)	(2.72)	(1.78)
Leverage	Operating Leverage	Note1	Note1	1.94	1.59	1.43
	Financial Leverage	Note2	Note2	3.51	2.29	1.74

Analysis of deviation of 2022 vs. 2021 over 20%:

The decrease in Current Ratio and Quick Ratio were mainly due to the increase of current liabilities.

The decrease in Times Interest Earned was mainly due to the decrease of income before tax in 2022.

The decrease in Return on Total Assets, Return on Shareholders' Equity, Net Margin and Basic Earnings Per Share were mainly due to the decrease of net income in 2022.

The increase in Cash Reinvestment Ratio was mainly due to the increase of net cash provided by operating activities.

The decrease in Financial Leverage was mainly due to the increase of income from operations in 2022.

Note1 : The ratio was equal or less than zero.

Note2 : The ratio was not calculated due to operating loss.

*Glossary

1. Capital Structure Analysis

- (1) Debt Ratio = Total Liabilities / Total Assets
- (2) Long-term Fund to Property, Plant and Equipment Ratio = (Shareholders' Equity + Noncurrent Liabilities) / Net Property, Plant and Equipment

2. Liquidity Analysis

- (1) Current Ratio = Current Assets / Current Liabilities
- (2) Quick Ratio = (Current Assets - Inventories - Prepaid Expenses) / Current Liabilities
- (3) Times Interest Earned = Earnings before Interest and Taxes / Interest Expenses

3. Operating Performance Analysis

- (1) Average Collection Turnover = Net Sales / Average Trade Receivables
- (2) Days Sales Outstanding = 365 / Average Collection Turnover
- (3) Average Inventory Turnover = Cost of Sales / Average Inventory
- (4) Average Payment Turnover = Cost of Sales / Average Trade Payables
- (5) Average Inventory Turnover Days = 365 / Average Inventory Turnover
- (6) Property, Plant and Equipment Turnover = Net Sales / Average Net Property, Plant and Equipment
- (7) Total Assets Turnover = Net Sales / Average Total Assets

4. Profitability Analysis

- (1) Return on Total Assets = (Net Income + Interest Expenses * (1 - Effective Tax Rate)) / Average Total Assets
- (2) Return on Shareholders' Equity = Net Income / Average Total Equity
- (3) Pre-tax Income to Paid-in Capital Ratio = Income before Tax / Paid-in Capital
- (4) Net Margin = Net Income / Net Sales
- (5) Basic Earnings Per Share = (Net income attributable to Shareholders of the Corporation. - Preferred Stock Dividend) / Weighted Average Number of Shares Outstanding

5. Cash Flow

- (1) Cash Flow Ratio = Net Cash Provided by Operating Activities / Current Liabilities
- (2) Cash Flow Adequacy Ratio = Five-year Sum of Cash from Operations / Five-year Sum of Capital Expenditures, Inventory Additions, and Cash Dividend
- (3) Cash Reinvestment Ratio = (Cash Provided by Operating Activities - Cash Dividends) / (Gross Property, Plant and Equipment + Long-term Investments + Other Noncurrent Assets + Working Capital)

6. Leverage

- (1) Operating Leverage = (Net Sales - Variable Cost) / Income from Operations
- (2) Financial Leverage = Income from Operations / (Income from Operations - Interest Expenses)

6.3 Audit Committee's Review Report on the 2022 Financial Statements

To: The 2023 Regular Shareholders' Meeting

The Board of Directors has prepared the Company's 2022 Business Report, the Proposal for Profit Distribution, and the Financial Statements certified by CPA Mr. Xin Wei Tai and Mr. Pei De Chen of the Deloitte & Touche. The Business Report, Financial Statements, and the Proposal for Profit Distribution have been reviewed and determined to be correct and accurate by the Audit Committee members of Asia Cement Corporation. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Chairman of the Audit Committee: Yun-Pen Chu

May 9, 2023

6.4 Financial Statements and Independent Auditors' Report

Please refer to Attachment for the Notes to Financial Statements (<https://emops.twse.com.tw/>) .

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	<u>3,545,928</u>	<u>\$ 35,459,276</u>	<u>\$ 6,005,713</u>	<u>\$ 21,318,344</u>	<u>\$ 66,656,628</u>	<u>\$ 27,220,222</u>	<u>\$ (3,084,376)</u>	<u>\$ 6,270,727</u>	<u>\$ 912,006</u>	<u>\$ 58,307</u>	<u>\$ 4,156,664</u>	<u>\$ 160,816,847</u>	<u>\$ 23,416,398</u>	<u>\$ 184,233,245</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 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)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Asia Cement Corporation

Opinion

We have audited the accompanying financial statements of Asia Cement Corporation (the “Corporation”), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”).

In our opinion, based on our audits and the reports of other auditors (refer to Other Matter section), the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 Financial Statements section of our report. We are independent of the Corporation in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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

Estimated Impairment of Trade Receivables in Subsidiaries Accounted for
Using the Equity Method 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 Corporation's subsidiaries accounted for using the equity method in mainland China respectively faced massive debt and cash flow issues. The management of the Corporation 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 historically observed default rates over the expected life of the debtors and are adjusted for forward-looking information. Because the ECLs on the respective trade receivables involve significant judgments and uncertainties, we considered the estimated impairment of trade receivables in subsidiaries accounted for using the equity method 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 of subsidiaries accounted for using the equity method 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 of subsidiaries accounted for using the equity method in mainland China as of 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 15 to the 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\$16,885,170 thousand and NT\$16,266,309 thousand, respectively, both representing 7.1% of the total assets. For the years ended December 31, 2022 and 2021, the share of profit or loss of CSCGL was NT\$396,223 thousand and NT\$1,954,372 thousand, respectively, representing 3.1% and 12.5%, respectively, of the profit before income tax.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation'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 Corporation 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 Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 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 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 Corporation'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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 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 financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

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

ASIA CEMENT CORPORATION

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

	2022		2021	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 6 and 31)	\$ 5,085,265	2	\$ 5,271,395	2
Financial assets at fair value through profit or loss - current (Note 7)	1,442,750	1	1,906,273	1
Financial assets at fair value through other comprehensive income - current (Note 8)	2,045,165	1	2,004,820	1
Financial assets at amortized cost - current (Notes 6, 9 and 31)	4,856,236	2	6,016,855	3
Note receivable - third parties	78,916	-	86,047	-
Trade receivables				
Third parties (Note 10)	373,671	-	344,232	-
Related parties (Notes 10 and 31)	703,131	-	563,021	-
Other receivables (Note 31)	158,416	-	106,223	-
Inventories (Note 11)	1,641,979	1	1,296,702	1
Prepayments (Note 31)	128,060	-	93,667	-
Other current assets	<u>1,357</u>	<u>-</u>	<u>3,970</u>	<u>-</u>
Total current assets	<u>16,514,946</u>	<u>7</u>	<u>17,693,205</u>	<u>8</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Note 8)	6,058,267	3	6,086,097	3
Investments accounted for using the equity method (Notes 12, 31 and 32)	161,409,598	68	154,907,274	67
Property, plant and equipment (Notes 13, 31 and 32)	4,356,609	2	4,375,078	2
Right-of-use assets (Note 14)	464,730	-	374,548	-
Investment properties (Notes 15 and 32)	43,308,034	18	42,897,971	18
Intangible assets (Note 16)	2,095	-	3,309	-
Deferred tax assets (Note 26)	3,902	-	43,831	-
Other non-current assets (Notes 17, 22 and 31)	<u>4,429,211</u>	<u>2</u>	<u>4,135,865</u>	<u>2</u>
Total non-current assets	<u>220,032,446</u>	<u>93</u>	<u>212,823,973</u>	<u>92</u>
TOTAL	<u>\$ 236,547,392</u>	<u>100</u>	<u>\$ 230,517,178</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 18)	\$ 500,000	-	\$ -	-
Short-term bills payable (Note 19)	16,423,990	7	14,017,168	6
Contract liabilities - current (Note 24)	140,872	-	87,050	-
Accounts payable and accrued expenses				
Third parties	1,654,486	1	1,979,885	1
Related parties (Note 31)	280,650	-	186,143	-
Dividends and bonuses payable	255,000	-	248,760	-
Current tax liabilities (Note 26)	463,599	-	98,252	-
Lease liabilities - current (Note 14)	83,397	-	23,310	-
Deferred revenue - current (Note 21)	75,912	-	75,912	-
Current portion of long-term liabilities (Note 20)	<u>20,129</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>19,898,035</u>	<u>8</u>	<u>16,716,480</u>	<u>7</u>
NON-CURRENT LIABILITIES				
Bonds payable (Note 20)	45,100,000	19	45,131,854	20
Long-term borrowings (Note 20)	-	-	950,000	1
Provisions - non-current	73,316	-	90,843	-
Deferred tax liabilities (Note 26)	9,917,476	4	9,934,900	4
Lease liabilities - non-current (Note 14)	93,086	-	41,319	-
Deferred revenue - non-current (Note 21)	620,157	1	696,069	-
Other non-current liabilities	<u>28,475</u>	<u>-</u>	<u>28,790</u>	<u>-</u>
Total non-current liabilities	<u>55,832,510</u>	<u>24</u>	<u>56,873,775</u>	<u>25</u>
Total liabilities	<u>75,730,545</u>	<u>32</u>	<u>73,590,255</u>	<u>32</u>
EQUITY (Note 23)				
Share capital	<u>35,459,276</u>	<u>15</u>	<u>35,455,721</u>	<u>15</u>
Capital surplus	<u>6,005,713</u>	<u>2</u>	<u>5,986,339</u>	<u>3</u>
Retained earnings				
Legal reserve	21,318,344	9	19,783,405	9
Special reserve	66,656,628	28	66,476,869	29
Unappropriated earnings	<u>27,220,222</u>	<u>12</u>	<u>28,739,477</u>	<u>12</u>
Total retained earnings	<u>115,195,194</u>	<u>49</u>	<u>114,999,751</u>	<u>50</u>
Other equity	<u>4,156,664</u>	<u>2</u>	<u>485,112</u>	<u>-</u>
Total equity	<u>160,816,847</u>	<u>68</u>	<u>156,926,923</u>	<u>68</u>
TOTAL	<u>\$ 236,547,392</u>	<u>100</u>	<u>\$ 230,517,178</u>	<u>100</u>

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

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

ASIA CEMENT CORPORATION

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	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 24 and 31)	\$ 10,742,667	100	\$ 9,134,245	100
OPERATING COSTS (Notes 11, 25 and 31)	<u>9,041,271</u>	<u>84</u>	<u>7,798,581</u>	<u>85</u>
GROSS PROFIT	1,701,396	16	1,335,664	15
REALIZED (UNREALIZED) GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	<u>2,952</u>	<u>-</u>	<u>(812)</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>1,704,348</u>	<u>16</u>	<u>1,334,852</u>	<u>15</u>
OPERATING EXPENSES				
Administrative expenses (Notes 25 and 31)	608,041	6	639,345	7
Expected credit gain (Note 10)	<u>(440)</u>	<u>-</u>	<u>(1,129)</u>	<u>-</u>
Total operating expenses	<u>607,601</u>	<u>6</u>	<u>638,216</u>	<u>7</u>
OPERATING INCOME	<u>1,096,747</u>	<u>10</u>	<u>696,636</u>	<u>8</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 25)	663,851	6	422,096	4
Other gains and losses (Note 25)	401,857	4	(514,986)	(6)
Finance costs (Note 25)	(466,565)	(5)	(393,005)	(4)
Share of profit of subsidiaries and associates	10,820,856	101	15,221,784	167
Interest income	<u>197,913</u>	<u>2</u>	<u>178,031</u>	<u>2</u>
Total non-operating income and expenses	<u>11,617,912</u>	<u>108</u>	<u>14,913,920</u>	<u>163</u>
PROFIT BEFORE INCOME TAX	12,714,659	118	15,610,556	171
INCOME TAX EXPENSE (Note 26)	<u>698,263</u>	<u>6</u>	<u>542,335</u>	<u>6</u>
NET INCOME FOR THE YEAR	<u>12,016,396</u>	<u>112</u>	<u>15,068,221</u>	<u>165</u>

(Continued)

ASIA CEMENT CORPORATION

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	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS), NET				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized valuation (loss) gain on investments in equity instruments at fair value through other comprehensive income	\$ (83,273)	(1)	\$ 135,036	1
Remeasurement of defined benefit plans	190,182	2	153,653	2
Share of other comprehensive (loss) income of subsidiaries and associates	<u>(336,484)</u>	<u>(3)</u>	<u>741,179</u>	<u>8</u>
	<u>(229,575)</u>	<u>(2)</u>	<u>1,029,868</u>	<u>11</u>
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income (loss) of subsidiaries and associates	<u>4,215,466</u>	<u>39</u>	<u>(1,339,475)</u>	<u>(14)</u>
	<u>4,215,466</u>	<u>39</u>	<u>(1,339,475)</u>	<u>(14)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>3,985,891</u>	<u>37</u>	<u>(309,607)</u>	<u>(3)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 16,002,287</u>	<u>149</u>	<u>\$ 14,758,614</u>	<u>162</u>
EARNINGS PER SHARE (Note 27)				
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 financial statements.

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

(Concluded)

ASIA CEMENT CORPORATION

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

	Other Equity											
	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	Total Equity
	Share Capital Issued		Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings						
	Shares	Amount										
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
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)
Net profit for the year ended December 31, 2021	-	-	-	-	-	15,068,221	-	-	-	-	-	15,068,221
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)
Convertible bonds converted to ordinary shares	184,125	1,841,249	4,496,893	-	-	-	-	-	-	-	-	6,338,142
Changes in capital surplus from investments in subsidiaries and associates accounted for using the equity method	-	-	(3,813)	-	-	-	-	-	-	-	-	(3,813)
Actual acquisition of interests in subsidiaries	-	-	675	-	-	(14)	-	-	-	-	-	661
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	-	31,614	-	(31,614)	-	-	(31,614)	-
Other changes in equity from investments in subsidiaries and associates accounted for using the equity method	-	-	-	-	-	(1,586)	-	-	(516)	-	(516)	(2,102)
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
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)
Net profit for the year ended December 31, 2022	-	-	-	-	-	12,016,396	-	-	-	-	-	12,016,396
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
Convertible bonds converted to ordinary shares	356	3,555	8,350	-	-	-	-	-	-	-	-	11,905
Changes in capital surplus from investments in subsidiaries and associates accounted for using the equity method	-	-	11,293	-	-	-	-	-	-	-	-	11,293
Actual acquisition of interests in subsidiaries	-	-	(269)	-	-	(166)	-	-	-	-	-	(435)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	-	11,003	-	(11,003)	-	-	(11,003)	-
Other changes in equity from investments in subsidiaries and associates accounted for using the equity method	-	-	-	-	-	(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

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

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

ASIA CEMENT CORPORATION

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	\$ 12,714,659	\$ 15,610,556
Adjustments for:		
Depreciation expenses	470,936	406,329
Amortization expenses	1,214	2,061
Expected credit loss reversed on trade receivables	(440)	(1,129)
Net loss on fair value changes of financial assets and liabilities designated as at fair value through profit or loss	739,665	232,113
Finance costs	466,565	393,005
Interest income	(197,913)	(178,031)
Dividend income	(381,245)	(319,016)
Share of profit of subsidiaries and associates	(10,820,856)	(15,221,784)
(Gain) loss on disposal of property, plant and equipment	(3,773)	60
Realized (unrealized) gain on transactions with subsidiaries and associates	(2,952)	812
Unrealized (gain) loss on foreign exchange	(902,914)	219,910
Gain on changes in fair value of investment properties	(409,484)	(413,800)
Changes in operating assets and liabilities:		
Financial assets mandatorily classified as at fair value through profit or loss	(276,300)	-
Notes receivable	7,131	4,157
Trade receivables	(161,716)	39,236
Other receivables	(13,343)	(16,537)
Inventories	(284,594)	66,127
Prepayments	(25,216)	51,098
Other current assets	2,613	2,667
Financial liabilities held for trading	-	(678,950)
Net defined benefit assets	(26,217)	(39,965)
Contract liabilities	53,822	(2,516)
Accounts payable and accrued expenses	(174,990)	233,214
Provisions	(17,527)	(7,157)
Deferred revenue	(75,912)	(75,912)
Cash generated from operations	681,213	306,548
Interest received	159,063	184,813
Dividends received	8,512,577	6,983,669
Interest paid	(489,904)	(333,491)
Income tax paid	(357,956)	(556,509)
Net cash generated from operating activities	8,504,993	6,585,030

(Continued)

ASIA CEMENT CORPORATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ (95,788)	\$ (5,340)
Purchase of financial assets at amortized cost	-	(5,051,701)
Proceeds from sale of financial assets at amortized cost	1,615,106	-
Payments for property, plant and equipment	(460,378)	(464,390)
Proceeds from disposal of property, plant and equipment	3,825	33
(Increase) decrease in refundable deposits	(29,402)	19,459
Payments for intangible assets	-	(1,140)
Payments for investment properties	(579)	(3,245)
Net cash generated from (used in) investing activities	<u>1,032,784</u>	<u>(5,506,324)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term bank borrowings	500,000	-
Increase in short-term bills payable	2,430,000	11,820,000
Proceeds from issuance of bonds	-	6,300,000
Repayments of bonds	-	(3,000,000)
Proceeds from long-term borrowings	1,100,000	9,640,000
Repayments of long-term borrowings	(2,050,000)	(12,640,000)
Decrease in guarantee deposits received	(315)	(1,000)
Repayment of the principal portion of lease liabilities	(89,567)	(76,819)
Dividends paid	(12,054,870)	(11,933,944)
Acquisition of additional interests in subsidiaries	(189)	(1,838)
Net cash (used in) generated from financing activities	<u>(10,164,941)</u>	<u>106,399</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>441,034</u>	<u>(142,200)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(186,130)	1,042,905
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>5,271,395</u>	<u>4,228,490</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 5,085,265</u>	<u>\$ 5,271,395</u>

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

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

(Concluded)

※ The Company and its affiliates have not experienced financial difficulties in the most recent fiscal year or during the current fiscal year up to the printing date of the annual report.

VII Analysis of Financial Status, Operating Result, and Risk Management

7.1 Analysis of Financial Status

UNIT: NT\$1,000

Item \ Year	2021	2022	Variance	
			Amount	%
Current Assets	105,955,718	111,449,752	5,494,034	5
Property, Plant and Equipment	41,431,732	39,795,675	(1,636,057)	(4)
Intangible Assets	6,969,037	6,789,196	(179,841)	(3)
Other Assets	162,699,582	166,208,504	3,508,922	2
Total Assets	317,056,069	324,243,127	7,187,058	2
Current Liabilities	71,082,366	70,962,661	(119,705)	-
Non-Current Liabilities	65,700,817	69,047,221	3,346,404	5
Total Liabilities	136,783,183	140,009,882	3,226,699	2
Equity Attributable To Owners Of The Corporation	156,926,923	160,816,847	3,889,924	2
Share Capital	35,455,721	35,459,276	3,555	-
Capital Surplus	5,986,339	6,005,713	19,374	-
Retained Earnings	114,999,751	115,195,194	195,443	-
Other Equity	485,112	4,156,664	3,671,552	757
Non-Controlling Interests	23,345,963	23,416,398	70,435	-
Total Equity	180,272,886	184,233,245	3,960,359	2
Analysis of deviation over 20%: The increase of other equity was mainly due to the decrease of exchange losses on translating the financial statements of foreign operations in 2022.				

7.2 Analysis of Financial Performance

UNIT: NT\$1,000

Item \ Year	2021	2022	Variance	
			Amount	%
Operating Revenue	90,332,604	90,340,503	7,899	-
Operating Costs	69,151,726	78,585,021	9,433,295	14
Gross Profit	21,180,878	11,755,482	(9,425,396)	(44)
Operating Expenses	3,494,661	3,184,209	(310,452)	(9)
Profit From Operations	17,686,217	8,571,273	(9,114,944)	(52)
Non-operating Income And Expenses	4,247,696	6,625,704	2,378,008	56
Income Before Income Tax	21,933,913	15,196,977	(6,736,936)	(31)
Income Tax Expense	4,406,143	2,599,841	(1,806,302)	(41)
Net Profit For The Year	17,527,770	12,597,136	(4,930,634)	(28)
Other Comprehensive Income , Net	(396,550)	4,417,882	4,814,432	(1214)
Total Comprehensive Income For The Year	17,131,220	17,015,018	(116,202)	(1)
Net Profit Attributable To Owner Of The Company	15,068,221	12,016,396	(3,051,825)	(20)
Net Profit Attributable To Non-Controlling Interests	2,459,549	580,740	(1,878,809)	(76)
Total Comprehensive Income Attributable To Owner Of The Company	14,758,614	16,002,287	1,273,673	9
Total Comprehensive Income Attributable To Non-Controlling Interests	2,372,606	1,012,731	(1,359,875)	(57)

1. Analysis of deviation over 20%:

- (1).The decrease of gross profit and profit from operations were mainly due to the decrease of sales volume and sales price , the increase of coal price in mainland China in 2022.
- (2).The increase of non-operating income and expenses were mainly due to the increase of net gains on valuation of financial assets and foreign exchange gains.
- (3).The decrease of income before income tax 、 income tax expense and net profit for the year were mainly due to the profit decrease of business in mainland China in 2022.
- (4).The increase of net other comprehensive income were mainly due to the decrease of exchange losses on translating the financial statements of foreign operations in 2022.
- (5).The decrease of net profit attributable to owner of the company 、 net profit attributable to non-controlling interests and total comprehensive income attributable to non-controlling interests were mainly due to the profit decrease of business in mainland China in 2022.

2. Expected sales volume in next one year and the reason for such expectation. The impact of such expectation on the Company's financial situation and operational performances, and the Company's plan: Please refer to the "Letter to Shareholders".

7.3 Analysis of Cash Flow

(1)The Analysis for Changing of Cash Flow for 2022

Unit: NT\$1,000

Cash Balance in the Beginning	Net Cash Inflows from Operating Activities	Total Cash Outflows	The Cash Surplus	Source of Funding for Negative Cash Balance	
				Investing Plans	Financing Plans
33,450,618	15,308,631	5,272,917	43,486,332	-	-

1. Operating Activities: Mainly generated from operations NT\$14,917,745 thousand 、dividends received NT\$4,783,260 thousand and income taxes paid NT\$3,719,369 thousand.
2. Investing Activities: Mostly for net decrease in financial assets NT\$4,017,438 thousand and net increase in property, plant and equipment NT\$2,655,078 thousand.
3. Financing Activities: Mostly for net increase in short-term and long-term loans NT\$5,834,832 thousand 、cash dividends paid NT\$12,054,870 thousand and net decrease in non-controlling interests NT\$941,970 thousand.

(2)Remedy plans for insufficient liquidity for 2022 : Not Applicable.

(3)Liquidity Analysis for the Coming Year

Unit: NT\$1,000

Cash Balance in the Beginning	Expected Net Cash Inflows from Operating Activities	Expected Total Cash Outflows	Expected Cash Surplus	Expected Source of Funding for Negative Cash Balance	
				Investing Plans	Financing Plans
43,486,332	15,368,739	23,924,494	34,930,577	-	-

1. Operating Activities: Mainly from operating income and cash dividends received.
2. Investing Activities: Primarily for investment in capital expenditures.
3. Financing Activities: Mostly for net increase in short-term and long-term loans and payout of cash dividends.

7.4 Impacts of Major Capital Expenditures on Finance and Operation

7.4.1 Major Capital Expenditures and Funding Sources

UNIT: NT\$1,000

Projects	Actual or Expected Source of Capital	Actual or Expected Date of Completion	Total Capital	Capital Expenditures			
				Actual		Expected	
				2018~2021	2022	2023	2024
CHIAHUI POWER natural gas fueled combined cycle power plant (Phase II Expansion)	Syndicated loan	Jul. 2021	10,402,644	10,209,990	179,643	13,011	-
JIANGXI YADONG Coarse aggregate mining and conveyor system construction	Self-owned capital	Apr. 2024	1,313,634	696	16,064	1,186,818	110,056

7.4.2 Expected Benefit to Finance and Operation from the Major Capital Expenditure

1. After the completion of the natural gas fueled combined cycle power plant (Phase II Expansion) of CHIAHUI POWER, it will increase the stable profit every year.
2. After the completion of the coarse aggregate mining and conveyor system construction of JIANGXI YADONG, it will increase the stable profit every year.

7.5 Investment Strategies in the Most Recent Year, the Major Reasons for its Gain or Loss and Improvement Plan and Investment Plans for Next Year

The majority of the company's investments were for long-term strategic purposes. In 2022, the total gain through equity method by the company was NT \$4,311,008 thousand (on consolidated basis). In the future, the company will continue to focus on strategic purposes through prudent assessment.

7.6 Analysis and Evaluation of Risk Management

7.6.1 The Impact of Fluctuation of Foreign Exchange, Interest Rates, and Inflation on the Company's Profit and Loss and Its Countermeasures

※Foreign exchange impact:

The percentage of foreign exchange gains/losses over operating revenue and operating income in 2022 are as follows:

Unit : NT\$1,000

Item \ Year	2022
Foreign Exchange Gains (Losses) (A)	604,300
Operating Revenue (B)	90,340,503
% of Operating Revenue (A)/(B)	0.7%
Operating Income (C)	8,571,273
% of Operating Income (A)/(C)	7.1%

Foreign exchange rate fluctuates constantly because of the variation in market demand and supply. Thus, the risk of foreign exchange may occur to the Company by means of various trading. For the Company, most of the procurements of raw materials were disbursed in USD; foreign sales were collected in USD. Currently, the revenue mostly equals to the disbursement, which led to the effect of natural hedge, minimizing the impact of fluctuation of foreign exchange on the Company's profit and loss.

Besides natural hedge, in order to minimize the risk of foreign exchange, the Company and subsidiaries had adopted such risk management policies against the uncertainty.

1. Monitoring the impact to foreign exchange rate from global macro-economic change and

building up a necessary hedge mechanism.

2. Planning future's demand for currencies and establishing the foreign currency position from relatively lower level to reduce overall cost. Convert weak currencies to strong currencies.

※Interest rate impact:

The percentage of interest revenue/losses over operating revenue and operating income in 2022 are as follows:

Unit : NT\$1,000

Item \ Year	2022
Interest Revenue (Losses) (A)	(348,959)
Operating Revenue (B)	90,340,503
% of Operating Revenue (A)/(B)	(0.4%)
Operating Income (C)	8,571,273
% of Operating Income (A)/(C)	(4.1%)

If market interest rates had been 0.01% higher/lower, the group's pretax profit for the year ended December 31, 2022 would have increased/decreased by NT\$2,286 thousand, mainly due to the Group's exposure to interest rates on its floating-rate bank borrowings and bank deposits' interest revenue and expenses.

The Company primarily utilizes short-term bank loans and issues long-term debt instruments to finance its short, mid, and long term funding demands.

According to the terms and conditions of agreements entered with banks, short-term bank loan, subject to floating interest rate basis, can be utilized in revolving method within the duration of the agreements. Since the Company has been maintaining stable status operationally and financially, it is capable of obtaining relatively lower interest rate with aggressive negotiations with banks. Besides, the duration of utilizing short-term loan is less than one year. In a whole, the impact of the fluctuation of interest rates on the Company's short-term loans is reduced. In order to minimize the risk of interest rate, the Company and subsidiaries had adopted such risk management policies against the uncertainty:

The Company mainly issues long-term and fixed interest rate debt instruments to lock relatively lower funding cost, which can reduce interest expense and impact of interest fluctuation, spare banks' credit lines for temporary funding demand, replenish working capital, and improve financial structure to comply with the principle for long-term sustainable operation.

※Inflation rate impact:

Taiwan inflation rate was about 2.95% in 2022. This inflation rate did not have substantial effect on the Company's operation and profit. In order to minimize the risk of inflation rate, the Company and subsidiaries maintained stable and long-term cooperative relationships with our major suppliers.

7.6.2 The Impact of Highly Risky Investments, Highly Leveraged Transaction, Loaning to Others, Endorsement and Guarantee for Others, and Derivatives

The Company has no highly risky and highly leveraged investments or loaning to others.

The Company provided endorsement and guarantee for its subsidiaries according to “Procedures for Endorsement and Guarantee”. Its balance was NT\$53,523,500 thousand and NT\$ 53,416,000 thousand at the end of 2022 and the end of March 2023 respectively. Based on conservative operating policy, the operations of its subsidiaries bring considerable income to the Company. Besides that, the Company supervises its subsidiaries regularly and controls related risks.

The financial transactions with “derivative” nature which the Company entered into were strictly for hedging purposes and not for any trading or speculative purposes. To control various types of financial trading risks, the Company has established internal policies and procedures based on sound financial and business practices, and in compliance with the relevant rules and regulations issued by the Taiwan Securities and Futures Bureau. The Company entered into USD/TWD Cross Currency Swap (CCS) transactions and its balance was NT\$3,072,000 thousand (fair value of NT\$3,073,492 thousand) at the end of 2022, and NT\$3,072,000 thousand (fair value of NT\$3,059,691 thousand) at the end of March 2023.

7.6.3 The Prevention of Legal Risks

In view of current company’s operations, in addition to compliance with laws and regulations, there are many different areas involved in the legal norms, such as dealing with other companies, government agency, stakeholders, employees, and other foreign-related cases. Preventing legal risks shall be the first priority in today’s business operators.

In response to this situation, the Company asks those who majored in law to be in charge of the Secretarial Department. Besides, the Company teaches and requires every employee to comply with every regulation in daily operations. The Company also cooperates with the Group’s legal department to handle labor, general affairs, sales, factory management, taxation and other issues. Lawyers and accountants would be consulted if necessary. These could ensure legal risks reduced to maintain the Company's interests.

7.6.4 R&D project and estimated expenditures in the future:

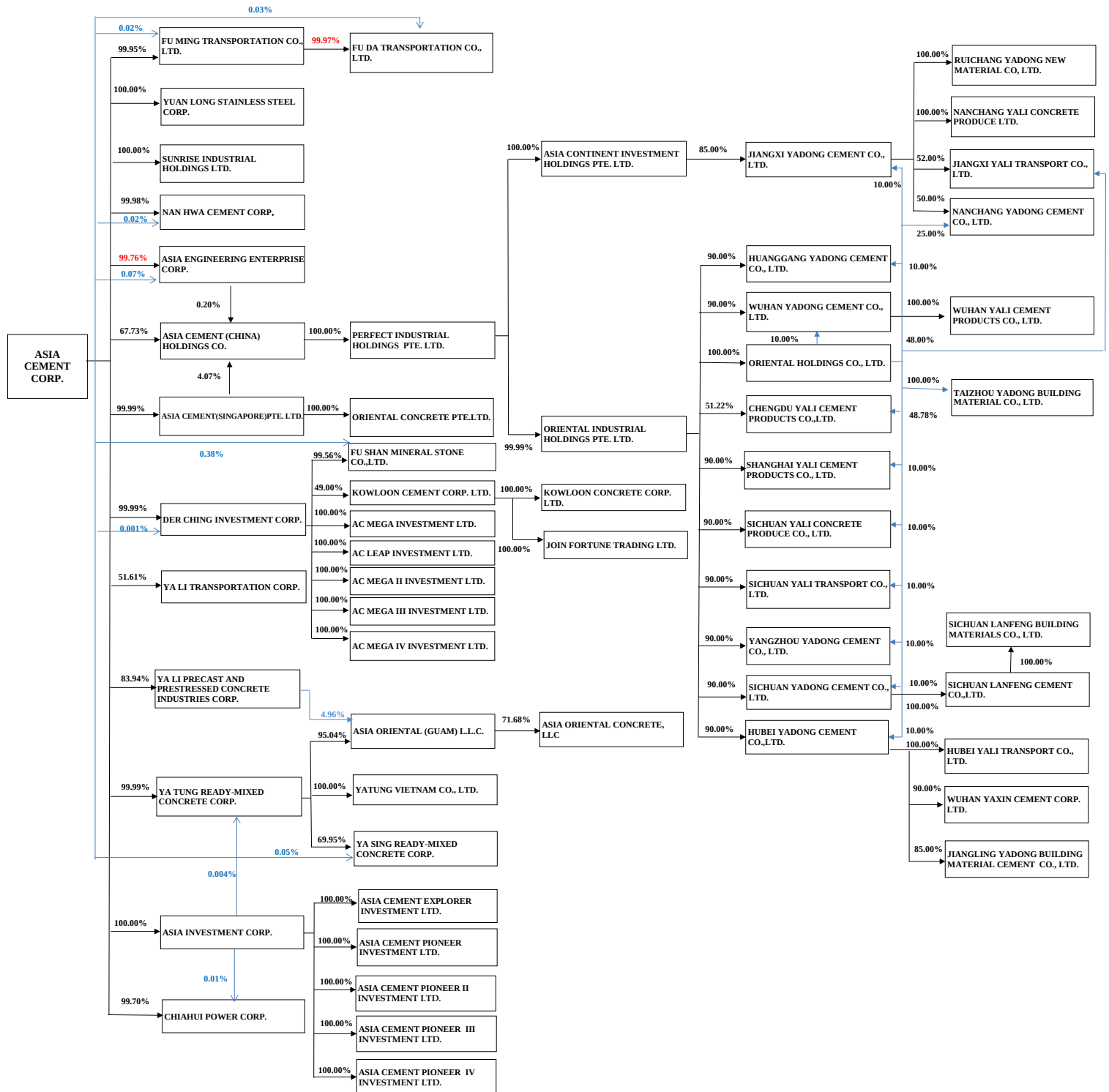
Unit: NT\$1,000	
Item	Amount
Renewal project for 4 cement ships of Uming Marine	This item is income, not expenditure.
Establishment of information security system	2,700
Hypergravity Carbon Capture Technology	10,000
Blended Cement	5,000
Environmental Impact Assessment and Monitoring of Quarry	15,000
Alternative fuel shredding technology	20,000
Total	52,700

- ◎Effect on the Company's finance and operation from any changes in major policies and laws at home and abroad in the most recent fiscal year: None.
- ◎Effect on the Company's finance and operation due to the technological improvement (including information security risks) and the change of industrial environment in the most recent fiscal year: None.
- ◎Events influencing the Company's corporate image in the most recent fiscal year: None.
- ◎Merger or acquisition plan in the most recent fiscal year: None.
- ◎Plan of expanding capacity in the most recent fiscal year: None.
- ◎Supply and sale of the Company in the most recent fiscal year: Normal and steady.
- ◎Large volume shares transferred or changed by directors, supervisors, or shareholders with more than 10% shareholdings in the most recent fiscal year: None.
- ◎Change of the Company's management in the most recent fiscal year: None.
- ◎Litigation, non-litigation incidents or administrative disputes of directors, supervisors, president, shareholders with more than 10% shareholdings, or subsidiaries which could materially affect shareholders' equity or the prices of the Company's securities: None.
- ◎Other major risks: None.

7.7 Other Mentionable Issues : None.

VIII Special Disclosure

8.1 Organizational Chart of Affiliated Companies



8.2 Basic Information of Affiliated Companies

Currency: NT\$ (except otherwise specified)

Unit: \$1,000

As of December 31, 2022

Company Name	Establishing Date	Paid-in Capital	Main business or Production Item
FU MING TRANSPORTATION CO., LTD. Address: 23F., No.16-1, Xinzhan Rd., Banqiao Dist., New Taipei City	Feb. 1980	295,695	Transportation
YUAN LONG STAINLESS STEEL CORP. Address: No.28, Daye S. Rd., Xiaogang Dist., Kaohsiung City	Dec. 2005	2,000,000	Stainless steel
SUNRISE INDUSTRIAL HOLDINGS LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	Apr. 1996	USD 90	Investment
NAN HWA CEMENT CORP. Address: No.90, Sec. 2, Linkong. Rd., Longchin Dist., Taichung City	Nov. 1969	261,440	Cement, Blast- Furnace Slag, Limestone Slag
ASIA ENGINEERING ENTERPRISE CORP. Address: No.125, Xinxing Rd., Xincheng Township, Hualien County	Nov. 1982	81,144	Engineering
ASIA CEMENT (CHINA) HOLDINGS CO. Address: Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681GT, George Town, Grand Cayman, British West Indies	Apr. 2004	HKD 156,685	Investment
ASIA CEMENT (SINGAPORE) PTE. LTD. Address: 5 Little Road #09-01 Cemtex Industrial Building Singapore 536983	Apr. 1964	SGD 10,500	Cement
DER CHING INVESTMENT CORP. Address: 31F., No.207, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City	Dec. 1988	7,306,618	Investment
YA LI TRANSPORTATION CORP. Address: No.125, Xinxing Rd., Xincheng Township, Hualien County	Oct. 1980	100,000	Transportation
YA LI PRECAST AND PRESTRESSED CONCRETE INDUSTRIES CORP. Address: No.3, Sec. 2, Jiayuan Rd., Shulin Dist., New Taipei City	Nov. 1990	193,776	Cement products
YA TUNG READY-MIXED CONCRETE CORP. Address: No.139, Sec. 1, Datong Rd., Xizhi Dist., New Taipei City	Jan. 1999	2,000,000	Ready-mixed concrete, Cement products
ASIA INVESTMENT CORP. Address: 31F., No.207, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City	Oct. 1998	4,030,885	Investment
CHIAHUI POWER CORP. Address: No.688, Songzijingiao, Minxiong Township, Chiayi County	Apr. 1996	5,700,000	Power plant
FU DA TRANSPORTATION CO., LTD. Address: 23F., No.16-1, Xinzhan Rd., Banqiao Dist., New Taipei City	Feb. 1989	379,819	Transportation
PERFECT INDUSTRIAL HOLDINGS PTE. LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	May. 1997	USD 9,720	Investment
ORIENTAL CONCRETE PTE. LTD. Address: 5 Little Road #09-01 Cemtex Industrial Building Singapore 536983	Oct. 1980	SGD 17,000	Ready-mixed concrete, Leasing

Company Name	Establishing Date	Paid-in Capital	Main business or Production Item
FU SHAN MINERAL STONE CO., LTD. Address: No.125, Xinxing Rd., Xincheng Township, Hualien County	Dec. 1970	13,000	Mining excavation, mineral processing and sales
KOWLOON CEMENT CORP. LTD. Address: 11/F Lippo Leighton Tower, 103 Leighton Road, Causeway Bay, Hong Kong	Sep. 1986	HKD 23,000	Cement
AC MEGA INVESTMENT. LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	Nov. 2010	USD 37,700	Investment
AC LEAP INVESTMENT. LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	Nov. 2010	USD 38,400	Investment
AC MEGA II INVESTMENT. LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	Jun. 2011	USD 29,200	Investment
AC MEGA III INVESTMENT. LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	Jun. 2011	USD 29,200	Investment
AC MEGA IV INVESTMENT. LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	Jun. 2011	USD 36,100	Investment
ASIA ORIENTAL (GUAM) L.L.C Address: 136 Adrian Sanchez Street Tamuning, GU 96913	Aug. 2010	USD 10,000	Investment
YATUNG VIETNAM CO. LTD. Address: Supporting Industrial Zone, Vung Ang Economic Zone, Ky Phuong Ward, Ky Anh town, Ha Tinh Province, Viet Nam	Feb. 2010	VND 141,348,502	Ready-mixed concrete
YA SING READY-MIXED CONCRETE CORP. Address: 1F, No.274, Sec. 3, Dongda Rd., Hsinchu City	Apr. 2000	100,000	Ready-mixed concrete
ASIA CEMENT EXPLORER INVESTMENT. LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	Aug. 2008	USD 30,115	Investment
ASIA CEMENT PIONEER INVESTMENT. LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	Aug. 2008	USD 78,450	Investment
ASIA CEMENT PIONEER II INVESTMENT. LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	Jun. 2011	USD 37,700	Investment

Company Name	Establishing Date	Paid-in Capital	Main business or Production Item
ASIA CEMENT PIONEER III INVESTMENT. LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	Jun. 2011	USD 29,200	Investment
ASIA CEMENT PIONEER IV INVESTMENT. LTD. Address: Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, VG1110, British Virgin Islands	Jun. 2011	USD 29,000	Investment
ASIA CONTINENT INVESTMENT HOLDINGS PTE. LTD. Address: 5 Little Road #09-01 Cemtex Industrial Building Singapore 536983	Apr. 1995	USD 288,847	Investment
ORIENTAL INDUSTRIAL HOLDINGS PTE. LTD Address: 5 Little Road #09-01 Cemtex Industrial Building Singapore 536983	May. 1994	USD 837,744	Investment
KOWLOON CONCRETE CORP. LTD. Address: 11/F Lippo Leighton Tower, 103 Leighton Road, Causeway Bay, Hong Kong	Mar. 1992	HKD 10	Ready-mixed concrete, Barges
JOIN FORTUNE TRADING LTD Address: 263 MAIN STREET, ROAD TOWN, TORTOLA, BRITISH VIRGIN ISLANDS	Jul. 2012	USD 2,427	Investment
ASIA ORIENTAL CONCRETE,LLC Address: 136 Adrian Sanchez Street Tamuning, GU 96913	Mar. 2011	USD 11,600	Ready-mixed concrete, Cement products
JIANGXI YADONG CEMENT CO., LTD. Address: No.6, Yadong Road, Ma-Tou Town, Rui Chang City, Jiangxi Province, China	Oct. 1997	USD 356,104	Cement, Clinker, Blast-Furnace Slag, Cement products
HUANGGANG YADONG CEMENT CO., LTD. Address: 5 Tiyu Avenue,Huangzhou Zone , Huanggang City, Hubei Province, China	Aug. 2006	USD 86,170	Cement, Clinker, Blast-Furnace Slag, Cement products
WUHAN YADONG CEMENT CO., LTD. Address: Cihui Avenue, Wujiashan Taiwan Business Investment Zone, Dongxihu, Wuhan, China	Nov. 1999	USD 36,140	Cement Grinding, Blast-Furnace Slag
ORIENTAL HOLDINGS CO., LTD. Address: Area A-4, Floor 8, No. 28, Bailianjing Road, Pilot Free Trade Zone, Shanghai, China	Jul. 2003	USD 204,191	Investment
CHENGDU YALI CEMENT PRODUCTS CO., LTD. Address: No.68 AnPeng Road, Tianpeng Town, Pengzhou, Chengdu City, Sichuan, China	Dec. 2004	USD 4,100	Ready-mixed concrete, Cement products
SHANGHAI YALI CEMENT PRODUCTS CO., LTD. Address: Room 908 9F Building 22-23 No.4100 Longwu Road Minhang District Shanghai China	Nov. 1995	USD 15,000	Ready-mixed concrete, Cement products
SICHUAN YALI CONCRETE PRODUCE CO., LTD. Address: No.268,Three Passage,Wenquan Road Wenjiang District,Chendu City,Sichuan,China	Nov. 2005	USD 3,300	Ready-mixed concrete, Cement products
SICHUAN YALI TRANSPORT CO., LTD. Address: No.68 AnPeng Road, Tianpeng Town, Pengzhou, Chengdu City, Sichuan, China	May. 2006	USD 3,500	Transportation

Company Name	Establishing Date	Paid-in Capital	Main business or Production Item
YANGZHOU YADONG CEMENT CO., LTD. Address: No.7 Gudu Road BaliTown, Yangzhou Economic Development Zone Yangzhou City Jiangsu Province China	Jul. 2006	USD 35,530	Cement Grinding, Blast-Furnace Slag, Ready-mixed concrete, Cement products
SICHUAN YADONG CEMENT CO., LTD. Address: No.66 AnPeng Road, Tianpeng Town, Pengzhou, Chengdu City, Sichuan, China	Nov. 2004	USD 368,340	Cement, Clinker, Blast-Furnace Slag, Cement products
HUBEI YADONG CEMENT CO., LTD. Address: No.66 Ya Dong Avenue, Pingjiang West Road, Yangluo Economic Development Zone, Wuhan City, Hubei Province, China	Jun. 2005	USD 154,800	Cement, Clinker, Blast-Furnace Slag, Cement products
RUICHANG YADONG NEW MATERIAL CO., LTD. Address: No.6, Yadong Road, Ma-Tou Town, Rui Chang City, Jiangxi Province, China	Jan. 2019	RMB 2,000	construction material and product
NANCHANG YALI CONCRETE PRODUCE LTD. Address: 1-3F Multifunction Building Bashuihu Industries Zone Nanchang ETDZ Jiangxi Province	Dec. 2003	RMB 60,000	Ready-mixed concrete, Cement products
JIANGXI YALI TRANSPORT CO., LTD. Address: No.8, Yadong Road, Ma-Tou Town, Rui Chang City, Jiangxi Province, China	Apr. 2005	RMB 12,500	Transportation
NANCHANG YADONG CEMENT CO., LTD. Address: Industrial 2nd Rd, Changdong Industrial Park, Nanchang Jiangxi, China	Jan. 2004	RMB 90,000	Cement Grinding, Blast-Furnace Slag
WUHAN YALI CEMENT PRODUCTS CO., LTD. Address: No.66 Ya Dong Avenue, Pingjiang West Road, Yangluo Economic Development Zone, Wuhan City, Hubei Province, China	Dec. 2007	RMB 60,000	Ready-mixed concrete, Cement products
TAIZHOU YADONG BUILDING MATERIAL CO., LTD. Address: No. 1, Yucai Rd Yong anzhou Town, Gaogang District, Taizhou, Jiangsu Province, China	Sep. 2013	USD 16,000	Cement warehousing and wholesale
SICHUAN LANFENG BUILDING MATERIALS CO., LTD. Address: Middle, Qinggui Road, Guihua Town, Pengzhou, Chengdu City, Sichuan, China	Nov. 2010	RMB 20,000	Cement products, Construction
SICHUAN LANFENG CEMENT CO., LTD. Address: Middle, Qinggui Road, Guihua Town, Pengzhou, Chengdu City, Sichuan, China	Sep. 2008	RMB 600,000	Cement, Clinker, Blast-Furnace Slag, Cement products
HUBEI YALI TRANSPORT CO., LTD. Address: No.201 Yushidun Cihui office, Dongxiu District Wuhan, Hubei Province, China	Oct. 2006	RMB 13,000	Transportation
WUHAN YAXIN CEMENT CO., LTD. Address: No. 12 Zhiwu Road Jiangjun mountain, Zhifang Street, Jiangxia District, Wuhan, Hubei Province, China	Aug. 2003	RMB 90,000	Cement, Clinker, Blast-Furnace Slag, Cement products
JIANGLING YADONG BUILDING MATERIALS CEMENT CO., LTD. Address: No. 16 Tieniu Road, Yanjiang Industrial Park, Xionghe Town, Jiangling County, Jingzhou City, Hubei Province, China	Oct. 2022	RMB 280,000	Grinding cement, Blast-Furnace Slag, Cement products

8.3 Main Business of Affiliated Companies

Please Refer to Above List.

8.4 Information of the Directors, Supervisors, and Presidents of Affiliated Companies

As of December 31, 2022

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
FU MING TRANSPORTATION CO., LTD.	Chairman	Johnny Shih (ACC Representative)	29,555,742	99.95
	Director / President	W.T. Hsu (ACC Representative)	29,555,742	99.95
	Director	K.Y. Lee (ACC Representative)	29,555,742	99.95
	Director	G.Y. Tai (ACC Representative)	29,555,742	99.95
	Director	T.M. Chen (ACC Representative)	29,555,742	99.95
	Director	C.H. Chung (ACC Representative)	29,555,742	99.95
	Director	R.K. Tsai (ACC Representative)	29,555,742	99.95
	Supervisor	T.L. Yu (Asia Investment Corp. Representative)	5,000	0.02
YUAN LONG STAINLESS STEEL CORP.	Supervisor	Humphrey Cheng (Asia Investment Corp. Representative)	5,000	0.02
	Chairman	K.Y. Lee (ACC Representative)	200,000,000	100.00
	Director / President	F.H. Li (ACC Representative)	200,000,000	100.00
	Director	Peter Hsu (ACC Representative)	200,000,000	100.00
	Director	C.F. Cheng (ACC Representative)	200,000,000	100.00
	Director	C.M. Chen (ACC Representative)	200,000,000	100.00
	Supervisor	Doris Wu (ACC Representative)	200,000,000	100.00
SUNRISE INDUSTRIAL HOLDINGS LTD.	Supervisor	T.M. Chen (ACC Representative)	200,000,000	100.00
	Director	Douglas Tong Hsu (ACC Representative)	90,000	100.00
	Director	Peter Hsu (ACC Representative)	90,000	100.00
	Director	K.Y. Lee (ACC Representative)	90,000	100.00
	Director	R.H. Shao (ACC Representative)	90,000	100.00
NAN HWA CEMENT CORP.	Director	Doris Wu (ACC Representative)	90,000	100.00
	Chairman	Z.P. Chang (ACC Representative)	26,138,828	99.98
	President	C.H. Chung		
	Director	Peter Hsu (ACC Representative)	26,138,828	99.98
	Director	Doris Wu (ACC Representative)	26,138,828	99.98
	Director	T.M. Chen (ACC Representative)	26,138,828	99.98
	Director	C.H. Chen (ACC Representative)	26,138,828	99.98
ASIA ENGINEERING ENTERPRISE CORP.	Supervisor	W.H. Yeh (Asia Investment Corp. Representative)	5,000	0.02
	Chairman	Doris Wu (ACC Representative)	8,094,680	99.76
	Director / President	Z.P. Chang (ACC Representative)	8,094,680	99.76
	Director	M.C. Yang (ACC Representative)	8,094,680	99.76
	Director	C.H. Chen (ACC Representative)	8,094,680	99.76
	Supervisor	H.Y. Kao (Asia Investment Corp. Representative)	6,000	0.07
ASIA CEMENT	Chairman /	Douglas Tong Hsu	3,000,000	0.19

(CHINA) HOLDINGS CO.	Non-Executive Director			
	Vice Chairman / Executive Director	Peter Hsu	200,000	0.01
	Executive Director	T.H. Chang	219,500	0.01
	Executive Director	K.Y. Lee	200,000	0.01
	Executive Director	Doris Wu	50,000	0.00
	Executive Director	C.K. Chang	713,000	0.04
	Executive Director	S.J. Lin	488,000	0.03
	Independent Non - Executive Director	D.L. Zhan	0	0.00
	Independent Non - Executive Director	K.C. Lee	0	0.00
	Independent Non - Executive Director	K.M. Wang	0	0.00
	Independent Non - Executive Director	Wei Wang	0	0.00
ASIA CEMENT (SINGAPORE) PTE. LTD.	Chairman / Managing Director	Douglas Tong Hsu (ACC Representative)	10,499,618	99.99
	Vice Managing Director	J.H. Lin (ACC Representative)	10,499,618	99.99
	Director	Peter Hsu (ACC Representative)	10,499,618	99.99
	Director	K.Y. Lee (ACC Representative)	10,499,618	99.99
	Director	Doris Wu (ACC Representative)	10,499,618	99.99
	Director	Gary Lee (ACC Representative)	10,499,618	99.99
DER CHING INVESTMENT CORP.	Chairman	Peter Hsu (ACC Representative)	730,646,976	99.99
	Director	Doris Wu (ACC Representative)	730,646,976	99.99
	Director	T.M. Chen (ACC Representative)	730,646,976	99.99
	Director	H.Y. Kao (ACC Representative)	730,646,976	99.99
	Director	H.T. Peng (ACC Representative)	730,646,976	99.99
	Supervisor	Karen Yang (Asia Investment Corp. Representative)	6,625	0.00
YA LI TRANSPORTATION CORP.	Chairman	Z.P. Chang (Yu Yuan Investment Corp. Representative)	4,839,183	48.39
	Director / President	K.M. Fu (Yu Yuan Investment Corp. Representative)	4,839,183	48.39
	Director	C.H. Chung (Yu Yuan Investment Corp. Representative)	4,839,183	48.39
	Director	C.H. Chen (Yu Yuan Investment Corp. Representative)	4,839,183	48.39
	Director	W.T. Hsu (Yu Yuan Investment Corp. Representative)	4,839,183	48.39
	Supervisor	Dana Lee (ACC Representative)	5,160,817	51.61
YA LI PRECAST AND PRESTRESSED CONCRETE INDUSTRIES CORP.	Chairman	C.F. Cheng (ACC Representative)	16,264,709	83.94
	Director	Peter Hsu (ACC Representative)	16,264,709	83.94
	Director	Lin Kuo (ACC Representative)	16,264,709	83.94
	Director	T.L. Yu (ACC Representative)	16,264,709	83.94
	Director	C.H. Chen (ACC Representative)	16,264,709	83.94
	Supervisor	Dana Lee (FEGC Representative)	3,105,647	16.03
YA TUNG READY-MIXED CONCRETE CORP.	Chairman	K.Y. Lee (ACC Representative)	199,991,837	99.99
	President	C.R. Jin	0	0.00
	Director	Peter Hsu (ACC Representative)	199,991,837	99.99
	Director	Y.F. Chang (ACC Representative)	199,991,837	99.99

	Director	W.K. Chou (ACC Representative)	199,991,837	99.99
	Director	C.M. Chen (ACC Representative)	199,991,837	99.99
	Supervisor	Doris Wu (Asia Investment Corp. Representative)	7,268	0.00
	Supervisor	H.Y. Kao (Asia Investment Corp. Representative)	7,268	0.00
ASIA INVESTMENT CORP.	Chairman	Peter Hsu (ACC Representative)	403,088,522	100.00
	Director	Doris Wu (ACC Representative)	403,088,522	100.00
	Director	H.T. Peng (ACC Representative)	403,088,522	100.00
	Director	H.Y. Kao (ACC Representative)	403,088,522	100.00
	Director	T.M. Chen (ACC Representative)	403,088,522	100.00
	Supervisor	Karen Yang (ACC Representative)	403,088,522	100.00
CHIAHUI POWER CORP.	Chairman	Douglas Tong Hsu (ACC Representative)	568,307,076	99.70
	President	G.T. Chen	0	0.00
	Director	Peter Hsu (ACC Representative)	568,307,076	99.70
	Director	K.Y. Lee (ACC Representative)	568,307,076	99.70
	Director	Doris Wu (ACC Representative)	568,307,076	99.70
	Director	T.L. Yu (ACC Representative)	568,307,076	99.70
	Independent Director	M.Z. Jiang	0	0
	Independent Director	Q.B.Su	0	0
	Supervisor	C.H. Chung (Asia Investment Corp. Representative)	45,568	0.01
	Supervisor	W.H. Yeh (Asia Investment Corp. Representative)	45,568	0.01
FU DA TRANSPORTATION CO., LTD.	Chairman	Johnny Shih (Fu Ming Transportation Co., Ltd. Representative)	37,972,227	99.97
	Director / President	W.T. Hsu (Fu Ming Transportation Co., Ltd. Representative)	37,972,227	99.97
	Director	K.Y. Lee (Fu Ming Transportation Co., Ltd. Representative)	37,972,227	99.97
	Director	T.M. Chen (Fu Ming Transportation Co., Ltd. Representative)	37,972,227	99.97
	Director	Y.S. Yu (Fu Ming Transportation Co., Ltd. Representative)	37,972,227	99.97
	Director	Humphrey Cheng (Fu Ming Transportation Co., Ltd. Representative)	37,972,227	99.97
	Supervisor	T.L. Yu (Asia Investment Corp. Representative)	9,717	0.03
	Supervisor	C.M. Shi (Asia Investment Corp. Representative)	9,717	0.03
PERFECT INDUSTRIAL HOLDINGS PTE. LTD.	Director	Douglas Tong Hsu	0	0.00
	Director	Doris Wu	0	0.00
ORIENTAL CONCRETE PTE. LTD.	Chairman	Douglas Tong Hsu (Asia Cement (Singapore) Pte. Ltd. Representative)	17,000,000	100.00

	Director / Managing Director	J.H. Lin (Asia Cement (Singapore) Pte. Ltd. Representative)	17,000,000	100.00
	Director	Peter Hsu (Asia Cement (Singapore) Pte. Ltd. Representative)	17,000,000	100.00
	Director	K.Y. Lee (Asia Cement (Singapore) Pte. Ltd. Representative)	17,000,000	100.00
	Director	Gary Lee (Asia Cement (Singapore) Pte. Ltd. Representative)	17,000,000	100.00
FU SHAN MINERAL STONE CO., LTD.	Chairman	Doris Wu (Der Ching Investment Corp. Representative)	1,294,270	99.56
	Director / President	Z.P. Chang (Der Ching Investment Corp. Representative)	1,294,270	99.56
	Director	Peter Hsu (Der Ching Investment Corp. Representative)	1,294,270	99.56
	Director	C.M. Chen (Der Ching Investment Corp. Representative)	1,294,270	99.56
	Director	S.L. You (Der Ching Investment Corp. Representative)	1,294,270	99.56
	Supervisor	W.H. Yeh (Asia Investment Corp. Representative)	5,000	0.38
KOWLOON CEMENT CORP. LTD.	Chairman	Douglas Tong Hsu	0	0.00
	Director	Johnny Shih	0	0.00
	Director	K.Y. Lee	0	0.00
	Director	Peter Hsu	0	0.00
	Director	Doris Wu	0	0.00
	Director	Gary Lee	0	0.00
AC MEGA INVESTMENT LTD.	Director	C.M. Chen (Der Ching Investment Corp. Representative)	37,700,000	100.00
	Director	Doris Wu (Der Ching Investment Corp. Representative)	37,700,000	100.00
	Director	H.Y. Kao (Der Ching Investment Corp. Representative)	37,700,000	100.00
AC LEAP INVESTMENT LTD.	Director	C.M. Chen (Der Ching Investment Corp. Representative)	38,400,000	100.00
	Director	Doris Wu (Der Ching Investment Corp. Representative)	38,400,000	100.00
	Director	H.Y. Kao (Der Ching Investment Corp. Representative)	38,400,000	100.00
AC MEGA II INVESTMENT LTD.	Director	C.M. Chen (Der Ching Investment Corp. Representative)	29,200,000	100.00
	Director	Doris Wu (Der Ching Investment Corp. Representative)	29,200,000	100.00
	Director	H.Y. Kao Doris Wu (Der Ching Investment Corp. Representative)	29,200,000	100.00

AC MEGA III INVESTMENT LTD.	Director	C.M. Chen (Der Ching Investment Corp. Representative)	29,200,000	100.00
	Director	Doris Wu (Der Ching Investment Corp. Representative)	29,200,000	100.00
	Director	H.Y. Kao Doris Wu (Der Ching Investment Corp. Representative)	29,200,000	100.00
AC MEGA IV INVESTMENT LTD.	Director	C.M. Chen (Der Ching Investment Corp. Representative)	36,100,000	100.00
	Director	Doris Wu (Der Ching Investment Corp. Representative)	36,100,000	100.00
	Director	H.Y. Kao (Der Ching Investment Corp. Representative)	36,100,000	100.00
ASIA ORIENTAL (GUAM) L.L.C	Manager	C.R. Jin	0	0.00
YATUNG VIETNAM CO. LTD.	Manager	C.Y. Chen	0	0.00
YA SING READY-MIXED CONCRETE CORP.	Chairman	C.R. Jin (Ya Tung Ready-Mixed Concrete Corp. Representative)	6,995,000	69.95
	Director / President	Z.G. He (Ya Tung Ready-Mixed Concrete Corp. Representative)	6,995,000	69.95
	Director	C.H. Chung (Ya Tung Ready-Mixed Concrete Corp. Representative)	6,995,000	69.95
	Director	S.J. Yang (Ya Tung Ready-Mixed Concrete Corp. Representative)	6,995,000	69.95
	Director	W.S. Tsai (Ya Tung Ready-Mixed Concrete Corp. Representative)	6,995,000	69.95
	Director	J.F. Tsai (Nan Kung Enterprise Corp.Ltd. Representative)	1,000,000	10.00
	Director	T.Y. Huang (Chu Chiang Enterprise Corp.Ltd. Representative)	1,000,000	10.00
	Supervisor	M.D. Wu (Ho Hwei Enterprise Corp.Ltd. Representative)	1,000,000	10.00
	Supervisor	W.K. Chou (Asia Investment Corp. Representative)	5,000	0.05
	Supervisor	H.Y. Kao (Asia Investment Corp. Representative)	5,000	0.05
ASIA CEMENT EXPLORER INVESTMENT LTD.	Director	C.M. Chen (Asia Investment Corp. Representative)	30,115,000	100.00
	Director	Doris Wu (Asia Investment Corp. Representative)	30,115,000	100.00
	Director	H.Y. Kao (Asia Investment Corp. Representative)	30,115,000	100.00

ASIA CEMENT PIONEER INVESTMENT LTD.	Director	C.M. Chen (Asia Investment Corp. Representative)	78,450,000	100.00
	Director	Doris Wu (Asia Investment Corp. Representative)	78,450,000	100.00
	Director	H.Y. Kao (Asia Investment Corp. Representative)	78,450,000	100.00
ASIA CEMENT PIONEER II INVESTMENT LTD.	Director	C.M. Chen (Asia Investment Corp. Representative)	37,700,000	100.00
	Director	Doris Wu (Asia Investment Corp. Representative)	37,700,000	100.00
	Director	H.Y. Kao (Asia Investment Corp. Representative)	37,700,000	100.00
ASIA CEMENT PIONEER III INVESTMENT LTD.	Director	C.M. Chen (Asia Investment Corp. Representative)	29,200,000	100.00
	Director	Doris Wu (Asia Investment Corp. Representative)	29,200,000	100.00
	Director	H.Y. Kao (Asia Investment Corp. Representative)	29,200,000	100.00
ASIA CEMENT PIONEER IV INVESTMENT LTD.	Director	C.M. Chen (Asia Investment Corp. Representative)	29,000,000	100.00
	Director	Doris Wu (Asia Investment Corp. Representative)	29,000,000	100.00
	Director	H.Y. Kao (Asia Investment Corp. Representative)	29,000,000	100.00
ASIA CONTINENT INVESTMENT HOLDINGS PTE. LTD.	Chairman	Douglas Tong Hsu	0	0.00
	Director	Peter Hsu	0	0.00
	Director	K.Y. Lee	0	0.00
	Director	Doris Wu	0	0.00
	Director	Soon Heng Leong	0	0.00
ORIENTAL INDUSTRIAL HOLDINGS PTE. LTD.	Chairman	Douglas Tong Hsu	0	0.00
	Director	Peter Hsu	0	0.00
	Director	Doris Wu	0	0.00
	Director	Soon Heng Leong	0	0.00
	Director	J.H. Lin	0	0.00
KOWLOON CONCRETE CORP. LTD.	Chairman	Douglas Tong Hsu	0	0.00
	Director	K.Y. Lee	0	0.00
	Director	Peter Hsu	0	0.00
	Director	Doris Wu	0	0.00
	Director	Gary Lee	0	0.00
JOIN FORTUNE TRADING LTD	Manager	Gary Lee	0	0.00
ASIA ORIENTAL CONCRETE, LLC	Manager	C.R. Jin	0	0.00
JIANGXI YADONG CEMENT CO., LTD.	Chairman	C.K. Chang (Asia Continent Investment Holdings Pte. Ltd. Representative)	*USD 302,689	85.00
	President	L. Tian	*USD	0.00

			0	
	Director	H. He (Oriental Holdings Co., Ltd. Representative)	*USD 35,610	10.00
	Director	Ping Shen (Jiangxi Provincial Investment Group Corp. Representative)	*USD 17,805	5.00
	Supervisor	C.H. He (Asia Continent Investment Holdings Pte. Ltd. Representative)	*USD 302,689	85.00
HUANGGANG YADONG CEMENT CO., LTD.	Chairman	L. Tian (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 77,553	90.00
	President	H. He	*USD 0	0.00
	Director	L.M. Ou Yang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 77,553	90.00
	Director	S.S. Wu (Oriental Holdings Co., Ltd. Representative)	*USD 8,617	10.00
	Supervisor	Michael Ting (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 77,553	90.00
WUHAN YADONG CEMENT CO., LTD.	Chairman	G.W. Ciou (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 32,526	90.00
	President	Z.Y. Jing	*USD 0	0.00
	Director	H.Q. Zhang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 32,526	90.00
	Director	G. Chen (Oriental Holdings Co., Ltd. Representative)	*USD 3,614	10.00
	Supervisor	W.Y. Liu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 32,526	90.00
ORIENTAL HOLDINGS CO., LTD.	Chairman / President	Doris Wu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 204,191	100.00
	Director	Dana Lee (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 204,191	100.00
	Director	Karen Yang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 204,191	100.00
	Supervisor	Y.P. Li (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 204,191	100.00
CHENGDU YALI CEMENT PRODUCTS CO., LTD.	Chairman	W.F. Hsu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 2,100	51.22
	President	Y.M. Zhang	*USD 0	0.00
	Director	G.W. Ciou (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 2,100	51.22

	Director	L.J. Zeng (Oriental Holdings Co., Ltd. Representative)	*USD 2,000	48.78
	Supervisor	Y. Chen (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 2,100	51.22
SHANGHAI YALI CEMENT PRODUCTS CO., LTD.	Chairman	L. Tian (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 13,500	90.00
	President	B.H. Lu	*USD 0	0.00
	Director	Y.G. Zhang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 13,500	90.00
	Director	X.W. Xiao (Oriental Holdings Co., Ltd. Representative)	*USD 1,500	10.00
	Supervisor	R.F. Huang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 13,500	90.00
SICHUAN YALI CONCRETE PRODUCE CO., LTD.	Chairman	W.F. Hsu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 2,970	90.00
	President	Y.M. Zhang	*USD 0	0.00
	Director	Y.H. Lu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 2,970	90.00
	Director	X.T. Kao (Oriental Holdings Co., Ltd. Representative)	*USD 330	10.00
	Supervisor	Q.P. Zhou (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 2,970	90.00
SICHUAN YALI TRANSPORT CO., LTD.	Chairman	W.F. Hsu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 3,150	90.00
	President	L.C Guo	*USD 0	0.00
	Director	G.C. Wang (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 3,150	90.00
	Director	C.H. Xiang (Oriental Holdings Co., Ltd. Representative)	*USD 350	10.00
	Supervisor	H.B. Feng (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 3,150	90.00
YANGZHOU YADONG CEMENT CO., LTD.	Chairman	L. Tian (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 31,977	90.00
	President	B.H..Lu	*USD 0	0.00
	Director	Y.T. Li (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 31,977	90.00
	Director	T.M. Jiang (Oriental Holdings Co., Ltd. Representative)	*USD 3,553	10.00
	Supervisor	J. Chen	*USD	90.00

		(Oriental Industrial Holdings Pte. Ltd. Representative)	31,977	
SICHUAN YADONG CEMENT CO., LTD.	Chairman	W.F. Hsu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 331,506	90.00
	President	G.W. Ciou	*USD 0	0.00
	Director	C.L Lu (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 331,506	90.00
	Director	H.C Wang (Oriental Holdings Co., Ltd. Representative)	*USD 36,834	10.00
	Supervisor	N.B. GAN (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 331,506	90.00
HUBEI YADONG CEMENT CO., LTD.	Chairman	G.W. Ciou (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 139,320	90.00
	President	W.F. Hsu	*USD 0	0.00
	Director	L.C Guo (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 139,320	90.00
	Director	Z.Y Jing (Oriental Holdings Co., Ltd. Representative)	*USD 15,480	10.00
	Supervisor	W.B. Du (Oriental Industrial Holdings Pte. Ltd. Representative)	*USD 139,320	90.00
RUICHANG YADONG NEW MATERIAL CO., LTD.	Chairman/President	L. Tian (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 2,000	100.00
	Director	W.T. Chang (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 2,000	100
	Director	W.Y. Wang (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 2,000	100
	Supervisor	B. Dai (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 2,000	100
NANCHANG YALI CONCRETE PRODUCE LTD.	Chairman	L. Tian (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
NANCHANG YALI CONCRETE PRODUCE LTD.	President	Y.H. Lu	*RMB 0	0.00
	Director	Y.M. Dai (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
	Director	J.X. Li (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
	Supervisor	S.P. Hu (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
JIANGXI YALI TRANSPORT CO., LTD.	Chairman	L. Tian (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 6,500	52.00

	President	X.W. Xiao	*RMB 0	0.00
	Director	S.H Wang (Oriental Holdings Co., Ltd. Representative)	*RMB 6,000	48.00
	Director	D.L. Hsu (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 6,500	52.00
	Supervisor	K.X. Li (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 6,500	52.00
NANCHANG YADONG CEMENT CO., LTD.	Chairman	L. Tian (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 45,000	50.00
	President	W.T. Zhang	*RMB 0	0.00
	Director	Y.G. Yao (Oriental Holdings Co., Ltd. Representative)	*RMB 22,500	25.00
	Director	T.Y. Jhang (Fangda Special Steel Technology Co., Ltd. Representative)	*RMB 22,500	25.00
	Supervisor	D.B. Wang (Jiangxi Yadong Cement Co., Ltd. Representative)	*RMB 45,000	50.00
WUHAN YALI CEMENT PRODUCTS CO., LTD.	Chairman	G.W. Ciou (Wuhan Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
	President	X.L. Yu	*RMB 0	0.00
	Director	A.C. Hsu (Wuhan Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
	Director	L.P. Jhu (Wuhan Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
	Supervisor	X.H. Shen (Wuhan Yadong Cement Co., Ltd. Representative)	*RMB 60,000	100.00
TAIZHOU YADONG BUILDING MATERIAL CO., LTD.	Chairman	L. Tian (Oriental Holdings Co., Ltd. Representative)	*USD 16,000	100.00
	President	B.H. Lu	*USD 0	0.00
	Director	G.J. Shen (Oriental Holdings Co., Ltd. Representative)	*USD 16,000	100.00
	Director	D.M. Yi (Oriental Holdings Co., Ltd. Representative)	*USD 16,000	100.00
	Supervisor	M. Zhang (Oriental Holdings Co., Ltd. Representative)	*USD 16,000	100.00
SICHUAN LANFENG BUILDING MATERIALS CO., LTD.	Chairman	W.F. Hsu (Sichuan Lanfeng Cement Co., Ltd. Representative)	*RMB 20,000	100.00
	President	Y.M. Zhang	*RMB 0	0.00
	Director	J.S. Lee (Sichuan Lanfeng Cement Co.,	*RMB 20,000	100.00

		Ltd. Representative)		
	Director	C. Liu (Sichuan Lanfeng Cement Co., Ltd. Representative)	*RMB 20,000	100.00
	Supervisor	Y.P. Xie (Sichuan Lanfeng Cement Co., Ltd. Representative)	*RMB 20,000	100.00
SICHUAN LANFENG CEMENT CO., LTD.	Chairman	W.F. Hsu (Sichuan Yadong Cement Co., Ltd. Representative)	*RMB 600,000	100.00
	President	Y.M. Zhang	*RMB 0	0.00
	Director	J.S. Lee (Sichuan Yadong Cement Co., Ltd. Representative)	*RMB 600,000	100.00
	Director	C. Liu (Sichuan Yadong Cement Co., Ltd. Representative)	*RMB 600,000	100.00
	Supervisor	Y.P. Xie (Sichuan Yadong Cement Co., Ltd. Representative)	*RMB 600,000	100.00
HUBEI YALI TRANSPORT CO., LTD.	Chairman	G.W. Ciou (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 13,000	100.00
	President	H.Q. Zhang	*RMB 0	0.00
	Director	Z.H. Ye (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 13,000	100.00
	Director	B.Y. Zhao (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 13,000	100.00
	Supervisor	S.Y. Cheng (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 13,000	100.00
WUHAN YAXIN CEMENT CO., LTD.	Chairman	G.W. Ciou (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 81,000	90.00
	President	C.H. He	*RMB 0	0.00
	Director	X.L. Yu (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 81,000	90.00
	Director	Z.F. Ke (M.G. Dai/J.H. Jhou/Z.J. Cheng Representative)	*RMB 9,000	10.00
	Supervisor	J.S. Shen (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 81,000	90.00
JIANGLING YADONG BUILDING MATERIALS CEMENT CO., Ltd.	Chairman	W.F. Hsu (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 238,000	85.00
	President	Z.Y. Jing	*RMB 0	0.00
	Director	J.B. Yu (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 238,000	85.00
	Director	S.Weï (Jiangling County Urban and Rural Investment Development	*RMB 42,000	15.00

		Group Co., Ltd, Representative)		
	Supervisor	N.B. GAN (Hubei Yadong Cement Co., Ltd. Representative)	*RMB 238,000	85.00

The above companies marked with the “” sign are not incorporated companies. Therefore the shareholding are shown in capital (Unit: INR, USD, VND and RMB \$1,000) instead of shown in numbers of shares.

8.5 Operating Condition of Affiliated Companies

Unit: NT\$1,000

Book closure date: 31 December 2022

No.	Company Name	Capital	Total Assets	Total Liabilities	Net Value	Net Sales	Operating Income (Loss)	Income (Loss) After Income Tax	Earnings (Loss) per Share (After Income Tax)
1	FU MING TRANSPORTATION CO., LTD.	295,695	2,182,037	625,569	1,556,468	1,165,520	146,180	306,533	10.37
2	YUAN LONG STAINLESS STEEL CORP.	2,000,000	4,841,393	2,476,548	2,364,845	5,133,246	(2,490)	220,146	1.10
3	SUNRISE INDUSTRIAL HOLDINGS LTD.	2,909	137,870	78,228	59,642	0	(120)	7,137	79.30
4	NAN HWA CEMENT CORP.	261,440	739,131	416,155	322,976	519,111	47,876	49,286	1.89
5	ASIA ENGINEERING ENTERPRISE CORP.	81,144	482,971	289,115	193,856	51,550	9,508	39,820	4.91
6	ASIA CEMENT (CHINA) HOLDINGS CO.	634,911	92,441,507	16,523,323	75,918,184	42,484,680	2,494,934	1,832,333	1.17
7	ASIA CEMENT (SINGAPORE) PTE. LTD.	152,250	6,040,975	270,432	5,770,543	1,107,523	13,514	257,066	24.48
8	DER CHING INVESTMENT CORP.	7,306,618	28,890,224	13,277,271	15,612,953	333,539	324,123	1,307,885	1.79
9	YA LI TRANSPORTATION CORP.	100,000	546,167	43,196	502,971	345,996	6,849	29,779	2.98
10	YA LI PRECAST AND PRESTRESSED CONCRETE INDUSTRIES CORP.	193,776	429,381	227,458	201,923	449,909	64,710	50,311	2.60
11	YA TUNG READY-MIXED CONCRETE CORP.	2,000,000	7,128,088	3,029,991	4,098,097	12,835,830	1,678,649	1,421,700	7.11
12	ASIA INVESTMENT CORP.	4,030,885	18,864,308	12,779,570	6,084,738	371,044	368,611	1,074,111	2.66
13	CHIAHUI POWER CORP.	5,700,000	21,996,867	11,061,394	10,935,473	16,877,447	1,970,726	1,492,403	2.62
14	FU DA TRANSPORTATION CO., LTD.	379,819	1,229,508	301,443	928,065	877,926	129,722	148,515	3.91
15	PERFECT INDUSTRIAL HOLDINGS PTE. LTD.	298,001	87,967,575	864,541	87,103,034	0	(85)	2,335,756	240.32
16	ORIENTAL CONCRETE PTE. LTD.	387,430	279,047	358	278,689	10,857	4,332	4,525	0.27
17	FU SHAN MINERAL STONE CO.,LTD.	13,000	107,642	87,903	19,739	18,824	4,944	3,807	2.93
18	KOWLOON CEMENT CORP. LTD.	93,150	995,107	912	994,195	18,128	2,818	(9,480)	(4.12)
19	AC MEGA INVESTMENT LTD.	1,106,180	1,674,782	319,382	1,355,400	12,973	12,713	123,609	3.28
20	AC LEAP INVESTMENT LTD.	1,127,083	1,793,471	319,922	1,473,549	12,973	12,713	126,555	3.30
21	AC MEGA II INVESTMENT LTD.	842,828	1,359,380	316,817	1,042,563	12,973	12,720	116,688	4.00
22	AC MEGA III INVESTMENT LTD.	842,828	1,410,057	314,775	1,095,282	12,973	12,720	117,858	4.04

No.	Company Name	Capital	Total Assets	Total Liabilities	Net Value	Net Sales	Operating Income (Loss)	Income (Loss) After Income Tax	Earnings (Loss) per Share (After Income Tax)
23	AC MEGA IV INVESTMENT LTD.	1,058,465	1,833,365	318,352	1,515,013	12,973	12,720	127,580	3.53
24	ASIA ORIENTAL (GUAM) L.L.C	303,056	12,518	32,927	(20,409)	0	0	1,080	Note 1
25	YATUNG VIETNAM CO., LTD.	201,823	360,752	41,636	319,116	120,274	4,680	12,220	Note 1
26	YA SING READY-MIXED CONCRETE CORP.	100,000	430,432	177,672	252,760	1,062,702	89,525	115,941	11.59
27	ASIA CEMENT EXPLORER INVESTMENT LTD.	878,454	1,498,716	626,994	871,722	12,973	12,713	129,223	4.29
28	ASIA CEMENT PIONEER INVESTMENT LTD.	2,368,331	3,518,058	373,569	3,144,489	16,488	16,224	163,066	2.08
29	ASIA CEMENT PIONEER II INVESTMENT LTD.	1,103,822	1,819,746	312,209	1,507,537	12,973	12,720	127,845	3.39
30	ASIA CEMENT PIONEER III INVESTMENT LTD.	849,828	1,658,950	626,972	1,031,978	12,973	12,720	132,821	4.55
31	ASIA CEMENT PIONEER IV INVESTMENT LTD.	849,522	1,577,272	474,471	1,102,801	12,973	12,720	125,186	4.32
32	ASIA CONTINENT INVESTMENT HOLDINGS PTE. LTD.	8,856,046	27,159,179	3,049	27,156,130	0	(174)	1,692,352	5.10
33	ORIENTAL INDUSTRIAL HOLDINGS PTE. LTD.	25,694,423	60,967,326	1,039,117	59,928,209	0	(229)	643,474	0.87
34	KOWLOON CONCRETE CORP. LTD.	39	169,493	61	169,432	4,862	1,976	(17,199)	(1,719.90)
35	JOIN FORTUNE TRADING LTD.	73,538	6,148	243	5,905	0	(103)	1,230	0.51
36	ASIA ORINTAL CONCRETE,LLC	355,656	1,334	46,847	(45,513)	0	1,960	1,960	Note 1
37	JIANGXI YADONG CEMENT CO., LTD.	10,918,149	33,585,890	2,776,525	30,809,365	18,860,409	1,584,957	2,093,200	Note 1
38	HUANGGANG YADONG CEMENT CO., LTD.	2,641,972	7,223,026	418,435	6,804,591	3,576,892	427,232	392,030	Note 1
39	WUHAN YADONG CEMENT CO., LTD.	1,108,052	2,808,217	107,222	2,700,995	745,575	(87,772)	(12,112)	Note 1
40	ORIENTAL HOLDINGS CO., LTD.	6,260,496	15,243,522	10,040	15,233,482	0	(5,575)	299,418	Note 1
41	CHENGDU YA LI CEMENT PRODUCTS CO., LTD.	125,706	382,678	16,677	366,001	198,657	32,622	19,575	Note 1
42	SHANGHAI YALI CEMENT PRODUCTS CO., LTD.	459,900	188,880	124,083	64,797	32,951	698	9,073	Note 1
43	SICHUAN YALI CONCRETE PRODUCE CO., LTD.	101,178	404,196	353,714	50,482	519,779	(39,472)	(28,145)	Note 1
44	SICHUAN YALI TRANSPORT CO., LTD.	107,310	222,854	30,361	192,493	295,812	(14,521)	(11,089)	Note 1
45	YANGZHOU YADONG CEMENT CO., LTD.	1,089,350	2,227,880	414,909	1,812,971	2,538,823	(123,600)	(103,114)	Note 1
46	SICHUAN YADONG CEMENT CO., LTD.	11,293,304	29,494,754	2,667,444	26,827,310	7,790,256	812,685	1,486,888	Note 1

No.	Company Name	Capital	Total Assets	Total Liabilities	Net Value	Net Sales	Operating Income (Loss)	Income (Loss) After Income Tax	Earnings (Loss) per Share (After Income Tax)
47	HUBEI YADONG CEMENT CO., LTD.	4,746,168	10,418,958	442,228	9,976,730	5,541,309	(574,528)	(1,070,912)	Note 1
48	RUICHANG YADONG NEW MATERIAL CO., LTD.	8,805	620,435	98,002	522,433	1,027,194	647,869	493,592	Note 1
49	NANCHANG YALI CONCRETE PRODUCE LTD.	264,136	777,888	68,733	709,155	378,580	82,983	63,554	Note 1
50	JIANGXI YALI TRANSPORT CO., LTD.	55,028	234,749	72,313	162,436	372,506	17,449	14,035	Note 1
51	NANCHANG YADONG CEMENT CO., LTD.	396,203	687,863	56,170	631,693	555,912	(85,159)	(75,335)	Note 1
52	WUHAN YALI CEMENT PRODUCTS CO., LTD.	264,136	321,865	22,937	298,928	95,021	27,040	19,138	Note 1
53	TAIZHOU YADONG BUILDING MATERIAL CO., LTD.	490,560	926,861	412,826	514,035	1,250,267	42,259	15,239	Note 1
54	SICHUAN LANFENG BUILDING MATERIALS CO., LTD.	88,045	46,016	159,954	(113,938)	0	(1,654)	(7,313)	Note 1
55	SICHUAN LANFENG CEMENT CO., LTD.	2,641,356	8,472,957	660,421	7,812,536	5,107,143	699,939	668,640	Note 1
56	HUBEI YALI TRANSPORT CO., LTD.	57,229	95,885	13,651	82,234	115,581	96	1,438	Note 1
57	WUHAN YAXIN CEMENT CORP. LTD.	396,203	915,984	120,708	795,276	780,003	(777,555)	(756,917)	Note 1
58	JIANGLING YADONG BUILDING MATERIAL CEMENT CO., LTD.	352,181	352,238	66	352,172	0	(68)	(9)	Note 1

Note 1: The subsidiaries in China or overseas are limited liability companies; therefore it's not able to count earnings per share.

Note 2: The data in Balance Sheet are converted according to the exchange rate at the end of 2022 (USD : 30.66 ; SGD : 22.79 ; RMB : 4.40226 ; HKD : 3.908 ; INR : 0.3713 ; VND : 0.001298); the data in Income Statement are converted according to the 2022 average exchange rate (USD : 29.8045 ; SGD : 21.6167 ; RMB : 4.41073 ; HKD : 3.8055 ; INR : 0.37901 ; VND : 0.00128).

◎**Consolidated Financial Reports:** Please read section 6.4 for details.

◎**Relationship Report:** Not applicable.

◎**Private placement:** None.

◎**The shares held or disposed by subsidiaries in the most recent fiscal year and the current fiscal year up to the date of printing of the annual report:** None.

◎**In the most recent fiscal year and the current fiscal year up to the date of printing of the annual report, any event which has a material impact on shareholders' equity or securities prices:**
Please refer to the Note in consolidated financial report.

◎**Any other matters listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act which might materially affect shareholders' equity or the price of the company's securities, occurred during the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report:** None.



亞洲水泥

ASIA CEMENT CORPORATION

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	<u>3,545,928</u>	<u>\$ 35,459,276</u>	<u>\$ 6,005,713</u>	<u>\$ 21,318,344</u>	<u>\$ 66,656,628</u>	<u>\$ 27,220,222</u>	<u>\$ (3,084,376)</u>	<u>\$ 6,270,727</u>	<u>\$ 912,006</u>	<u>\$ 58,307</u>	<u>\$ 4,156,664</u>	<u>\$ 160,816,847</u>	<u>\$ 23,416,398</u>	<u>\$ 184,233,245</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 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 depository 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%	-
	WYDC	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:

	December 31	
Name of Joint Ventures	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	\$ 272,044	\$ 250,262
Expenses relating to low-value asset leases	\$ 881	\$ 776
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 44,941	\$ 69,181
Total cash outflow for leases	\$ 616,332	\$ 818,513

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	6,415,936	6,317,952
	<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 SHYLCPL 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>	
	2022	2021
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

	For the Year Ended December 31	
	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):

	For the Year Ended December 31	
	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

- 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
HZYCCL	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)

<u>Related Party Name</u>	<u>Related Party Category</u>
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

	<u>For the Year Ended December 31</u>	
	<u>2022</u>	<u>2021</u>
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):

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
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	A sub-subsidiary of the Corporation
	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	A subsidiary of the Corporation
	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	A subsidiary of the Corporation
	ACCHC	Cayman	Investment	50,541	50,541	3,161,500	0.20	109,436	1,832,333	Not applicable	
	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	A sub-subsidiary of the Corporation
	YLPCIP	India	Tunnel lining segments	-	8,338	(Note)	-	-	-	Not applicable	
	AOG	Guam	Investment	66,816	66,816	(Note)	4.96	(997)	1,080	Not applicable	
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	A subsidiary of the Corporation
	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	
	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.	Singapore	Ready-mixed concrete	159,530	142,590	6,000,000	50.00	608,026	535,337	Not applicable	
	OCPL	Singapore	Ready-mixed concrete, leasing	387,430	346,290	17,000,000	100.00	278,690	4,525	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.

Asia Cement Corporation

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Asia Cement Corporation

Opinion

We have audited the accompanying financial statements of Asia Cement Corporation (the “Corporation”), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”).

In our opinion, based on our audits and the reports of other auditors (refer to Other Matter section), the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 Financial Statements section of our report. We are independent of the Corporation in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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

Estimated Impairment of Trade Receivables in Subsidiaries Accounted for
Using the Equity Method 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 Corporation's subsidiaries accounted for using the equity method in mainland China respectively faced massive debt and cash flow issues. The management of the Corporation 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 historically observed default rates over the expected life of the debtors and are adjusted for forward-looking information. Because the ECLs on the respective trade receivables involve significant judgments and uncertainties, we considered the estimated impairment of trade receivables in subsidiaries accounted for using the equity method 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 of subsidiaries accounted for using the equity method 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 of subsidiaries accounted for using the equity method in mainland China as of 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 15 to the 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\$16,885,170 thousand and NT\$16,266,309 thousand, respectively, both representing 7.1% of the total assets. For the years ended December 31, 2022 and 2021, the share of profit or loss of CSCGL was NT\$396,223 thousand and NT\$1,954,372 thousand, respectively, representing 3.1% and 12.5%, respectively, of the profit before income tax.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation'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 Corporation 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 Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 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 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 Corporation'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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 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 financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

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

ASIA CEMENT CORPORATION

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

	2022		2021	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 6 and 31)	\$ 5,085,265	2	\$ 5,271,395	2
Financial assets at fair value through profit or loss - current (Note 7)	1,442,750	1	1,906,273	1
Financial assets at fair value through other comprehensive income - current (Note 8)	2,045,165	1	2,004,820	1
Financial assets at amortized cost - current (Notes 6, 9 and 31)	4,856,236	2	6,016,855	3
Note receivable - third parties	78,916	-	86,047	-
Trade receivables				
Third parties (Note 10)	373,671	-	344,232	-
Related parties (Notes 10 and 31)	703,131	-	563,021	-
Other receivables (Note 31)	158,416	-	106,223	-
Inventories (Note 11)	1,641,979	1	1,296,702	1
Prepayments (Note 31)	128,060	-	93,667	-
Other current assets	<u>1,357</u>	-	<u>3,970</u>	-
Total current assets	<u>16,514,946</u>	<u>7</u>	<u>17,693,205</u>	<u>8</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Note 8)	6,058,267	3	6,086,097	3
Investments accounted for using the equity method (Notes 12, 31 and 32)	161,409,598	68	154,907,274	67
Property, plant and equipment (Notes 13, 31 and 32)	4,356,609	2	4,375,078	2
Right-of-use assets (Note 14)	464,730	-	374,548	-
Investment properties (Notes 15 and 32)	43,308,034	18	42,897,971	18
Intangible assets (Note 16)	2,095	-	3,309	-
Deferred tax assets (Note 26)	3,902	-	43,831	-
Other non-current assets (Notes 17, 22 and 31)	<u>4,429,211</u>	<u>2</u>	<u>4,135,865</u>	<u>2</u>
Total non-current assets	<u>220,032,446</u>	<u>93</u>	<u>212,823,973</u>	<u>92</u>
TOTAL	<u>\$ 236,547,392</u>	<u>100</u>	<u>\$ 230,517,178</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 18)	\$ 500,000	-	\$ -	-
Short-term bills payable (Note 19)	16,423,990	7	14,017,168	6
Contract liabilities - current (Note 24)	140,872	-	87,050	-
Accounts payable and accrued expenses				
Third parties	1,654,486	1	1,979,885	1
Related parties (Note 31)	280,650	-	186,143	-
Dividends and bonuses payable	255,000	-	248,760	-
Current tax liabilities (Note 26)	463,599	-	98,252	-
Lease liabilities - current (Note 14)	83,397	-	23,310	-
Deferred revenue - current (Note 21)	75,912	-	75,912	-
Current portion of long-term liabilities (Note 20)	<u>20,129</u>	-	<u>-</u>	-
Total current liabilities	<u>19,898,035</u>	<u>8</u>	<u>16,716,480</u>	<u>7</u>
NON-CURRENT LIABILITIES				
Bonds payable (Note 20)	45,100,000	19	45,131,854	20
Long-term borrowings (Note 20)	-	-	950,000	1
Provisions - non-current	73,316	-	90,843	-
Deferred tax liabilities (Note 26)	9,917,476	4	9,934,900	4
Lease liabilities - non-current (Note 14)	93,086	-	41,319	-
Deferred revenue - non-current (Note 21)	620,157	1	696,069	-
Other non-current liabilities	<u>28,475</u>	-	<u>28,790</u>	-
Total non-current liabilities	<u>55,832,510</u>	<u>24</u>	<u>56,873,775</u>	<u>25</u>
Total liabilities	<u>75,730,545</u>	<u>32</u>	<u>73,590,255</u>	<u>32</u>
EQUITY (Note 23)				
Share capital	<u>35,459,276</u>	<u>15</u>	<u>35,455,721</u>	<u>15</u>
Capital surplus	<u>6,005,713</u>	<u>2</u>	<u>5,986,339</u>	<u>3</u>
Retained earnings				
Legal reserve	21,318,344	9	19,783,405	9
Special reserve	66,656,628	28	66,476,869	29
Unappropriated earnings	<u>27,220,222</u>	<u>12</u>	<u>28,739,477</u>	<u>12</u>
Total retained earnings	<u>115,195,194</u>	<u>49</u>	<u>114,999,751</u>	<u>50</u>
Other equity	<u>4,156,664</u>	<u>2</u>	<u>485,112</u>	-
Total equity	<u>160,816,847</u>	<u>68</u>	<u>156,926,923</u>	<u>68</u>
TOTAL	<u>\$ 236,547,392</u>	<u>100</u>	<u>\$ 230,517,178</u>	<u>100</u>

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

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

ASIA CEMENT CORPORATION

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	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 24 and 31)	\$ 10,742,667	100	\$ 9,134,245	100
OPERATING COSTS (Notes 11, 25 and 31)	<u>9,041,271</u>	<u>84</u>	<u>7,798,581</u>	<u>85</u>
GROSS PROFIT	1,701,396	16	1,335,664	15
REALIZED (UNREALIZED) GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	<u>2,952</u>	<u>-</u>	<u>(812)</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>1,704,348</u>	<u>16</u>	<u>1,334,852</u>	<u>15</u>
OPERATING EXPENSES				
Administrative expenses (Notes 25 and 31)	608,041	6	639,345	7
Expected credit gain (Note 10)	<u>(440)</u>	<u>-</u>	<u>(1,129)</u>	<u>-</u>
Total operating expenses	<u>607,601</u>	<u>6</u>	<u>638,216</u>	<u>7</u>
OPERATING INCOME	<u>1,096,747</u>	<u>10</u>	<u>696,636</u>	<u>8</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 25)	663,851	6	422,096	4
Other gains and losses (Note 25)	401,857	4	(514,986)	(6)
Finance costs (Note 25)	(466,565)	(5)	(393,005)	(4)
Share of profit of subsidiaries and associates	10,820,856	101	15,221,784	167
Interest income	<u>197,913</u>	<u>2</u>	<u>178,031</u>	<u>2</u>
Total non-operating income and expenses	<u>11,617,912</u>	<u>108</u>	<u>14,913,920</u>	<u>163</u>
PROFIT BEFORE INCOME TAX	12,714,659	118	15,610,556	171
INCOME TAX EXPENSE (Note 26)	<u>698,263</u>	<u>6</u>	<u>542,335</u>	<u>6</u>
NET INCOME FOR THE YEAR	<u>12,016,396</u>	<u>112</u>	<u>15,068,221</u>	<u>165</u>

(Continued)

ASIA CEMENT CORPORATION

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	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS), NET				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized valuation (loss) gain on investments in equity instruments at fair value through other comprehensive income	\$ (83,273)	(1)	\$ 135,036	1
Remeasurement of defined benefit plans	190,182	2	153,653	2
Share of other comprehensive (loss) income of subsidiaries and associates	<u>(336,484)</u>	<u>(3)</u>	<u>741,179</u>	<u>8</u>
	<u>(229,575)</u>	<u>(2)</u>	<u>1,029,868</u>	<u>11</u>
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income (loss) of subsidiaries and associates	<u>4,215,466</u>	<u>39</u>	<u>(1,339,475)</u>	<u>(14)</u>
	<u>4,215,466</u>	<u>39</u>	<u>(1,339,475)</u>	<u>(14)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>3,985,891</u>	<u>37</u>	<u>(309,607)</u>	<u>(3)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 16,002,287</u>	<u>149</u>	<u>\$ 14,758,614</u>	<u>162</u>
EARNINGS PER SHARE (Note 27)				
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 financial statements.

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

(Concluded)

ASIA CEMENT CORPORATION

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

	Other Equity											
				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	Total Equity
	Share Capital Issued					Unappropriated Earnings						
	Shares	Amount	Capital Surplus	Legal Reserve	Special Reserve							
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
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)
Net profit for the year ended December 31, 2021	-	-	-	-	-	15,068,221	-	-	-	-	-	15,068,221
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)
Convertible bonds converted to ordinary shares	184,125	1,841,249	4,496,893	-	-	-	-	-	-	-	-	6,338,142
Changes in capital surplus from investments in subsidiaries and associates accounted for using the equity method	-	-	(3,813)	-	-	-	-	-	-	-	-	(3,813)
Actual acquisition of interests in subsidiaries	-	-	675	-	-	(14)	-	-	-	-	-	661
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	-	31,614	-	(31,614)	-	-	(31,614)	-
Other changes in equity from investments in subsidiaries and associates accounted for using the equity method	-	-	-	-	-	(1,586)	-	-	(516)	-	(516)	(2,102)
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
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)
Net profit for the year ended December 31, 2022	-	-	-	-	-	12,016,396	-	-	-	-	-	12,016,396
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
Convertible bonds converted to ordinary shares	356	3,555	8,350	-	-	-	-	-	-	-	-	11,905
Changes in capital surplus from investments in subsidiaries and associates accounted for using the equity method	-	-	11,293	-	-	-	-	-	-	-	-	11,293
Actual acquisition of interests in subsidiaries	-	-	(269)	-	-	(166)	-	-	-	-	-	(435)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	-	11,003	-	(11,003)	-	-	(11,003)	-
Other changes in equity from investments in subsidiaries and associates accounted for using the equity method	-	-	-	-	-	(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

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

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

ASIA CEMENT CORPORATION

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	\$ 12,714,659	\$ 15,610,556
Adjustments for:		
Depreciation expenses	470,936	406,329
Amortization expenses	1,214	2,061
Expected credit loss reversed on trade receivables	(440)	(1,129)
Net loss on fair value changes of financial assets and liabilities designated as at fair value through profit or loss	739,665	232,113
Finance costs	466,565	393,005
Interest income	(197,913)	(178,031)
Dividend income	(381,245)	(319,016)
Share of profit of subsidiaries and associates	(10,820,856)	(15,221,784)
(Gain) loss on disposal of property, plant and equipment	(3,773)	60
Realized (unrealized) gain on transactions with subsidiaries and associates	(2,952)	812
Unrealized (gain) loss on foreign exchange	(902,914)	219,910
Gain on changes in fair value of investment properties	(409,484)	(413,800)
Changes in operating assets and liabilities:		
Financial assets mandatorily classified as at fair value through profit or loss	(276,300)	-
Notes receivable	7,131	4,157
Trade receivables	(161,716)	39,236
Other receivables	(13,343)	(16,537)
Inventories	(284,594)	66,127
Prepayments	(25,216)	51,098
Other current assets	2,613	2,667
Financial liabilities held for trading	-	(678,950)
Net defined benefit assets	(26,217)	(39,965)
Contract liabilities	53,822	(2,516)
Accounts payable and accrued expenses	(174,990)	233,214
Provisions	(17,527)	(7,157)
Deferred revenue	(75,912)	(75,912)
Cash generated from operations	681,213	306,548
Interest received	159,063	184,813
Dividends received	8,512,577	6,983,669
Interest paid	(489,904)	(333,491)
Income tax paid	(357,956)	(556,509)
Net cash generated from operating activities	<u>8,504,993</u>	<u>6,585,030</u>
		(Continued)

ASIA CEMENT CORPORATION

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

	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ (95,788)	\$ (5,340)
Purchase of financial assets at amortized cost	-	(5,051,701)
Proceeds from sale of financial assets at amortized cost	1,615,106	-
Payments for property, plant and equipment	(460,378)	(464,390)
Proceeds from disposal of property, plant and equipment	3,825	33
(Increase) decrease in refundable deposits	(29,402)	19,459
Payments for intangible assets	-	(1,140)
Payments for investment properties	<u>(579)</u>	<u>(3,245)</u>
Net cash generated from (used in) investing activities	<u>1,032,784</u>	<u>(5,506,324)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term bank borrowings	500,000	-
Increase in short-term bills payable	2,430,000	11,820,000
Proceeds from issuance of bonds	-	6,300,000
Repayments of bonds	-	(3,000,000)
Proceeds from long-term borrowings	1,100,000	9,640,000
Repayments of long-term borrowings	(2,050,000)	(12,640,000)
Decrease in guarantee deposits received	(315)	(1,000)
Repayment of the principal portion of lease liabilities	(89,567)	(76,819)
Dividends paid	(12,054,870)	(11,933,944)
Acquisition of additional interests in subsidiaries	<u>(189)</u>	<u>(1,838)</u>
Net cash (used in) generated from financing activities	<u>(10,164,941)</u>	<u>106,399</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>441,034</u>	<u>(142,200)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(186,130)	1,042,905
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>5,271,395</u>	<u>4,228,490</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 5,085,265</u>	<u>\$ 5,271,395</u>

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

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

(Concluded)

ASIA CEMENT CORPORATION

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

2. APPROVAL OF FINANCIAL STATEMENTS

The 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)

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

- 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.

As of the date the financial statements were authorized for issue, the Corporation has assessed that the application of above standards and interpretations will not have a material impact on the Corporation'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 financial statements were authorized for issue, the Corporation is continuously assessing the possible impact of the application of the above standards and interpretations on the Corporation'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 parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The parent company only 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 which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

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

When preparing its parent company only financial statements, the Corporation used equity method to account for its investment in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same as the amounts attributable to the owner of the Corporation in its consolidated financial statements, adjustments arising from the differences in accounting treatment between parent company only basis and consolidated basis were made to investments accounted for using the equity method, share of profit or loss of subsidiaries and associates, share of other comprehensive income or loss of subsidiaries and associates and related equity items, as appropriate, in the parent company only financial statements.

The properties were leased out to subsidiaries for their operations, and are classified as property plant and equipment in the consolidated financial statements. Under IFRSs, these properties are classified as investment properties in parent company only financial statements. In 2014, the subsequent fair value model.

In order for the amounts of the net profit for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Corporation in its consolidated financial statements, the investment properties leased out to entities were measured at fair value model with the decrease in total equity and net profit for the year recorded in “investments accounted for using the equity method” and “share of profit or loss of subsidiaries and associates”.

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 parent company only financial statements are authorized for issue; and
- 3) Liabilities for which the Corporation 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.

d. Foreign currencies

In preparing the parent company only financial statements, transactions in currencies other than the Corporation'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 parent company only financial statements, the assets and liabilities of the Corporation's foreign operations (including subsidiaries and associates in other countries or those 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.

e. 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 weighted-average cost on the balance sheet date.

f. Investment in subsidiaries

The Corporation uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Corporation.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Corporation's share of profit or loss and other comprehensive income (loss) of the subsidiary. The Corporation also recognizes the changes in the Corporation's share of equity of subsidiaries.

Changes in the Corporation's ownership interest in a subsidiary that do not result in the Corporation losing control of the subsidiary are equity transactions. The Corporation recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

Any excess of the cost of acquisition over the Corporation's share of net fair value of the identifiable assets and liabilities of a subsidiary 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 Corporation's share of net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized immediately in profit or loss.

The Corporation assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the entire financial statements of the invested company. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Corporation recognizes the reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Corporation loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides, the Corporation accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Corporation had directly disposed of the related assets or liabilities.

Profits or losses resulting from downstream transactions are eliminated in full only in the parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only in the parent company only financial statements only to the extent of interests in the subsidiaries that are not related to the Corporation.

g. Investment in associates

An associate is an entity over which the Corporation has significant influence and which is neither a subsidiary nor an interest in a joint venture.

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

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

Any excess of the cost of acquisition over the Corporation's share of net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation'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 Corporation subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Corporation's proportionate interest in the associate. The Corporation 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 accounted for using the equity method. If the Corporation's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required 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 deducted from 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.

When the Corporation transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the parent company only financial statements only to the extent of unrelated parties' interests in the associate.

The Corporation's share of comprehensive income of associates is recognized using the treasury share method if there are reciprocal holdings between investors and investees. The reciprocally held shares of the Corporation 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. 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.

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

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

At the end of each reporting period, the Corporation 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 Corporation 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.

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 on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

l. Financial instruments

Financial assets and financial liabilities are recognized when the Corporation 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 30.

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 equity instruments at FVTOCI

On initial recognition, the Corporation may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation 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 Corporation'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 Corporation recognizes a loss allowance for expected credit losses (ECLs) on financial assets at amortized cost (including trade receivables) as well as finance lease receivables at the end of each reporting period.

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

3) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the 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 Corporation 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 Corporation 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.

m. 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

n. Revenue recognition

The Corporation 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.

Revenue from the sale of goods mainly comes from sales of cement and clinker; sales are recognized as revenue when the goods are delivered to the customers' specified locations, which is that the time 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.

o. Leases

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

For a contract that contains a lease component and non-lease components, the Corporation 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 Corporation 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 Corporation'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 Corporation 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 Corporation as lessee

The Corporation 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 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 Corporation 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 Corporation 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 Corporation 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 balance sheets.

The Corporation 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 Corporation elects to apply the practical expedient to all of these rent concession and, therefore, does not assess whether the rent concessions are lease modifications. Instead, the Corporation 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.

p. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost, 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 Corporation'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 Corporation can no longer withdraw the offer of the termination benefit and when the Corporation recognizes any related restructuring costs.

q. 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 parent company only 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 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, except where the Corporation 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 Corporation 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.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Corporation'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 Corporation 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

Fair value measurements and valuation process of investment properties

If the Corporation's investment properties measured at fair value have no quoted prices in active markets, the Corporation 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 Corporation'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 15.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	2021
Checking accounts and demand deposits	\$ 2,037,880	\$ 2,099,414
Petty cash	790	815
Cash on hand	347	323
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	576,167	2,630,007
Repurchase agreements collateralized by bonds	<u>2,470,081</u>	<u>540,836</u>
	<u>\$ 5,085,265</u>	<u>\$ 5,271,395</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	0.88%-4.18%	0.30%-2.80%
Repurchase agreements collateralized by bonds	1.02%-1.03%	0.31%-0.33%

As of December 31, 2022 and 2021, time deposits with original maturities of more than 3 months in the amounts of \$4,856,236 thousand and \$5,736,062 thousand, respectively, are classified as financial assets at amortized cost. Repurchase agreements collateralized by bonds with original maturities of more than 3 months in the amount of \$280,793 thousand are also classified as financial assets at amortized cost in the balance sheets as of December 31, 2021. Refer to Note 9 for the details.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2022	2021
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Bond options (Note 20)	\$ 279	\$ 466
Cross-currency swap contracts	1,492	-
Non-derivative financial assets		
Beneficiary certificates	540,781	371,600
Listed shares	<u>900,198</u>	<u>1,534,207</u>
	<u>\$ 1,442,750</u>	<u>\$ 1,906,273</u>

The Corporation entered into cross-currency swap contracts to manage exposures to exchange rate fluctuations. The Corporation'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
Domestic investments				
Listed shares	\$ 2,045,165	\$ 4,982,381	\$ 2,004,820	\$ 5,067,444
Unlisted shares	<u>-</u>	<u>806,214</u>	<u>-</u>	<u>726,663</u>
	<u>2,045,165</u>	<u>5,788,595</u>	<u>2,004,820</u>	<u>5,794,107</u>
Foreign investments				
Unlisted shares	<u>-</u>	<u>269,672</u>	<u>-</u>	<u>291,990</u>
	<u>\$ 2,045,165</u>	<u>\$ 6,058,267</u>	<u>\$ 2,004,820</u>	<u>\$ 6,086,097</u>

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 Corporation's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2022	2021
Time deposits with original maturities of more than 3 months	\$ 4,856,236	\$ 5,736,062
Repurchase agreements collateralized by bonds	<u>-</u>	<u>280,793</u>
	<u>\$ 4,856,236</u>	<u>\$ 6,016,855</u>

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

10. TRADE RECEIVABLES

	December 31	
	2022	2021
<u>At amortized cost</u>		
Trade receivables - sales	\$ 998,820	\$ 832,176
Operating lease receivable	83,286	80,821
Less: Allowance for impairment loss - sales	<u>(5,304)</u>	<u>(5,744)</u>
	<u>\$ 1,076,802</u>	<u>\$ 907,253</u>

Trade Receivables - Sales

The average credit period of receivables from sales of goods was 30-150 days. Specific customers with good credit records were given longer credit period occasionally.

The Corporation 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 Corporation obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Corporation measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated 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.

The Corporation 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 Corporation 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 Corporation'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	\$ 993,241	\$ 5,579	\$ -	\$ -	\$ 998,820
Loss allowance (lifetime ECLs)	<u>(5,248)</u>	<u>(56)</u>	<u>-</u>	<u>-</u>	<u>(5,304)</u>
Amortized cost	<u>\$ 987,993</u>	<u>\$ 5,523</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 993,516</u>

December 31, 2021

	Up to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Gross carrying amount	\$ 827,626	\$ 4,550	\$ -	\$ -	\$ 832,176
Loss allowance (lifetime ECLs)	<u>(5,698)</u>	<u>(46)</u>	<u>-</u>	<u>-</u>	<u>(5,744)</u>
Amortized cost	<u>\$ 821,928</u>	<u>\$ 4,504</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 826,432</u>

The above aging schedule was based on the invoice date.

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

	December 31	
	2022	2021
Balance at January 1	\$ 5,744	\$ 6,873
Add: Reversal of impairment losses recognized on receivables	<u>(440)</u>	<u>(1,129)</u>
Balance at December 31	<u>\$ 5,304</u>	<u>\$ 5,744</u>

11. INVENTORIES

	December 31	
	2022	2021
Finished goods	\$ 220,088	\$ 167,233
Work in progress	335,634	268,379
Raw materials	696,916	553,953
Supplies	<u>389,341</u>	<u>307,137</u>
	<u>\$ 1,641,979</u>	<u>\$ 1,296,702</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2022 and 2021 was \$8,803,183 thousand and \$7,600,879 thousand, respectively.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2022	2021
Investments in subsidiaries	\$ 98,082,673	\$ 94,158,708
Investments in associates	<u>66,507,024</u>	<u>63,892,476</u>
	164,589,697	158,051,184
Less: Effect of investment properties at fair value method	<u>3,180,099</u>	<u>3,143,910</u>
	<u>\$ 161,409,598</u>	<u>\$ 154,907,274</u>

a. Investments in subsidiaries

	December 31	
	2022	2021
Listed shares		
Asia Cement (China) Holdings Corp. (ACCHC)	<u>\$ 50,215,202</u>	<u>\$ 50,282,807</u>
Unlisted shares		
Der Ching Investment Corp. (DCI)	15,612,641	14,857,396
Chiahui Power Corp. (CHP)	11,228,967	10,682,130
Asia Cement (Singapore) Pte. Ltd. (ACSPL)	5,770,251	5,188,855
Asia Investment Corp. (AIC)	6,072,401	4,878,212
Ya Tung Ready-Mixed Concrete Corp. (YTRMC)	4,096,544	3,454,523
Yuan Long Stainless Steel Corp. (YLSS)	2,505,493	2,292,526
Fu Ming Transport Corp. (FMT)	1,555,689	1,571,941
Nan Hwa Cement Corp. (NHC)	322,911	319,916
Yali Transport Corp. (YLT)	280,364	271,289
Asia Engineering Enterprise Corp. (AEE)	193,391	183,476
Ya Li Precast and Prestressed Concrete Industries Corp. (YLPPC)	169,177	123,131
Sunrise Industrial Holdings Ltd. (SIHL)	<u>59,642</u>	<u>52,506</u>
	<u>47,867,471</u>	<u>43,875,901</u>
	<u>\$ 98,082,673</u>	<u>\$ 94,158,708</u>

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

	December 31	
Name of Subsidiary	2022	2021
ACCHC	67.73%	67.73%
DCI	99.99%	99.99%
CHP	99.70%	99.70%
ACSPL	99.99%	99.99%
AIC	100.00%	100.00%
YTRMC	99.99%	99.99%
YLSS	100.00%	100.00%
FMT	99.95%	99.95%
NHC	99.98%	99.98%
YLT	51.61%	51.61%
AEE	99.76%	99.74%
YLPPC	83.94%	83.94%
SIHL	100.00%	100.00%

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 28.

For the year ended December 31, 2021, the Corporation acquired non-controlling interests in its subsidiaries, including ACSPL, CHP, YTRMC, YLPPC, FMT and AEE. Refer to Note 28 for the details.

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

Name of Subsidiary	December 31	
	2022	2021
ACCHC	\$ 15,261,716	\$ 18,597,288

b. Investment in associates

	December 31	
	2022	2021
<u>Material associates</u>		
Listed shares		
Far Eastern New Century Corporation (FENC)	\$ 37,765,199	\$ 37,915,642
U-Ming Marine Transport Corp. (U-Ming)	12,762,614	10,075,328
CSCGL	7,370,358	7,100,277
	<u>57,898,171</u>	<u>55,091,247</u>
<u>Associates that are not individually material</u>		
Unlisted shares		
Yuan Ding Leasing Corp. (YDC)	3,094,985	3,095,471
Yue Yuan Investment Corp. (YYI)	2,552,446	2,584,547
Oriental Securities Corp. (OSC)	1,823,386	2,016,395
FEDS Development Ltd. (FEDSDL)	670,573	640,234
Yuan Ding Leasing Corp. (YDLC)	379,095	377,521
Everstrong Iron & Steel Foundry Ltd. (EISF)	88,368	87,061
	<u>8,608,853</u>	<u>8,801,229</u>
	<u>\$ 66,507,024</u>	<u>\$ 63,892,476</u>

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

Name of Associate	December 31	
	2022	2021
FENC	23.77%	23.77%
U-Ming	39.25%	39.25%
CSCGL	7.62%	7.62%
YDC	35.50%	35.50%
YYI	29.92%	29.92%
OSC	18.93%	18.93%
FEDSDL	25.00%	25.00%
YDLC	43.60%	43.60%
EISF	40.40%	40.40%

The Corporation is the single largest shareholder with 39.25% and 23.77% of the voting rights of associates U-Ming and FENC, respectively. Considering the size of the Corporation'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 Corporation is not able to appoint more than half of the members of those charged with governance of U-Ming and FENC. Consequently, the Corporation considered and classified U-Ming and FENC as associates of the Corporation as it is merely able exercise significant influence over U-Ming and FENC.

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	\$ 40,585,639	\$ 37,277,719
U-Ming	\$ 16,120,676	\$ 20,034,750
CSCGL	\$ 2,114,078	\$ 2,289,044

- 2) The summarized financial information in respect of the Corporation'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	94,380,114	104,785,302
Equity	209,008,478	206,048,735
Proportion of the Corporation's ownership	23.77%	23.77%
Equity attributable to the Corporation	49,681,315	48,977,784
Cross shareholdings	(11,916,116)	(11,062,142)
Carrying amount	\$ 37,765,199	\$ 37,915,642

	For the Year Ended December 31	
	2022	2021
Operating revenue	\$ 51,246,072	\$ 45,527,236
Net profit for the year	\$ 8,160,292	\$ 9,684,584
Other comprehensive income (loss)	3,124,133	(515,037)
Total comprehensive income for the year	\$ 11,284,425	\$ 9,169,547
Dividends received from FENC	\$ 1,908,416	\$ 1,717,574

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 Corporation's ownership	39.25%	39.25%
Equity attributable to the Corporation	12,836,833	10,149,547
Unrealized gain or loss with associates	<u>(74,219)</u>	<u>(74,219)</u>
Carrying amount	<u>\$ 12,762,614</u>	<u>\$ 10,075,328</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>\$ 995,103</u>	<u>\$ 398,041</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 Corporation's ownership	7.62%	7.62%
Equity attributable to the Corporation	6,434,832	6,096,823
Goodwill	810,993	810,993
Quarry right	<u>124,533</u>	<u>192,461</u>
Carrying amount	<u>\$ 7,370,358</u>	<u>\$ 7,100,277</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 Corporation's share of:		
Profit for the year	\$ 193,207	\$ 229,178
Other comprehensive income (loss)	<u>(137,910)</u>	<u>164,361</u>
Total comprehensive income for the year	<u>\$ 55,297</u>	<u>\$ 393,539</u>

4) The amounts of investments in associates pledged as collateral for bank borrowings are disclosed in Note 32.

All the subsidiaries and associates are accounted for using the equity method.

The investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2022 and 2021 were based on the subsidiaries' and associates' financial statements which have been audited for the same years.

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 subsidiaries and associates.

13. PROPERTY, PLANT AND EQUIPMENT

Assets used by the Corporation

	Land	Buildings	Equipment	Other Equipment	Property Under Construction	Total
<u>Cost</u>						
Balance at January 1, 2022	\$ 2,779,389	\$ 4,204,687	\$ 16,766,051	\$ 6,125,356	\$ 571,476	\$ 30,446,959
Additions	-	686	59,789	120,179	160,626	341,280
Disposals	(4)	-	(11,472)	(39,449)	-	(50,925)
Transferred from completed construction	-	1,152	167,539	272,152	(440,843)	-
Balance at December 31, 2022	<u>2,779,385</u>	<u>4,206,525</u>	<u>16,981,907</u>	<u>6,478,238</u>	<u>291,259</u>	<u>30,737,314</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2022	-	3,792,400	16,607,639	5,671,842	-	26,071,881
Disposals	-	-	(11,472)	(39,401)	-	(50,873)
Reclassification	-	-	5,616	(5,616)	-	-
Depreciation expense	-	38,184	118,646	202,867	-	359,697
Balance at December 31, 2022	-	<u>3,830,584</u>	<u>16,720,429</u>	<u>5,829,692</u>	-	<u>26,380,705</u>
Carrying amounts at December 31, 2022	<u>\$ 2,779,385</u>	<u>\$ 375,941</u>	<u>\$ 261,478</u>	<u>\$ 648,546</u>	<u>\$ 291,259</u>	<u>\$ 4,356,609</u>
<u>Cost</u>						
Balance at January 1, 2021	\$ 2,779,389	\$ 4,214,252	\$ 16,784,054	\$ 5,978,108	\$ 254,945	\$ 30,010,748
Additions	-	1,689	5,448	119,247	417,544	543,928
Disposals	-	(12,732)	(28,689)	(64,004)	-	(105,425)
Transferred to investment properties	-	-	-	-	(1,233)	(1,233)

(Continued)

	Land	Buildings	Equipment	Other Equipment	Property Under Construction	Total
Transferred to intangible assets	\$ -	\$ -	\$ -	\$ -	\$ (1,059)	\$ (1,059)
Transferred from completed construction	-	1,478	5,238	92,005	(98,721)	-
Balance at December 31, 2021	<u>2,779,389</u>	<u>4,204,687</u>	<u>16,766,051</u>	<u>6,125,356</u>	<u>571,476</u>	<u>30,446,959</u>
Accumulated depreciation and impairment						
Balance at January 1, 2021	-	3,755,648	16,575,771	5,542,235	-	25,873,654
Disposals	-	(12,732)	(28,689)	(63,911)	-	(105,332)
Depreciation expense	-	49,484	60,557	193,518	-	303,559
Balance at December 31, 2021	-	<u>3,792,400</u>	<u>16,607,639</u>	<u>5,671,842</u>	-	<u>26,071,881</u>
Carrying amounts at December 31, 2021	<u>\$ 2,779,389</u>	<u>\$ 412,287</u>	<u>\$ 158,412</u>	<u>\$ 453,514</u>	<u>\$ 571,476</u>	<u>\$ 4,375,078</u>

(Concluded)

No impairment assessment was performed for the year ended December 31, 2022 and 2021 as there was no indication of impairment.

As of December 31, 2022, the titles of land with carrying amount of \$23,326 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.

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	15-55 years
Other facilities	5-15 years
Equipment	2-20 years
Other equipment	3-15 years

Refer to Note 32 for the carrying amounts of property, plant and equipment pledged by the Corporation as collaterals for borrowings.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2022	2021
<u>Carrying amounts</u>		
Land	\$ 21,393	\$ 17,112
Buildings	328,291	310,310
Equipment	<u>115,046</u>	<u>47,126</u>
	<u>\$ 464,730</u>	<u>\$ 374,548</u>

	For the Year Ended December 31	
	2022	2021
Additions to right-of-use assets	\$ <u>201,421</u>	\$ <u>-</u>
Depreciation charge for right-of-use assets		
Land	\$ 5,033	\$ 4,387
Buildings	40,022	38,883
Equipment	<u>66,184</u>	<u>59,500</u>
	\$ <u>111,239</u>	\$ <u>102,770</u>

b. Lease liabilities

	December 31	
	2022	2021
<u>Carrying amounts</u>		
Current	\$ <u>83,397</u>	\$ <u>23,310</u>
Non-current	\$ <u>93,086</u>	\$ <u>41,319</u>

Range of discount rate for lease liabilities was as follows:

	December 31	
	2022	2021
Land	1.30%-1.32%	1.30%-1.32%
Buildings	1.30%-1.32%	1.30%-1.32%
Equipment	1.30%-1.32%	1.30%-1.32%

c. Material lease-in activities and terms

The Corporation leases harbors, land, buildings and equipment for the use in business operations. 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 Corporation 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 15.

	For the Year Ended December 31	
	2022	2021
Expenses relating to short-term leases	\$ <u>89,274</u>	\$ <u>90,088</u>
Expenses relating to low-value asset leases	\$ <u>51</u>	\$ <u>51</u>
Total cash outflow for leases	\$ <u>181,679</u>	\$ <u>168,240</u>

The Corporation 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.

15. INVESTMENT PROPERTIES

	December 31	
	2022	2021
Measured at fair value		
Leased investment properties	\$ 37,343,066	\$ 36,932,429
Undeveloped investment properties	<u>6,064,968</u>	<u>5,965,542</u>
	<u>\$ 43,408,034</u>	<u>\$ 42,897,971</u>

The movements of investment property were as follows:

	Completed Investment Property	Investment Property under Construction	Total
Balance at January 1, 2022	\$ 36,932,429	\$ 5,965,542	\$ 42,897,971
Changes in fair value of investment properties	310,058	99,426	409,484
Additions	<u>579</u>	<u>-</u>	<u>579</u>
Balance at December 31, 2022	<u>\$ 37,243,066</u>	<u>\$ 6,064,968</u>	<u>\$ 43,308,034</u>
Balance at January 1, 2021	\$ 36,514,151	\$ 5,965,542	\$ 42,479,693
Changes in fair value of investment properties	413,800	-	413,800
Additions	3,245	-	3,245
Transferred from completed construction	<u>1,233</u>	<u>-</u>	<u>1,233</u>
Balance at December 31, 2021	<u>\$ 36,932,429</u>	<u>\$ 5,965,542</u>	<u>\$ 42,897,971</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) Land in Shu-Lin - leased to YLPPC;
 - 2) Land in Taichung Guan-Lien Industrial Zone - leased to NHC;
 - 3) Land and buildings in Lin-Ko, Taichung and Hsi-Chih - leased to YTRMC;
 - 4) Asia-Cement Building - leased to FEDS;

5) Pao-Ching Building - leased to Sofiva Genomics;

6) Land and building in Chayi City;

7) Land and building in Hwalien - leased to YLT;

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

The Corporation's undeveloped investment properties included a parcel of land located in Lin-Ya, Kaohsiung.

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 18, 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	\$ 36,932,429	\$ 5,965,542	\$ 42,897,971
Recognized in profit or loss (gain or loss from changes in fair value of investment property)	310,058	99,426	409,484
Purchases	<u>579</u>	<u>-</u>	<u>579</u>
Balance at December 31, 2022	<u>\$ 37,243,066</u>	<u>\$ 6,064,968</u>	<u>\$ 43,308,034</u>
Balance at January 1, 2021	\$ 36,514,151	\$ 5,965,542	\$ 42,479,693
Recognized in profit or loss (gain or loss from changes in fair value of investment property)	413,800	-	413,800
Purchases	3,245	-	3,245
Transfers into Level 3	<u>1,233</u>	<u>-</u>	<u>1,233</u>
Balance at December 31, 2021	<u>\$ 36,932,429</u>	<u>\$ 5,965,542</u>	<u>\$ 42,897,971</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	\$ 45,659,776	\$ 45,962,184
Expected future cash outflows	<u>1,411,215</u>	<u>1,704,026</u>
Expected future cash inflows, net	<u>\$ 44,248,561</u>	<u>\$ 44,258,158</u>
Discount rate	2.35%-4.90%	1.97%-4.40%

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 \$439,944 thousand and \$424,301 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 Corporation'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%-2.68% and 0.38%-2.80%, respectively.

Refer to Note 32 for the carrying amount of investment properties pledged by the Corporation as collaterals for borrowings.

16. INTANGIBLE ASSETS

	December 31	
	2022	2021
Computer software	<u>\$ 2,095</u>	<u>\$ 3,309</u>

	Computer Software
<u>Cost</u>	
Balance at January 1, 2022	\$ 109,716
Balance at December 31, 2022	<u>109,716</u>
<u>Accumulated amortization and impairment</u>	
Balance at January 1, 2022	106,407
Amortization expense	<u>1,214</u>
Balance at December 31, 2022	<u>107,621</u>
Carrying amounts at December 31, 2022	<u>\$ 2,095</u>

<u>Cost</u>	
Balance at January 1, 2021	\$ 108,004
Additions	1,140
Transferred from completed construction	1,059
Disposals	<u>(487)</u>
Balance at December 31, 2021	<u>109,716</u>
<u>Accumulated amortization and impairment</u>	
Balance at January 1, 2021	104,833
Amortization expense	2,061
Disposals	<u>(487)</u>
Balance at December 31, 2021	<u>106,407</u>
Carrying amounts at December 31, 2021	<u>\$ 3,309</u>

The above items of intangible assets are amortized on a straight-line basis over the estimated useful life of the asset. The estimated useful life of computer software is from 2 to 5 years.

17. OTHER ASSETS - NON-CURRENT

	<u>December 31</u>	
	2022	2021
Net defined benefit assets (Note 22)	\$ 2,999,498	\$ 2,735,554
Prepaid investments	1,294,905	1,294,905
Refundable deposits	134,677	105,275
Others	<u>131</u>	<u>131</u>
	<u>\$ 4,429,211</u>	<u>\$ 4,135,865</u>

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.

18. SHORT-TERM BORROWINGS

	December 31, 2022
Unsecured	<u>\$ 500,000</u>
Interest rate	1.43%
Final repayment date:	
Unsecured	2023.01.10

19. SHORT-TERM BILLS PAYABLE

	December 31	
	2022	2021
Commercial paper	\$ 16,450,000	\$ 14,020,000
Less: Unamortized discounts on bills payable	<u>26,010</u>	<u>2,832</u>
	<u>\$ 16,423,990</u>	<u>\$ 14,017,168</u>
Interest rate	1.43%-1.61%	0.30%-0.51%

20. LONG-TERM LIABILITIES

	December 31	
	2022	2021
Bank loans	\$ -	\$ 950,000
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
1st 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>
	45,120,129	46,081,854
Less: Current portion	<u>20,129</u>	<u>-</u>
	<u>\$ 45,100,000</u>	<u>\$ 46,081,854</u>

- Bank loans are repayable in installments at varying amounts or in one lump-sum payment prior to March 15, 2023. The Corporation has signed long-term revolving credit facilities with banks. As of December 31, 2021, interest rate intervals were 0.72%.
- 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%.
- 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.
- d. 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).

21. 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 15) 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 15) is amortized to income over 30 years on a straight-line basis.

22. RETIREMENT BENEFIT PLANS

- a. Defined contribution plans

The Corporation 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 specified rate of monthly salaries and wages.

- b. Defined benefit plans

The defined benefit plan adopted by the Corporation in accordance with the Labor Standards Act is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Corporation contributes amounts equal to 8% 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 Corporation 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 Corporation 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 Corporation has no right to influence the investment policy and strategy.

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

	December 31	
	2022	2021
Present value of defined benefit obligation	\$ 609,989	\$ 709,990
Fair value of plan assets	<u>(3,609,487)</u>	<u>(3,445,544)</u>
Surplus	<u>(2,999,498)</u>	<u>(2,735,554)</u>
Net defined benefit asset	<u>\$ (2,999,498)</u>	<u>\$ (2,735,554)</u>

Movements in net defined benefit assets were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Balance at January 1, 2022	<u>\$ 709,990</u>	<u>\$ (3,445,544)</u>	<u>\$ (2,735,554)</u>
Service cost			
Current service cost	3,748	-	3,748
Net interest expense (income)	<u>4,260</u>	<u>(20,673)</u>	<u>(16,413)</u>
Recognized in profit or loss	<u>8,008</u>	<u>(20,673)</u>	<u>(12,665)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(182,658)	(182,658)
Actuarial gain - changes in financial assumptions	(30,850)	-	(30,850)
Actuarial gain - experience adjustments	<u>(24,219)</u>	<u>-</u>	<u>(24,219)</u>
Recognized in other comprehensive income	<u>(55,069)</u>	<u>(182,658)</u>	<u>(237,727)</u>
Benefits paid	<u>(52,940)</u>	<u>39,388</u>	<u>(13,552)</u>
Balance at December 31, 2022	<u>\$ 609,989</u>	<u>\$ (3,609,487)</u>	<u>\$ (2,999,498)</u>
Balance at January 1, 2021	<u>\$ 745,990</u>	<u>\$ (3,249,513)</u>	<u>\$ (2,503,523)</u>
Service cost			
Current service cost	5,199	-	5,199
Net interest expense (income)	<u>5,595</u>	<u>(24,372)</u>	<u>(18,777)</u>
Recognized in profit or loss	<u>10,794</u>	<u>(24,372)</u>	<u>(13,578)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(199,114)	(199,114)
Actuarial loss - changes in financial assumptions	34,583	-	34,583
Actuarial gain - experience adjustments	<u>(27,536)</u>	<u>-</u>	<u>(27,536)</u>
Recognized in other comprehensive income	<u>7,047</u>	<u>(199,114)</u>	<u>(192,067)</u>
Benefits paid	<u>(51,523)</u>	<u>27,455</u>	<u>(24,068)</u>
Others	<u>(2,318)</u>	<u>-</u>	<u>(2,318)</u>
Balance at December 31, 2021	<u>\$ 709,990</u>	<u>\$ (3,445,544)</u>	<u>\$ (2,735,554)</u>

Through the defined benefit plans under the Labor Standards Act, the Corporation 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	1.25%	0.60%
Expected rates of salary increase	2.00%	2.00%

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>\$ (11,272)</u>	<u>\$ (13,742)</u>
0.25% decrease	<u>\$ 11,596</u>	<u>\$ 14,160</u>
Expected rate of salary increase/decrease		
1.00% increase	<u>\$ 47,327</u>	<u>\$ 57,542</u>
1.00% decrease	<u>\$ (43,158)</u>	<u>\$ (52,174)</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	77.18	79.93
Deposited in financial institutions	17.97	15.07
Others	<u>4.85</u>	<u>5.00</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>-</u>	\$ <u>-</u>
Average duration of the defined benefit obligation	8.2 years	8.5 years

23. 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
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>		
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 subsidiaries and associates 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 subsidiaries and associates accounted for using the equity method (3)	<u>164,675</u>	<u>162,274</u>

(Continued)

	December 31	
	2022	2021
<u>May not be used for any purpose</u>		
Share warrants	\$ 570	\$ 915
Change of capital surplus of subsidiaries and associates accounted for using the equity method	<u>73,554</u> <u>74,124</u>	<u>64,939</u> <u>65,854</u>
	<u>\$ 6,005,713</u>	<u>\$ 5,986,339</u> (Concluded)

- 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 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 25(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 Corporation 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)
Share of exchange difference of subsidiaries and associates accounted for using the equity method	<u>4,327,499</u>	<u>(1,302,920)</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
Recognized for the year		
Unrealized valuation (loss) gain of equity instruments	(83,273)	135,036
Share from subsidiaries and associates accounted for using the equity method		
Equity instruments	(450,466)	448,950
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 subsidiaries and associates 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 subsidiaries and associates 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>

24. OPERATING REVENUE AND COSTS

a. Detail of client revenues contract

	For the Year Ended December 31	
	2022	2021
Operating revenues		
Sales of goods	\$ 10,234,132	\$ 8,670,520
Rental revenue	<u>508,535</u>	<u>463,725</u>
Total operating revenue, net	<u>10,742,667</u>	<u>9,134,245</u>
Operating costs		
Cost of goods sold	8,803,183	7,600,879
Rental cost	<u>238,088</u>	<u>197,702</u>
Total operating cost	<u>9,041,271</u>	<u>7,798,581</u>
Gross profit	<u>\$ 1,701,396</u>	<u>\$ 1,335,664</u>

b. Contract balances

	For the Year Ended December 31	
	2022	2021
Contract liabilities	<u>\$ 140,872</u>	<u>\$ 87,050</u>

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

25. NET PROFIT

Net profit was as follows:

a. Other income

	For the Year Ended December 31	
	2022	2021
Dividends	\$ 381,245	\$ 319,016
Others	<u>282,606</u>	<u>103,080</u>
	<u>\$ 663,851</u>	<u>\$ 422,096</u>

b. Other gains and losses

	For the Year Ended December 31	
	2022	2021
Net loss on financial assets and liabilities designated as at FVTPL	\$ (739,665)	\$ (232,113)
Gain on changes in fair value of investment properties (Note 15)	409,484	413,800
Net foreign exchange gains (losses)	1,002,615	(137,364)
Bank charges	(31,196)	(27,309)
Gain (loss) on disposal of property, plant and equipment	3,773	(60)
Miscellaneous expenses	<u>(243,154)</u>	<u>(531,940)</u>
	<u>\$ 401,857</u>	<u>\$ (514,986)</u>

c. Finance costs

	For the Year Ended December 31	
	2022	2021
Interest on bank loans	\$ 464,105	\$ 338,731
Amortization of discount on bonds payable	339	54,000
Interest on lease liabilities	2,787	1,282
Less: Amounts included in the cost of qualifying assets (capitalized interest)	<u>(666)</u>	<u>(1,008)</u>
	<u>\$ 466,565</u>	<u>\$ 393,005</u>

Information about capitalized interest was as follows:

	For the Year Ended December 31	
	2022	2021
Capitalized interest	\$ 666	\$ 1,008
Capitalization rate	0.675%-0.979%	0.653%-0.736%

d. Depreciation and amortization

	For the Year Ended December 31	
	2022	2021
An analysis of depreciation by function		
Operating costs	\$ 464,183	\$ 403,017
Operating expenses	5,966	2,458
Non-operating expenses	<u>787</u>	<u>854</u>
	<u>\$ 470,936</u>	<u>\$ 406,329</u>
An analysis of amortization by function		
Operating expenses	<u>\$ 1,214</u>	<u>\$ 2,061</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	\$ 128,245	\$ 120,199
Direct operating expenses of investment properties not generating rental income	<u>41,563</u>	<u>40,232</u>
	<u>\$ 169,808</u>	<u>\$ 160,431</u>

f. Employee benefits expense

	For the Year Ended December 31, 2022			
	Operating Costs	Operating Expenses	Non-operating Expenses	Total
Post-employment benefits (Note 22)				
Defined contribution plans	\$ 10,683	\$ 3,986	\$ 518	\$ 15,187
Defined benefit plans	(7,446)	(5,219)	-	(12,665)
Short-term benefits				
Salary	391,079	172,456	12,038	575,573
Remuneration of directors	-	132,059	-	132,059
Labor and health insurance	32,538	12,290	642	45,470
Other employees-related expenses	<u>15,527</u>	<u>5,366</u>	<u>-</u>	<u>20,893</u>
	<u>\$ 442,381</u>	<u>\$ 320,938</u>	<u>\$ 13,198</u>	<u>\$ 776,517</u>
	For the Year Ended December 31, 2021			
	Operating Costs	Operating Expenses	Non-operating Expenses	Total
Post-employment benefits (Note 22)				
Defined contribution plans	\$ 10,125	\$ 3,868	\$ 403	\$ 14,396
Defined benefit plans	(8,011)	(5,567)	-	(13,578)
Short-term benefits				
Salary	374,878	195,671	9,526	580,075
Remuneration of directors	-	163,314	-	163,314
Labor and health insurance	31,747	11,822	494	44,063
Other employees-related expenses	<u>15,870</u>	<u>5,965</u>	<u>-</u>	<u>21,835</u>
	<u>\$ 424,609</u>	<u>\$ 375,073</u>	<u>\$ 10,423</u>	<u>\$ 810,105</u>

- 1) For the years of 2022 and 2021, the Corporation had an average of 497 and 489 employees, respectively, which included 11 non-employee directors for both years.
- 2) The Corporation's average labor cost were \$1,326 thousand and \$1,353 thousand, respectively, for the years ended 2022 and 2021. Average salary and bonus were \$1,184 thousand and \$1,214 thousand, respectively, for the years ended 2022 and 2021. The Corporation's average salary and bonus decreased by 2.5% year over year.
- 3) The Corporation did not have supervisors for the years ended December 31, 2022 and 2021.
- 4) The Corporation's compensation policies of directors, managers and employees are as follows:

Directors

- a) Executive directors may be paid according to the Articles, and shall be approved by the board of directors with reference to industry and peer standards. Every year, the annual performance evaluation is made based on individual performance and company performance, which is similar to senior managers.
- b) Attendance fee paid to independent directors serving as members of the remuneration committee and audit committee is in the same standards of affiliated companies. Additional fee is paid to independent directors serving as convener of the remuneration committee and audit committee.
- c) The Articles stipulates that the remuneration for directors shall not be more than 2.5% of profit of the current year. The directors' remuneration shall be distributed according to the following principles after the board of directors has considered the Corporation's operating performance and passed the distribution ratio amount:
 - i. The remuneration of directors is allocated first to the legal person. The legal person is then redistributed based on the director's role and performance to the directors.
 - ii. For a director who is a natural person, his contribution and professional field to the board of directors, remuneration committee and audit committee would be the reference standard of payment.
- d) Performance evaluation and remuneration are reviewed by the remuneration committee and the board of directors at any time depending on actual operating conditions, industrial operating risks, trends, and laws.

Managers and employees

- a) Based on the Corporation's remuneration policy, bonus and compensation are distributed mainly in consideration of the Corporation's overall operating performance and financial status as well as employees' (including managers') individual annual performance in order to plan a fair and reasonable remuneration system and incentive variable rewards. The Corporation also participates in salary surveys organized by professional consulting companies every year to review employee salaries in a timely manner and to grasp the market salary dynamics, and make appropriate salary adjustments or promotions based on individual performance results to actively retain outstanding talents.

- b) The remuneration of managers comprises fixed salary, performance bonus and employees' compensation. The Articles stipulates that if a profit is made in the year, 0.1% to 4% shall be set aside for employees' compensation. The actual ratio and amount of the profit distributable as employees' compensation shall also be determined by the remuneration committee and the board of directors, and a report of such distribution shall be submitted to the shareholders' meeting. The performance evaluation of managers will affect their employee compensation.
- g. Employees' compensation and remuneration of directors

According to the 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	Share	Cash	Share
Employees' compensation	\$ 148,126	\$ -	\$ 185,109	\$ -
Remuneration of directors	130,714	-	161,970	-

If there is a change in the amounts after the annual 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 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 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

26. 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	\$ 615,920	\$ 238,223
Income tax on unappropriated earnings	67,499	7,873
Adjustments for prior years	<u>39,884</u>	<u>82,430</u>
	<u>723,303</u>	<u>328,526</u>
Deferred tax		
In respect of the current year	<u>(25,040)</u>	<u>213,809</u>
Income tax expense recognized in profit or loss	<u>\$ 698,263</u>	<u>\$ 542,335</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	\$ 12,714,659	\$ 15,610,556
Income tax expense calculated at the statutory rate	\$ 2,542,932	\$ 3,122,111
Nondeductible expenses in determining taxable income	5,495	10,931
Tax-exempt income	(2,034,524)	(1,975,951)
Unrecognized temporary differences	71,132	(676,455)
Tax on changes in fair value of investment properties	132,423	101,646
Income tax on unappropriated earnings	67,499	7,873
Adjustments for prior years' tax	39,884	82,430
Tax credit - income from sources in Mainland China	(126,578)	(130,250)
Income tax expense recognized in profit or loss	\$ 698,263	\$ 542,335

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	\$ 47,545	\$ 38,413

c. Current tax assets and liabilities

	December 31	
	2022	2021
Current tax liabilities		
Income tax payable	\$ 463,599	\$ 98,252

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	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Other financial assets and liabilities	\$ 9,717	\$ (9,717)	\$ -	\$ -
Property, plant and equipment	3,233	(457)	-	2,776
Others	30,881	(29,755)	-	1,126
	<u>\$ 43,831</u>	<u>\$ (39,929)</u>	<u>\$ -</u>	<u>\$ 3,902</u>

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax liabilities</u>				
Temporary differences				
Investment properties	\$ 3,754,043	\$ 137,449	\$ -	\$ 3,891,492
Land value increment tax	3,427,438	-	-	3,427,438
Unappropriated earnings of subsidiaries and associates	2,198,982	(222,635)	-	1,976,347
Defined benefit obligation	507,399	5,244	47,545	560,188
Property, plant and equipment	45,522	(599)	-	44,923
Other financial assets and liabilities	-	16,524	-	16,524
Allowance for impairment loss	1,516	(1,516)	-	-
Others	-	564	-	564
	<u>\$ 9,934,900</u>	<u>\$ (64,969)</u>	<u>\$ 47,545</u>	<u>\$ 9,917,476</u>

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Other financial assets and liabilities	\$ 86,311	\$ (76,594)	\$ -	\$ 9,717
Property, plant and equipment	4,170	(937)	-	3,233
Others	<u>3,856</u>	<u>27,025</u>	<u>-</u>	<u>30,881</u>
	<u>\$ 94,337</u>	<u>\$ (50,506)</u>	<u>\$ -</u>	<u>\$ 43,831</u>

Deferred tax liabilities

Temporary differences				
Investment properties	\$ 3,652,397	\$ 101,646	\$ -	\$ 3,754,043
Land value increment tax	3,427,438	-	-	3,427,438
Unappropriated earnings of subsidiaries and associates	2,145,015	53,967	-	2,198,982
Defined benefit obligation	460,993	7,993	38,413	507,399
Property, plant and equipment	46,266	(744)	-	45,522
Allowance for impairment loss	<u>1,075</u>	<u>441</u>	<u>-</u>	<u>1,516</u>
	<u>\$ 9,733,184</u>	<u>\$ 163,303</u>	<u>\$ 38,413</u>	<u>\$ 9,934,900</u>

- e. 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 \$8,862,790 thousand and \$8,537,542 thousand, respectively.

- f. The income tax returns through 2020 have been assessed by the tax authorities.

27. EARNINGS PER SHARE

Unit: NT\$ Per Share

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

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

	For the Year Ended December 31	
	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):

	For the Year Ended December 31	
	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.

28. ACQUISITION OR DISPOSAL OF SUBSIDIARIES - WITHOUT LOSS OF CONTROL

As of December 31, 2022 and 2021, the Corporation acquired additional non-controlling interests in subsidiaries, and increased its continuing interest in these subsidiaries; refer to Note 12 for the details.

The above transactions were accounted for as equity transactions, since it did not have effect on the Corporation's control over these subsidiaries; refer to Note 32 to the consolidated financial statements for the year ended December 31, 2022.

29. CAPITAL MANAGEMENT

The Corporation manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

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

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

Key management personnel of the Corporation 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 Corporation may adjust the amount of dividends paid to shareholders and the amount of new debt issued or existing debt redeemed.

30. 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>				
Overseas listed shares	\$ 900,198	\$ -	\$ -	\$ 900,198
Beneficiary certificates	280,900	259,881	-	540,781
Bond options	-	-	279	279
Cross-currency swap contracts	-	-	1,492	1,492
	<u>\$ 1,181,098</u>	<u>\$ 259,881</u>	<u>\$ 1,771</u>	<u>\$ 1,442,750</u>

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI				
Domestic listed shares	\$ 7,027,546	\$ -	\$ -	\$ 7,027,546
Domestic unlisted shares	-	-	806,214	806,214
Overseas unlisted shares	-	-	269,672	269,672
	<u>\$ 7,027,546</u>	<u>\$ -</u>	<u>\$ 1,075,886</u>	<u>\$ 8,103,432</u>

December 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Overseas listed shares	\$ 1,534,207	\$ -	\$ -	\$ 1,534,207
Beneficiary certificates	371,600	-	-	371,600
Bond options	-	-	466	466
	<u>\$ 1,905,807</u>	<u>\$ -</u>	<u>\$ 466</u>	<u>\$ 1,906,273</u>

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI				
Domestic listed shares	\$ 7,072,264	\$ -	\$ -	\$ 7,072,264
Domestic unlisted shares	-	-	726,663	726,663
Overseas unlisted shares	-	-	291,990	291,990
	<u>\$ 7,072,264</u>	<u>\$ -</u>	<u>\$ 1,018,653</u>	<u>\$ 8,090,917</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 Instruments at FVTPL		Financial Assets at FVTOCI	
	Derivatives		Equity Instruments	Total
	Financial Assets	Financial Liabilities		
Balance at January 1, 2022	\$ 466	\$ -	\$ 1,018,653	\$ 1,019,119
Recognized in profit or loss				
Net loss on financial instruments at FVTPL	1,463	-	-	1,463
Recognized in other comprehensive income				
Unrealized gain on financial instruments at FVTOCI	-	-	51,893	51,893
Convertible bonds converted to ordinary shares	(158)	-	-	(158)
Purchase	<u>-</u>	<u>-</u>	<u>5,340</u>	<u>5,340</u>
Balance at December 31, 2022	<u>\$ 1,771</u>	<u>\$ -</u>	<u>\$ 1,075,886</u>	<u>\$ 1,077,657</u>

	Financial Instruments at FVTPL		Financial Assets at FVTOCI	
	Derivatives		Equity Instruments	Total
	Financial Assets	Financial Liabilities		
Balance at January 1, 2021	\$ 94,743	\$ (425,693)	\$ 874,222	\$ 543,272
Recognized in profit or loss				
Net loss on financial instruments at FVTPL	(39,968)	(253,257)	-	(293,225)
Recognized in other comprehensive income				
Unrealized gain on financial instruments at FVTOCI	-	-	139,091	139,091
Convertible bonds converted to ordinary shares	(54,309)	-	-	(54,309)
Purchase	-	-	5,340	5,340
Settlement	<u>-</u>	<u>678,950</u>	<u>-</u>	<u>678,950</u>
Balance at December 31, 2021	<u>\$ 466</u>	<u>\$ -</u>	<u>\$ 1,018,653</u>	<u>\$ 1,019,119</u>

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

Financial Instruments	Valuation Techniques and Inputs
Mutual funds	The Corporation uses net asset value as the basis to determine the fair value as the Corporation 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

- a) 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.
- b) 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.

c. Categories of financial instruments

	December 31	
	2022	2021
<u>Financial assets</u>		
Financial assets at FVTPL	\$ 1,442,750	\$ 1,906,273
Financial assets at amortized cost (1)	11,255,635	12,387,773
Financial assets at FVTOCI	8,103,432	8,090,917

Financial liabilities

Financial liabilities at amortized cost (2)	63,979,255	62,265,050

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, debt investments, notes receivable, trade receivables and other receivables.
- 2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, short-term bills payable, trade payables and accrued expenses, long-term borrowings including current portion, bonds payable.

d. Financial risk management objectives and policies

The Corporation's major financial instruments include equity and debt investments, trade receivables, trade payables, bonds payable, borrowings and lease liabilities. The Corporation'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 Corporation through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Corporation mitigates the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Corporation's policies approved by the 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 Corporation's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Corporation enters into cross-currency swap contracts to mitigate its exposure to foreign currency risk and interest risk.

a) Foreign currency risk

The Corporation have foreign currency sales and purchases and foreign currency financing activities, which expose the Corporation to foreign currency risk.

The carrying amounts of the Corporation's foreign currency denominated monetary assets and monetary liabilities and derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 35.

Sensitivity analysis

The Corporation was mainly exposed to the RMB and USD.

The following table details the Corporation'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 swap. 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 December 31		For the Year Ended December 31	
	2022	2021	2022	2021
Increase (decrease) in pre-tax profit	\$ 89,269	\$ 87,571	\$ 406,256	\$ 465,092

b) Interest rate risk

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

The carrying amounts of the Corporation'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	\$ 7,937,214	\$ 9,214,261
Financial liabilities	62,220,602	60,163,650
Cash flow interest rate risk		
Financial assets	1,845,219	1,995,632

Sensitivity analysis

The sensitivity analysis below is based on the Corporation'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 Corporation's pre-tax profit for the years ended December 31, 2022 and 2021 would have decreased/increased by \$192 thousand and \$6 thousand, respectively, mainly due to the Corporation's exposure to changes in interest rates of its variable-rate bank borrowings and bank deposits.

c) Other price risk

The Corporation 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 year ended December 31, 2022 and 2021 would have increased/decreased by \$14,410 thousand and \$19,058 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 year ended December 31, 2022 and 2021 would have increased/decreased by \$70,275 thousand and \$70,723 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 Corporation. As at the end of the reporting period, the Corporation's maximum exposure to credit risk which would cause a financial loss to the Corporation due to the failure of counterparties to discharge an obligation and financial guarantees provided by the Corporation is equal to the carrying amount of the financial assets as stated in the balance sheets. The Corporation 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 Corporation only transacts with entities that are rated the equivalent of investment grade and above. The Corporation uses publicly available financial information and its own trading records to rate its major customers. The Corporation'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 Corporation evaluates clients' financial condition continuously.

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

3) Liquidity risk

The Corporation manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Corporation'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 Corporation'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 Corporation 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	\$ 911,689	\$ 564,411	\$ 458,063	\$ 195	\$ 778
Lease liabilities	7,086	14,171	63,768	84,325	10,474
Variable interest rate liabilities	-	-	-	-	-
Fixed interest rate liabilities	<u>6,350,000</u>	<u>10,573,990</u>	<u>20,129</u>	<u>45,100,000</u>	<u>-</u>
	<u>\$ 7,268,775</u>	<u>\$ 11,152,572</u>	<u>\$ 541,960</u>	<u>\$ 45,184,520</u>	<u>\$ 11,252</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>\$ 85,025</u>	<u>\$ 84,325</u>	<u>\$ 5,819</u>	<u>\$ 4,655</u>	<u>\$ -</u>	<u>\$ -</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	\$ 1,113,357	\$ 439,762	\$ 608,842	\$ 2,034	\$ 2,033
Lease liabilities	1,999	3,998	17,993	31,458	11,638
Variable interest rate liabilities	-	-	-	-	-
Fixed interest rate liabilities	<u>12,318,130</u>	<u>1,699,038</u>	<u>-</u>	<u>35,881,854</u>	<u>10,200,000</u>
	<u>\$ 13,433,486</u>	<u>\$ 2,142,798</u>	<u>\$ 626,835</u>	<u>\$ 35,915,346</u>	<u>\$ 10,213,671</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>\$ 23,990</u>	<u>\$ 31,458</u>	<u>\$ 5,819</u>	<u>\$ 5,819</u>	<u>\$ -</u>	<u>\$ -</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 risk table for derivative financial liabilities

The following table details the Corporation'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	<u>\$ -</u>	<u>\$ (19,227)</u>	<u>\$ (101,665)</u>	<u>\$ -</u>	<u>\$ -</u>

- e. Transfers of financial assets. None.
- f. Offsetting financial assets and financial liabilities. None.
- g. Reclassifications. None.

31. TRANSACTIONS WITH RELATED PARTIES

Details of transactions between the Corporation and other related parties are disclosed below.

Transactions with related parties are conducted under normal terms.

Balances and transactions between the Corporation 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
OSC	Associate
FEDSDL	Associate
YDC	Associate
Opas Fund Segregated Portfolio Company	Associate
FMT	Subsidiary
DCI	Subsidiary
YLPPC	Subsidiary
ACSPL	Subsidiary
NHC	Subsidiary
AEE	Subsidiary
AIC	Subsidiary
YTRMC	Subsidiary
ACCHC	Subsidiary
YLT	Subsidiary
Ya Sing Ready-Mixed Concrete Corp. (YSRMC)	Sub-subsubsidiary
Fu Shan Mineral Stone Co., Ltd. (FSMS)	Sub-subsubsidiary
Fu Da Transportation Corp. (FDT)	Sub-subsubsidiary
AC Leap Investment Ltd.	Sub-subsubsidiary
AC Mega Investment Ltd.	Sub-subsubsidiary
AC Mega II Investment Ltd.	Sub-subsubsidiary
AC Mega III Investment Ltd.	Sub-subsubsidiary
AC Mega IV Investment Ltd.	Sub-subsubsidiary
Asia Cement Explorer Investment Ltd.	Sub-subsubsidiary
Asia Cement Pioneer Investment Ltd.	Sub-subsubsidiary
Asia Cement Pioneer II Investment Ltd.	Sub-subsubsidiary
Asia Cement Pioneer III Investment Ltd.	Sub-subsubsidiary
Asia Cement Pioneer IV Investment Ltd.	Sub-subsubsidiary
Far EasTone Telecommunications Co., Ltd.	Other
Far Eastern Department Store Ltd.	Other
Chu Feng Power Corporation, Preparatory Office	Other
Oriental Union Chemical Corp.	Other
New Century InfoComm Tech Co., Ltd.	Other
CHC Resources Corporation	Other
Far Eastern Resources Development Co.	Other
Far Eastern General Construction Inc.	Other
Far Eastern International Leasing Corporation	Other
U-Ming Transport (Singapore) Private Limited	Other
Ding & Ding Management Consultants Co., Ltd.	Other
Ya Tung Department Store Ltd.	Other
Far Eastern Apparel Co., Ltd.	Other
Far Eastern International Bank (FEIB)	Other
Yuan Ze University	Other
Chubei New Century Shopping Mall Co., Ltd.	Other
Oriental Institute of Technology	Other
YDT Technology International Co., Ltd.	Other
Far Eastern Ai Mai Co., Ltd.	Other

(Continued)

<u>Related Party Name</u>	<u>Related Party Category</u>
Far Eastern Memorial Hospital	Other
Yuan Cheng Human Resources Consultant Corporation	Other
U-Ming Marine Transport (Hong Kong) Ltd.	Other
Ding Ding Hotel Co., Ltd.	Other
Douglas Tong Hsu	Related party in substance
Peter Hsu	Related party in substance
Alice Hsu	Related party in substance
Raymond Hsu	Related party in substance
Hsu Shih Hsu	Related party in substance
Tsai Hsiung Chang	Related party in substance
Kun Yen Lee	Related party in substance
Richard Yang	Related party in substance
Frederica Yang	Related party in substance
Chen Fong Cheng	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

	<u>For the Year Ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Operating revenues		
Subsidiaries	\$ 3,476,894	\$ 2,684,215
Associates	254,044	252,804
Others	<u>221,643</u>	<u>170,710</u>
	<u>\$ 3,952,581</u>	<u>\$ 3,107,729</u>
Operating cost		
Subsidiaries	\$ 560,986	\$ 470,677
Associates	716,974	582,300
Others	<u>538,913</u>	<u>339,402</u>
	<u>\$ 1,816,873</u>	<u>\$ 1,392,379</u>

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

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Subsidiaries		
YTRMC	\$ 600,517	\$ 449,255
Others	<u>105,074</u>	<u>127,025</u>
	705,591	576,280
Associates	11,169	11,462
Others	<u>91,711</u>	<u>68,150</u>
	<u>\$ 808,471</u>	<u>\$ 655,892</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
Subsidiaries	\$ 85,298	\$ 65,324
Associates	191,474	110,691
Others	<u>3,878</u>	<u>10,128</u>
	<u>\$ 280,650</u>	<u>\$ 186,143</u>

The outstanding trade payables to related parties are unsecured.

Prepayments:

	December 31	
	2022	2021
Associates	<u>\$ 15,000</u>	<u>\$ 15,000</u>

c. Transactions with FEIB

	December 31	
	2022	2021
Bank deposits (Note)	<u>\$ 1,115,930</u>	<u>\$ 2,733,598</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 remuneration of directors and other key management personnel for the years ended December 31, 2022 and 2021 were as follows:

	For the Year Ended December 31	
	2022	2021
Short-term employee benefits	\$ 188,666	\$ 216,268
Post-employment benefits	<u>864</u>	<u>864</u>
	<u>\$ 189,530</u>	<u>\$ 217,132</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>2,064</u>	\$ <u>2,317</u>

2) Lease agreement

Operating expense - rental

	For the Year Ended December 31	
	2022	2021
Associates	\$ 44,799	\$ 44,945
Others	<u>4,344</u>	<u>4,816</u>
	<u>\$ 49,143</u>	<u>\$ 49,761</u>

The Corporation 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.

- 3) The nature of the Corporation'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 Corporation and other investors. The Corporation's investment activities through OFSPC's platform for the years ended December 31, 2022 included the acquisition of \$276,300 thousand.
- 4) For the year ended December 31, 2022, the Corporation 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 12 for the details.
- 5) For the year ended December 31, 2021, the Corporation acquired additional non-controlling interests in associate YYI and subsidiaries, including ACSPL, CHP, YTRMC, YLPPC, FMT and AEE, from a related party in substance with a total amount of \$1,682 thousand; refer to Note 12 for the details.
- 6) For the year ended December 31, 2022, the Corporation subscribed for new shares of Ding Ding Hotel Co., Ltd. and Far Eastern International Bank with an amount of \$5,340 thousand and \$90,448 thousand, respectively.
- 7) For the year ended December 31, 2021, the Corporation subscribed for new shares of Ding Ding Hotel with a total amount of \$5,340 thousand.

32. ASSETS PLEDGED AS COLLATERAL

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

	December 31	
	2022	2021
Investment properties	\$ 14,423,417	\$ 16,388,684
Investments accounted for using the equity method	7,482,485	7,066,534
Property, plant and equipment, net	<u>309,421</u>	<u>317,011</u>
	<u>\$ 22,215,323</u>	<u>\$ 23,772,229</u>

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

- a. Unused letters of credit of JPY50,000 thousand, RMB32,842 thousand, US\$705 thousand, and EUR245 thousand.
- b. Guarantee notes issued for related parties: Refer to Table 2.
- c. 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.
- d. 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.
- e. 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.

34. OTHER ITEMS

Due to the impact of the COVID-19 pandemic, the Corporation 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 Corporation assessed that there are no doubts in the aspects of the Corporation's ability to continue as a going concern, risk of asset impairment and financing activities as of the date the parent company only financial statements were authorized for issue. The Corporation will stay alert to the development and situation of the COVID-19 and will take necessary action to mitigate the business risk

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The 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			
RMB	\$ 405,585	4.402	\$ 1,785,385
USD	165,007	30.660	5,059,114
Non-monetary items			
HKD	299,353	3.908	1,169,872
USD	8,534	30.660	261,652

December 31, 2021

	Foreign Currency	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
Monetary items			
RMB	\$ 404,144	4.334	\$ 1,751,560
USD	336,657	27.630	9,301,833
Non-monetary items			
HKD	518,953	3.519	1,826,197
USD	17	27.630	466

For the years ended December 31, 2022 and 2021, the total amounts of realized and unrealized net foreign exchange gains (losses) were \$1,002,615 thousand and \$(137,364) 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 entities.

36. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (excluding 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

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)

c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 8)

TABLE 1

ASIA CEMENT CORPORATION

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

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

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

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	
	JYLTCL	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	
	JYDC	Parent company	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

**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

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-subsiary 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-subsiary 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-subsiary 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-subsiary 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-subsiary 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	
	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	A sub-subsidiary of the Corporation
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	
	AOG	Guam	Investment	236,240	236,240	(Note)	95.04	(19,397)	1,080	Not applicable	
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	A subsidiary of the Corporation
	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	A subsidiary of the Corporation
	ACCHC	Cayman	Investment	50,541	50,541	3,161,500	0.20	109,436	1,832,333	Not applicable	
	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	A sub-subsidiary of the Corporation
	YLPCIP	India	Tunnel lining segments	-	8,338	(Note)	-	-	-	Not applicable	
	AOG	Guam	Investment	66,816	66,816	(Note)	4.96	(997)	1,080	Not applicable	
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	
	ACP IV	B.V.I.	Investment	849,522	553,910	29,000,000	100.00	1,102,801	125,186	Not applicable	
	ACP III	B.V.I.	Investment	849,828	553,917	29,200,000	100.00	1,031,978	132,821	Not applicable	
	ACE	B.V.I.	Investment	878,454	582,543	30,115,000	100.00	871,722	129,223	Not applicable	
	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	
	FMT	Taiwan	Transportation	176	176	5,000	0.02	272	306,533	Not applicable	
	FDT	Taiwan	Transportation	110	110	9,717	0.03	199	148,515	Not applicable	

(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
	Join Fortune Trading Ltd.	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	
	Asia Oriental Concrete, LLC	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

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\$15,553 thousand)
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\$1,438 thousand)	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\$11,671 thousand)	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****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.

ASIA CEMENT CORPORATION**STATEMENT OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

Item	Due Date	Annual Rate	Amount
Cash			
Bank deposits (Note)			
Demand deposits and checking accounts	2023.2.20	0.88%-4.18%	\$ 2,037,880
(including NT\$642,023 thousand, US\$45,245 thousand, RMB151 thousand, EUR3 thousand, JPY7 thousand and HK\$2,021 thousand)			
Time deposits (including US\$12,776 thousand and RMB41,900 thousand)			576,167
Petty cash			790
Cash on hand (including US\$9 thousand and RMB13 thousand) (Note)			347
Cash equivalents			
Repurchase agreements collateralized by bonds	2023.1.11	1.02%-1.03%	<u>2,470,081</u>
			<u>\$ 5,085,265</u>

Note: The rates of exchanges were US\$1=\$30.660, EUR1=\$32.520, SGD1=\$22.790, JPY1=\$0.230, HK\$1=\$3.908, and RMB1=\$4.402.

ASIA CEMENT CORPORATION

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT
DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars, Excluding Number of Shares, Par Value and Unit Price)

Name of Financial Instruments	Unit	Total Amount	Cost of Acquisition	Fair Value		Note
				Unit Price (Note 1)	Total Amount	
Beneficiary certificate - open-end fund						
Deutsche Far Eastern DWS Taiwan Flagship Security Investment Trust Fund	10,000,000	\$ 280,900	\$ 100,000	28.09	\$ 280,900	Note 2
Opas Fund Segregated Portfolio Tranche A	3,825	131,595	138,150	34,404.49	131,595	Note 2
Opas Fund Segregated Portfolio Tranche C	2,217	128,286	138,150	57,872.18	128,286	Note 2
Overseas listed shares						
China Conch Venture Holdings Ltd.	11,443,000	758,438	557,036	66.28	758,438	Note 2
China Conch Environment Protection Holdings Ltd.	11,443,000	141,760	41,927	12.39	141,760	
Bonds options		-	-		279	Note 3
Cross-currency swap contract		-	-		1,492	Note 4
		<u>\$ 1,440,979</u>	<u>\$ 975,263</u>		<u>\$ 1,442,750</u>	

Note 1: The market prices of the open-ended funds and overseas listed shares were calculated based on the net asset value of the fund and closing price, respectively, on December 31, 2022.

Note 2: All financial instruments were unsecured and unpledged.

Note 3: Refer to Notes 7 and 20 for bond options.

Note 4: Refer to Notes 4 and 7 for the cross-currency swap contracts.

ASIA CEMENT CORPORATION

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - CURRENT
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Excluding Number of Shares, Par Value and Unit Price)

Name of Financial Instruments	Number of Shares	Par Value	Carrying Amount	Cost of Acquisition	Fair Value		Note
					Unit Price (Note 1)	Total Amount	
Domestic listed shares Far EasTone.	<u>31,034,372</u>	\$10.0	<u>\$ 2,045,165</u>	<u>\$ 798,361</u>	\$65.9	<u>\$ 2,045,165</u>	Note 2

Note 1: The listed shares were calculated based on the closing price on December 31, 2022.

Note 2: All financial instruments were unsecured and unpledged.

ASIA CEMENT CORPORATION

STATEMENT OF FINANCIAL ASSETS AT AMORTIZED COST - CURRENT

DECEMBER 31, 2022

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

Name of Financial Instruments	Par Value	Total Amount	Rate	Carrying Amount	Note
Crédit Agricole	\$ 1,226,400	\$ 1,226,400	3.71%	\$ 1,226,400	
Crédit Agricole	613,200	613,200	4.02%	613,200	
Crédit Agricole	425,806	425,806	3.79%	425,806	
Taishin International Bank Co., Ltd.	319,353	319,353	2.35%	319,353	
Taishin International Bank Co., Ltd.	167,286	167,286	2.24%	167,286	
United Overseas Bank	314,755	314,755	3.76%	314,755	
United Overseas Bank	275,940	275,940	3.88%	275,940	
Mizuho Bank	306,600	306,600	3.63%	306,600	
E.SUN Commercial Bank, Ltd.	264,136	264,136	2.40%	264,136	
E.SUN Commercial Bank, Ltd.	220,113	220,113	2.34%	220,113	
E.SUN Commercial Bank, Ltd.	184,543	184,543	2.20%	184,543	
E.SUN Commercial Bank, Ltd.	105,337	105,337	2.16%	105,337	
E.SUN Commercial Bank, Ltd.	93,221	93,221	3.55%	93,221	
First Commercial Bank	169,562	169,562	2.80%	169,562	
First Commercial Bank	132,068	132,068	2.90%	132,068	
Bank of China Limited	33,457	33,457	2.22%	33,457	
Far Eastern International Bank	<u>4,459</u>	<u>4,459</u>	1.80%	<u>4,459</u>	
	<u>\$ 4,856,236</u>	<u>\$ 4,856,236</u>		<u>\$ 4,856,236</u>	

ASIA CEMENT CORPORATION**STATEMENT OF NOTES RECEIVABLE****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars)**

Client Name	Amount
Third parties	
Lihtai Construction Enterprise Co., Ltd.	\$ 22,352
Chong cheng building materials Co., ltd.	12,291
Heshun Building Materials Co., Ltd.	6,115
Shangde Building Materials Co., Ltd.	4,774
Nan Shing Colour Co., Ltd.	4,599
Others (Note)	<u>28,785</u>
	<u>\$ 78,916</u>

Note: The balance of each individual client included in others does not exceed 5% of the account balance.

ASIA CEMENT CORPORATION**STATEMENT OF TRADE RECEIVABLES****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars)**

Client Name	Amount
Related parties	
Domestic sales	
YTRMC	\$ 528,399
YSRMC	54,531
Others (Note)	<u>18,341</u>
	<u>601,271</u>
Export	
Others (Note)	18,574
Rental	
YTRMC	72,118
Others (Note)	<u>11,168</u>
	<u>83,286</u>
	<u>703,131</u>
Third parties	
Domestic sales	
Others (Note)	373,397
Loss: Loss allowance	<u>(5,304)</u>
	<u>368,093</u>
Export	
Others (Note)	<u>5,578</u>
	<u>373,671</u>
Net profit for the year	<u>\$ 1,076,802</u>

Note: The balance of each individual client included in others does not exceed 5% of the account balance.

ASIA CEMENT CORPORATION**STATEMENT OF INVENTORIES****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars)**

Item	Amount	
	Cost	Market Value (Note)
Finished goods	\$ 220,088	\$ 247,718
Work in progress	335,634	914,893
Raw materials	696,916	688,465
Supplies	<u>389,341</u>	<u>389,341</u>
	<u>\$ 1,641,979</u>	<u>\$ 2,240,417</u>

Note: Inventories are measured at net realizable value.

ASIA CEMENT CORPORATION

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Excluding Unit Prices Are New Taiwan Dollars and Hong Kong Dollars)

Name of Investee Company	Balance, January 1, 2022		Addition		Decrease		Reclassification		Changes in Equity Method (Note 1)	Balance, December 31, 2022			Market Price or Net Equity Value		Collateral	Note
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount		Shares	Ownership	Amount	Unit Price	Total Amount		
Stocks																
Listed shares																
ACCHC	1,061,209,202	\$ 50,282,807	-	\$ -	-	\$ -	-	\$ -	\$ (67,605)	1,061,209,202	67.73	\$ 50,215,202	HK\$3.68	\$ 15,261,716		Note 3
FENC	1,272,277,085	37,915,642	-	-	-	-	-	-	(150,443)	1,272,277,085	23.77	37,765,199	31.90	40,585,639	Note 2	Note 3
U-Ming	331,701,152	10,075,328	-	-	-	-	-	-	2,687,286	331,701,152	39.25	12,762,614	48.60	16,120,676	Note 2	Note 3
CSCGL	331,878,315	7,100,277	-	-	-	-	-	-	270,081	331,878,315	7.62	7,370,358	HK\$1.63	2,114,078		Note 3
Unlisted shares																
DCI	699,853,425	14,857,396	30,793,551	-	-	-	-	-	755,245	730,646,976	99.99	15,612,641		15,612,641		Notes 4 and 5
CHP	568,307,076	10,682,130	-	-	-	-	-	-	546,837	568,307,076	99.70	11,228,967		10,902,666		Note 4
YYI	155,000,821	2,584,547	-	-	-	-	-	-	(32,101)	155,000,821	29.92	2,552,446		2,552,446		Note 4
YDC	178,707,648	3,095,471	-	-	-	-	-	-	(486)	178,707,648	35.50	3,094,985		3,094,985		Note 4
ACSPL	10,499,432	5,188,855	186	60	-	-	-	-	581,336	10,499,618	99.99	5,770,251		5,769,966		Note 4
AIC	322,729,001	4,878,212	80,359,521	-	-	-	-	-	1,194,189	403,088,522	100.00	6,072,401		6,084,737		Notes 4 and 5
OSC	136,713,259	2,016,395	-	-	-	-	-	-	(193,009)	136,713,259	18.93	1,823,386		1,823,386		Note 4
YTRMC	199,991,832	3,454,523	5	-	-	-	-	-	642,021	199,991,837	99.99	4,096,544		4,098,097		Notes 4 and 5
YLSS	200,000,000	2,292,526	-	-	-	-	-	-	212,967	200,000,000	100.00	2,505,493		2,364,846		Note 4
FMT	29,553,934	1,571,941	1,808	103	-	-	-	-	(16,355)	29,555,742	99.95	1,555,689		1,555,689		Note 4
FEDSDL	53,250,000	640,234	-	-	-	-	-	-	30,339	53,250,000	25.00	670,573		670,573		Note 4
NHC	26,138,828	319,916	-	-	-	-	-	-	2,995	26,138,828	99.98	322,911		322,911		Note 4
YDLC	34,640,189	377,521	-	-	-	-	-	-	1,574	34,640,189	43.60	379,095		379,095		Note 4
YLT	5,160,754	271,289	63	3	-	-	-	-	9,072	5,160,817	51.61	280,364		259,584		Note 4
AEE	8,093,680	183,476	1,000	23	-	-	-	-	9,892	8,094,680	99.74	193,391		193,391		Note 4
EISF	3,199,823	87,061	-	-	-	-	-	-	1,307	3,199,823	40.40	88,368		88,368		Note 4
YLPPC	16,264,709	123,131	-	-	-	-	-	-	46,046	16,264,709	83.94	169,177		169,494		Note 4
SIHL	90,000	52,506	-	-	-	-	-	-	7,136	90,000	100.00	59,642		59,642		Note 4
		158,051,184		189		-		-	6,538,324			164,589,697		130,084,626		
Less: Effect of investment properties at fair value method		3,143,910		-		-		-	36,189			3,180,099		-		
		<u>\$ 154,907,274</u>		<u>\$ 189</u>		<u>\$ -</u>		<u>\$ -</u>	<u>\$ 6,502,135</u>			<u>\$ 161,409,598</u>		<u>\$ 130,084,626</u>		

Note 1: Including

a.	Changes in the Corporation’s share of profit of investees (excluding effect of investment properties at fair value method)	\$ 10,857,045
b.	Changes in capital surplus	11,024
c.	Financial assets at FVTOCI - unrealized gain or loss on equity instruments	(450,466)
d.	Financial assets at FVTOCI - unrealized gain or loss on debt instruments	(112,599)
e.	Changes in exchange differences from translation of foreign operations	4,327,499
f.	Cash dividends declared and distributed by investees	(8,131,332)
g.	Changes in retained earnings	(80,347)
h.	Remeasurement of defined benefit plans	113,154
i.	Unrealized gain or loss on cash flow hedges	566
j.	Changes in property revaluation	828
k.	Adjustment of the unrealized profit	<u>2,952</u>
		<u>\$ 6,538,324</u>

Note 2: 182,082 thousand shares of FENC (NT\$5,404,768 thousand) and 54,000 thousand shares of U-Ming (NT\$2,077,717 thousand) were provided to the financial organization as collateral for borrowing.

Note 3: The market value is calculated based on the share’s closing market price on December 31, 2022.

Note 4: The amounts of net asset value were based on audited financial statements on December 31, 2022.

Note 5: DCI and AIC resolved to distribute share dividends in 2022, and the number of shares held by the Corporation in the investees increased by 30,793,551 shares and 80,359,521 shares, respectively.

ASIA CEMENT CORPORATION

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars, Excluding Number of Shares, Par Value and Unit Price)

Name	Balance, January 1, 2022		Addition			Decrease		Reclassification		Balance, December 31, 2022		Collateral	Note
	Number of Shares	Fair Value	Number of Shares	Cost	Fair Value	Number of Shares	Fair Value	Number of Shares	Fair Value	Number of Shares	Fair Value		
Listed shares													
Far Eastern Department Store Ltd.	80,052,950	\$ 1,717,136	-	\$ -	\$ 4,002	-	\$ -	-	\$ -	80,052,950	\$ 1,721,138	Note 1	Note 2
Oriental Union Chemical Corp.	63,766,522	1,428,370	-	-	-	-	(242,313)	-	-	63,766,522	1,186,057	Note 1	Note 2
CHC Resources Corporation	22,801,185	1,034,034	-	-	14,821	-	-	-	-	22,801,185	1,048,855	Note 1	Note 2
Far Eastern International Bank (FEIB)	82,595,754	887,904	10,707,017	90,448	47,979	-	-	-	-	93,302,771	1,026,331	Note 1	Note 2
Unlisted shares													
Ding Ding Hotel Co., Ltd.	555,638	10,680	534,026	5,340	-	(534,026)	-	-	-	555,638	16,020	Note 1	
Taiwan Stock Exchange Corp.	9,725,272	590,032	2,139,559	-	88,874	-	-	-	-	11,864,831	678,906	Note 1	
China Trade & Development Corp.	250,003	3,902	-	-	-	-	-	-	-	250,003	3,902	Note 1	
Pan Asia Engineers & Constructors Corp.	1,551,395	22,139	-	-	-	-	(5,570)	-	-	1,551,395	16,569	Note 1	
L'Hotel de Chine Hotel	598,121	30,098	-	-	-	-	(4,684)	-	-	598,121	25,414	Note 1	
Kaohsiung Rapid Transit	15,873,243	69,812	-	-	-	-	(4,409)	-	-	15,873,243	65,403	Note 1	
Linkou Recreation Corporation	5	-	-	-	-	-	-	-	-	5	-		
China Shanshui Investment Corp	49,928	291,990	-	-	-	-	(22,318)	-	-	49,928	269,672	Note 1	
		<u>\$ 6,086,097</u>		<u>\$ 95,788</u>	<u>\$ 155,676</u>		<u>\$ (279,294)</u>		<u>\$ -</u>		<u>\$ 6,058,267</u>		

Note 1: All financial instruments were unsecured and unpledged.

Note 2: The listed shares were calculated based on the closing price on December 31, 2022.

ASIA CEMENT CORPORATION**STATEMENT OF ACCOUNTS PAYABLE AND ACCRUE EXPENSES****DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars)**

Item	Amount
Payables for operating expenses	\$ 800,925
Payables for manufacturing costs	324,064
Payables for selling costs	269,143
Accounts payable	167,253
Interest payable	135,596
Others (Note)	<u>238,155</u>
	<u>\$ 1,935,136</u>

Note: The balance of each individual vendor included in others does not exceed 5% of the account balance.

ASIA CEMENT CORPORATION

STATEMENT OF BONDS PAYABLE
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Bonds Name	Trustee	Issuance Date	Repayment	Annual Rate	Issued Amount	Unrealized Gain or Loss	Premiums (Discounts)	Converted Amount	Outstanding Balance			Collateral	Note
									Expired within A Year	Expired after A Year	Total Amount		
Domestic bonds													
Unsecured bonds-108-1	CTBC Bank Co., Ltd.	2019.5.8-2024.5.8	Lump sum repayment on maturity	0.88	\$ 6,500,000	\$ -	\$ -	\$ -	\$ -	\$ 6,500,000	\$ 6,500,000	None	
Unsecured bonds-108-2	CTBC Bank Co., Ltd.	2019.8.16-2024.8.16	Lump sum repayment on maturity	0.79	3,500,000	-	-	-	-	3,500,000	3,500,000	None	
Unsecured bonds-109-1	CTBC Bank Co., Ltd.	2020.4.20-2025.4.20	Lump sum repayment on maturity	0.66	7,700,000	-	-	-	-	7,700,000	7,700,000	None	
Unsecured bonds-109-2-A	CTBC Bank Co., Ltd.	2020.6.18-2025.6.18	Lump sum repayment on maturity	0.75	2,800,000	-	-	-	-	2,800,000	2,800,000	None	
Unsecured bonds-109-2-B	CTBC Bank Co., Ltd.	2020.6.18-2027.6.18	Lump sum repayment on maturity	0.83	2,700,000	-	-	-	-	2,700,000	2,700,000	None	
Unsecured bonds-109-3-A	CTBC Bank Co., Ltd.	2020.9.23-2025.9.23	Lump sum repayment on maturity	0.65	4,000,000	-	-	-	-	4,000,000	4,000,000	None	
Unsecured bonds-109-3-B	CTBC Bank Co., Ltd.	2020.9.23-2027.9.23	Lump sum repayment on maturity	0.73	2,200,000	-	-	-	-	2,200,000	2,200,000	None	
Unsecured bonds-109-4-A	CTBC Bank Co., Ltd.	2020.12.23-2025.12.23	Lump sum repayment on maturity	0.57	4,100,000	-	-	-	-	4,100,000	4,100,000	None	
Unsecured bonds-109-4-B	CTBC Bank Co., Ltd.	2020.12.23-2027.12.23	Lump sum repayment on maturity	0.65	5,300,000	-	-	-	-	5,300,000	5,300,000	None	
Unsecured bonds-110-1-A	CTBC Bank Co., Ltd.	2021.8.5-2026.8.5	Lump sum repayment on maturity	0.60	6,300,000	-	-	-	-	6,300,000	6,300,000	None	
Foreign bonds													
Unsecured convertible bonds-107	The Bank of New York Mellon Corporation	2018.9.21-2023.9.21	On the maturity date, the bonds will be repaid in full at the face value of the bonds plus a yield rate of 0.6% per annum.	-	<u>6,620,710</u>	<u>-</u>	<u>(195)</u>	<u>(6,600,386)</u>	<u>20,129</u>	<u>-</u>	<u>20,129</u>	None	Note
					<u>\$ 51,720,710</u>	<u>\$ -</u>	<u>\$ (195)</u>	<u>\$ (6,600,386)</u>	<u>\$ 20,129</u>	<u>\$ 45,100,000</u>	<u>\$ 45,120,129</u>		

Note: The bonds are listed on the Singapore Stock Exchange. As of December 31, 2022, 184,480 thousand shares have been converted.

ASIA CEMENT CORPORATION**STATEMENT OF OPERATING REVENUE****FOR THE YEAR ENDED DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

Item	Unit (Thousand Tons)	Amount
Cement and clinker	3,910	\$ 9,710,104
Slag powder	353	503,713
Less: Sales returns and allowances		<u>3,276</u>
Net sales of goods		10,210,541
Rental revenue		508,535
Others		<u>23,591</u>
		<u>\$ 10,742,667</u>

ASIA CEMENT CORPORATION**STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)**

Item	Amount
Direct raw materials - rough stone	\$ 284,696
- shale	4,856
- plaster	249,578
- others	<u>33,395</u>
	572,525
Direct labor	85,901
Production overheads	<u>5,306,723</u>
Manufacturing costs	5,965,149
Add: Finished goods, balance at January 1	440,771
Outsourcing costs	251,846
Less: Finished goods, balance at December 31	<u>(559,763)</u>
Cost of cement and clinker	6,098,003
Cost of slag powder	406,160
Others	(1,117)
Selling costs	2,300,137
Rental costs	<u>238,088</u>
Operating costs	<u>\$ 9,041,271</u>

ASIA CEMENT CORPORATION**STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)**

Item	Amount
Salaries and wages	\$ 172,456
Remuneration of directors	132,059
Rentals	51,081
Apportioned charges of affiliates	117,305
Others (Note)	<u>134,700</u>
	<u>\$ 607,601</u>

Note: The amount of each item in others does not exceed 5% of the amount balance.