

**Taiwan Cement Corporation and
Subsidiaries**

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

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Taiwan Cement Corporation

Introduction

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

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Note 13 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements were not reviewed. As of September 30, 2021 and 2020, the combined total assets of these non-significant subsidiaries were NT\$90,107,231 thousand and NT\$80,500,139 thousand, respectively, representing 22% and 21%, respectively, of the Group's consolidated total assets, and the combined total liabilities of these non-significant subsidiaries as of September 30, 2021 and 2020 were NT\$12,769,852 thousand and NT\$14,596,034 thousand, respectively, representing 7% and 8%, respectively, of the Group's consolidated total liabilities; for the three months ended September 30, 2021 and 2020 and for the nine months ended September 30, 2021 and 2020, the amount of net comprehensive income of these subsidiaries were NT\$506,763 thousand, NT\$1,246,855 thousand, NT\$1,145,217 thousand and NT\$2,199,455 thousand, respectively, representing 8%, 11%, 10% and 13%, respectively, of the Group's consolidated comprehensive income.

Qualified Conclusion

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

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

Chih-ming, Shao

Hui-Min Huang

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 11, 2021

Notice to Readers

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

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

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	September 30, 2021 (Reviewed)		December 31, 2020 (Audited)		September 30, 2020 (Reviewed)	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 59,958,809	15	\$ 51,433,522	13	\$ 44,312,180	12
Financial assets at fair value through profit or loss (Notes 7 and 32)	335,314	-	353,986	-	323,517	-
Financial assets at fair value through other comprehensive income (Notes 8, 32 and 34)	6,180,994	2	5,596,471	1	5,168,519	1
Financial assets at amortized cost (Notes 6 and 34)	15,157,115	4	15,769,277	4	12,348,988	3
Notes receivable (Note 9)	26,811,806	7	29,518,807	8	28,981,946	8
Accounts receivable (Notes 9 and 10)	9,264,477	2	9,522,642	3	9,564,010	3
Notes and accounts receivable from related parties (Note 33)	417,657	-	273,866	-	253,570	-
Other receivables	1,075,939	-	1,073,289	-	1,020,004	-
Other receivables from related parties (Note 33)	254,633	-	3,785	-	454,353	-
Inventories (Note 12)	11,238,700	3	7,941,755	2	8,457,184	2
Prepayments	4,003,221	1	2,135,702	1	3,035,954	1
Other current assets	603,009	-	686,069	-	633,265	-
Total current assets	135,301,674	34	124,309,171	32	114,553,490	30
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income (Notes 8, 32 and 34)	28,145,542	7	31,903,287	8	34,496,339	9
Financial assets at amortized cost (Notes 6 and 34)	16,360,700	4	16,475,021	4	20,301,926	5
Investments accounted for using the equity method (Notes 14 and 34)	47,538,476	12	50,133,844	13	47,935,215	13
Property, plant and equipment (Notes 15, 24, 33 and 34)	94,726,660	24	92,108,972	24	89,423,889	24
Right-of-use assets (Notes 16, 24 and 33)	14,102,007	3	13,451,125	4	12,416,305	3
Investment properties (Notes 17, 24 and 34)	5,427,593	1	5,451,434	1	5,456,950	2
Intangible assets (Notes 18 and 24)	24,714,757	6	19,563,960	5	19,315,631	5
Prepayments for property, plant and equipment (Notes 15, 33 and 35)	6,146,593	2	5,426,869	1	4,969,530	1
Long-term finance lease receivables (Note 10)	24,928,581	6	26,975,117	7	27,434,894	7
Net defined benefit asset (Note 4)	1,569,767	-	1,572,025	-	1,439,348	-
Other non-current assets (Note 34)	2,418,287	1	2,135,411	1	1,662,531	1
Total non-current assets	266,078,963	66	265,197,065	68	264,852,558	70
TOTAL	\$ 401,380,637	100	\$ 389,506,236	100	\$ 379,406,048	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term loans (Notes 19, 30 and 34)	\$ 35,643,323	9	\$ 34,675,454	9	\$ 33,636,384	9
Short-term bills payable (Note 19)	6,895,773	2	6,247,029	2	7,215,383	2
Contract liabilities	2,410,942	1	5,226,637	1	5,884,277	1
Notes and accounts payable (Note 33)	8,274,800	2	6,137,904	2	6,462,908	2
Other payables (Note 21)	9,394,608	2	10,661,629	3	8,370,244	2
Other payables to related parties (Note 33)	5,023	-	8,284	-	397,915	-
Current income tax liabilities (Note 4)	2,132,292	-	3,914,955	1	2,874,404	1
Lease liabilities (Notes 16 and 33)	364,352	-	315,451	-	343,689	-
Long-term loans - current portion (Notes 19, 30 and 34)	8,202,250	2	4,805,000	1	5,061,151	1
Other current liabilities	181,978	-	111,365	-	135,830	-
Total current liabilities	73,505,341	18	72,103,708	19	70,382,185	18
NON-CURRENT LIABILITIES						
Bonds payable (Note 20)	61,114,332	15	53,897,370	14	55,851,873	15
Long-term loans (Notes 19, 30 and 34)	18,610,026	5	24,998,481	6	26,250,646	7
Lease liabilities (Notes 16 and 33)	2,594,630	1	1,978,361	1	1,959,022	1
Deferred income tax liabilities (Note 4)	11,613,094	3	11,754,270	3	11,635,749	3
Long-term bills payable (Note 19)	11,977,104	3	4,991,327	1	4,991,269	1
Net defined benefit liability (Note 4)	87,586	-	72,845	-	67,806	-
Other non-current liabilities (Notes 14 and 15)	957,835	-	879,821	-	693,901	-
Total non-current liabilities	106,954,607	27	98,572,475	25	101,450,266	27
Total liabilities	180,459,948	45	170,676,183	44	171,832,451	45
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE CORPORATION (Note 23)						
Share capital	63,235,800	16	59,414,007	15	59,414,007	16
Certificate of entitlement to new shares from convertible bonds	6,203	-	688,542	-	-	-
Capital surplus	55,390,739	14	49,122,450	13	47,637,455	12
Retained earnings	68,643,905	17	74,199,518	19	67,411,710	18
Other equity	14,830,503	3	21,146,991	5	19,439,117	5
Treasury shares	(392,343)	-	(499,691)	-	(499,691)	-
Equity attributable to shareholders of the Corporation	201,714,807	50	204,071,817	52	193,402,598	51
NON-CONTROLLING INTERESTS (Note 23)						
	19,205,882	5	14,758,236	4	14,170,999	4
Total equity	220,920,689	55	218,830,053	56	207,573,597	55
TOTAL	\$ 401,380,637	100	\$ 389,506,236	100	\$ 379,406,048	100

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

(With Deloitte & Touche review report dated November 11, 2021)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Note 33)	\$ 26,881,432	100	\$ 27,632,774	100	\$ 76,904,796	100	\$ 76,433,743	100
OPERATING COSTS (Notes 12, 22, 24 and 33)	<u>21,705,636</u>	<u>80</u>	<u>17,251,894</u>	<u>62</u>	<u>57,595,324</u>	<u>75</u>	<u>49,080,769</u>	<u>64</u>
GROSS PROFIT	<u>5,175,796</u>	<u>20</u>	<u>10,380,880</u>	<u>38</u>	<u>19,309,472</u>	<u>25</u>	<u>27,352,974</u>	<u>36</u>
OPERATING EXPENSES (Notes 22, 24 and 33)								
Marketing	141,945	1	164,061	1	513,317	-	486,177	1
General and administrative	1,119,706	4	1,200,305	4	3,630,625	5	3,569,343	5
Research and development	<u>58,118</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,118</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>1,319,769</u>	<u>5</u>	<u>1,364,366</u>	<u>5</u>	<u>4,202,060</u>	<u>5</u>	<u>4,055,520</u>	<u>6</u>
INCOME FROM OPERATIONS	<u>3,856,027</u>	<u>15</u>	<u>9,016,514</u>	<u>33</u>	<u>15,107,412</u>	<u>20</u>	<u>23,297,454</u>	<u>30</u>
NON-OPERATING INCOME AND EXPENSES								
Share of profit of associates and joint ventures (Note 14)	844,347	3	1,044,446	4	2,494,138	3	2,133,067	3
Interest income (Note 24)	389,244	1	323,930	1	1,156,178	1	988,466	1
Dividend income	128,572	1	597,576	2	1,249,895	2	1,564,833	2
Other income	177,445	1	203,963	1	759,139	1	402,926	1
Net gain (loss) on disposal of property, plant and equipment (Note 15)	(41,004)	-	(19,843)	-	388,965	1	(57,064)	-
Finance costs (Note 24)	(411,224)	(2)	(448,654)	(2)	(1,205,082)	(2)	(1,444,932)	(2)
Other expenses (Note 24)	(215,837)	(1)	(55,269)	-	(549,502)	(1)	(119,970)	-
Foreign exchange gains (losses), net	(8,556)	-	2,869	-	(43,879)	-	35,533	-
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>(27,234)</u>	<u>-</u>	<u>7,233</u>	<u>-</u>	<u>(11,703)</u>	<u>-</u>	<u>(2,536)</u>	<u>-</u>
Total non-operating income and expenses	<u>835,753</u>	<u>3</u>	<u>1,656,251</u>	<u>6</u>	<u>4,238,149</u>	<u>5</u>	<u>3,500,323</u>	<u>5</u>
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	4,691,780	18	10,672,765	39	19,345,561	25	26,797,777	35
INCOME TAX EXPENSE (Note 25)	<u>990,727</u>	<u>4</u>	<u>2,095,101</u>	<u>8</u>	<u>4,159,059</u>	<u>5</u>	<u>5,496,962</u>	<u>7</u>
NET INCOME FROM CONTINUING OPERATIONS	<u>3,701,053</u>	<u>14</u>	<u>8,577,664</u>	<u>31</u>	<u>15,186,502</u>	<u>20</u>	<u>21,300,815</u>	<u>28</u>
PROFIT (LOSS) FROM DISCONTINUED OPERATIONS (Notes 11 and 28)	<u>535,831</u>	<u>2</u>	<u>2,953</u>	<u>-</u>	<u>1,053,559</u>	<u>1</u>	<u>(594,513)</u>	<u>(1)</u>
NET INCOME	<u>4,236,884</u>	<u>16</u>	<u>8,580,617</u>	<u>31</u>	<u>16,240,061</u>	<u>21</u>	<u>20,706,302</u>	<u>27</u>

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TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Note 23)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	\$ 1,858,942	7	\$ 356,792	1	\$ (950,545)	(1)	\$ (2,538,268)	(4)
Gain on hedging instruments	-	-	-	-	-	-	216	-
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	<u>2,357</u>	<u>-</u>	<u>(14,469)</u>	<u>-</u>	<u>243,171</u>	<u>-</u>	<u>(95,704)</u>	<u>-</u>
	<u>1,861,299</u>	<u>7</u>	<u>342,323</u>	<u>1</u>	<u>(707,374)</u>	<u>(1)</u>	<u>(2,633,756)</u>	<u>(4)</u>
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations	865,650	3	2,620,030	10	(1,336,698)	(1)	(852,396)	(1)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	<u>(631,846)</u>	<u>(2)</u>	<u>267,383</u>	<u>1</u>	<u>(3,007,593)</u>	<u>(4)</u>	<u>(833,608)</u>	<u>(1)</u>
	<u>233,804</u>	<u>1</u>	<u>2,887,413</u>	<u>11</u>	<u>(4,344,291)</u>	<u>(5)</u>	<u>(1,686,004)</u>	<u>(2)</u>
Other comprehensive income (loss) for the period	<u>2,095,103</u>	<u>8</u>	<u>3,229,736</u>	<u>12</u>	<u>(5,051,665)</u>	<u>(6)</u>	<u>(4,319,760)</u>	<u>(6)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 6,331,987</u>	<u>24</u>	<u>\$ 11,810,353</u>	<u>43</u>	<u>\$ 11,188,396</u>	<u>15</u>	<u>\$ 16,386,542</u>	<u>21</u>
NET INCOME								
ATTRIBUTABLE TO:								
Shareholders of the Corporation	\$ 3,984,484	15	\$ 7,472,614	27	\$ 14,836,550	19	\$ 18,407,237	24
Non-controlling interests	<u>252,400</u>	<u>1</u>	<u>1,108,003</u>	<u>4</u>	<u>1,403,511</u>	<u>2</u>	<u>2,299,065</u>	<u>3</u>
	<u>\$ 4,236,884</u>	<u>16</u>	<u>\$ 8,580,617</u>	<u>31</u>	<u>\$ 16,240,061</u>	<u>21</u>	<u>\$ 20,706,302</u>	<u>27</u>
TOTAL COMPREHENSIVE INCOME								
ATTRIBUTABLE TO:								
Shareholders of the Corporation	\$ 6,091,084	23	\$ 10,702,941	39	\$ 9,804,607	13	\$ 14,212,926	18
Non-controlling interests	<u>240,903</u>	<u>1</u>	<u>1,107,412</u>	<u>4</u>	<u>1,383,789</u>	<u>2</u>	<u>2,173,616</u>	<u>3</u>
	<u>\$ 6,331,987</u>	<u>24</u>	<u>\$ 11,810,353</u>	<u>43</u>	<u>\$ 11,188,396</u>	<u>15</u>	<u>\$ 16,386,542</u>	<u>21</u>

(Continued)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

(Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
EARNINGS PER SHARE								
(Note 26)								
From continuing and discontinued operations								
Basic earnings per share	<u>\$ 0.59</u>		<u>\$ 1.30</u>		<u>\$ 2.41</u>		<u>\$ 3.15</u>	
Diluted earnings per share	<u>\$ 0.59</u>		<u>\$ 1.23</u>		<u>\$ 2.38</u>		<u>\$ 2.99</u>	
From continuing operations								
Basic earnings per share	<u>\$ 0.50</u>		<u>\$ 1.30</u>		<u>\$ 2.23</u>		<u>\$ 3.20</u>	
Diluted earnings per share	<u>\$ 0.50</u>		<u>\$ 1.23</u>		<u>\$ 2.20</u>		<u>\$ 3.03</u>	

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

(With Deloitte & Touche review report dated November 11, 2021)

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TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Shareholders of the Corporation														
	Share Capital		Certificate of Entitlement to New Shares from Convertible Bonds	Capital Surplus	Retained Earnings				Exchange Differences on Translating Foreign Operations	Other Equity Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Treasury Shares	Total	Non-controlling Interests	Total Equity
	Ordinary Shares	Preference Shares			Legal Reserve	Special Reserve	Unappropriated Earnings	Total							
BALANCE, JANUARY 1, 2020	\$ 54,656,192	\$ 2,000,000	\$ -	\$ 48,015,947	\$ 16,902,616	\$ 13,049,062	\$ 35,674,355	\$ 65,626,033	\$ (11,660,261)	\$ 35,395,116	\$ -	\$ (348,959)	\$ 193,684,068	\$ 14,777,799	\$ 208,461,867
Appropriation of 2019 earnings															
Legal reserve	-	-	-	-	2,448,745	-	(2,448,745)	-	-	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	-	-	(13,644,048)	(13,644,048)	-	-	-	-	(13,644,048)	-	(13,644,048)
Preferred share dividends distributed by the Corporation	-	-	-	-	-	-	(350,000)	(350,000)	-	-	-	-	(350,000)	-	(350,000)
Share dividends distributed by the Corporation	2,728,810	-	-	-	-	-	(2,728,810)	(2,728,810)	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,485,606)	(2,485,606)
Net income for the nine months ended September 30, 2020	-	-	-	-	-	-	18,407,237	18,407,237	-	-	-	-	18,407,237	2,299,065	20,706,302
Other comprehensive income (loss) for the nine months ended September 30, 2020	-	-	-	-	-	-	-	-	(1,661,513)	(2,532,753)	(45)	-	(4,194,311)	(125,449)	(4,319,760)
Total other comprehensive income (loss) for the nine months ended September 30, 2020	-	-	-	-	-	-	18,407,237	18,407,237	(1,661,513)	(2,532,753)	(45)	-	14,212,926	2,173,616	16,386,542
Difference between consideration received and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	-	-	-	(444,392)	-	-	-	-	-	-	-	-	(444,392)	(294,723)	(739,115)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	-	566	-	-	-	-	-	-	-	-	566	-	566
Basis adjustment for gain (loss) on hedging instruments	-	-	-	-	-	-	-	-	-	-	(129)	-	(129)	(87)	(216)
Compensation costs of treasury shares transferred to employees	-	-	-	4,808	-	-	-	-	-	-	-	-	4,808	-	4,808
Treasury shares transferred to employees	-	-	-	(1,397)	-	-	-	-	-	-	-	20,868	19,471	-	19,471
Buy-back of treasury shares	-	-	-	-	-	-	-	-	-	-	-	(171,600)	(171,600)	-	(171,600)
Disposals of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	101,298	101,298	-	(101,298)	-	-	-	-	-
Convertible bonds converted to ordinary shares	29,005	-	-	61,923	-	-	-	-	-	-	-	-	90,928	-	90,928
Reversal of special reserve recognized from asset disposals	-	-	-	-	-	(9,202)	9,202	-	-	-	-	-	-	-	-
BALANCE, SEPTEMBER 30, 2020	<u>\$ 57,414,007</u>	<u>\$ 2,000,000</u>	<u>\$ -</u>	<u>\$ 47,637,455</u>	<u>\$ 19,351,361</u>	<u>\$ 13,039,860</u>	<u>\$ 35,020,489</u>	<u>\$ 67,411,710</u>	<u>\$ (13,321,774)</u>	<u>\$ 32,761,065</u>	<u>\$ (174)</u>	<u>\$ (499,691)</u>	<u>\$ 193,402,598</u>	<u>\$ 14,170,999</u>	<u>\$ 207,573,597</u>
BALANCE, JANUARY 1, 2021	\$ 57,414,007	\$ 2,000,000	\$ 688,542	\$ 49,122,450	\$ 19,351,361	\$ 13,039,860	\$ 41,808,297	\$ 74,199,518	\$ (9,523,576)	\$ 30,670,817	\$ (250)	\$ (499,691)	\$ 204,071,817	\$ 14,758,236	\$ 218,830,053
Appropriation of 2020 earnings															
Legal reserve	-	-	-	-	2,530,554	-	(2,530,554)	-	-	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	-	-	(20,594,434)	(20,594,434)	-	-	-	-	(20,594,434)	-	(20,594,434)
Preferred share dividends distributed by the Corporation	-	-	-	-	-	-	(350,000)	(350,000)	-	-	-	-	(350,000)	-	(350,000)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,069,806)	(2,069,806)
Net income for the nine months ended September 30, 2021	-	-	-	-	-	-	14,836,550	14,836,550	-	-	-	-	14,836,550	1,403,511	16,240,061
Other comprehensive income (loss) for the nine months ended September 30, 2021	-	-	-	-	-	-	(2,805)	(2,805)	(4,310,527)	(718,861)	250	-	(5,031,943)	(19,722)	(5,051,665)
Total other comprehensive income (loss) for the nine months ended September 30, 2021	-	-	-	-	-	-	14,833,745	14,833,745	(4,310,527)	(718,861)	250	-	9,804,607	1,383,789	11,188,396
Difference between consideration received and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	-	-	-	(22,400)	-	-	(732,274)	(732,274)	-	-	-	-	(754,674)	5,132,564	4,377,890
Change in ownership interests subsidiaries	-	-	-	(1,999)	-	-	-	-	-	-	-	-	(1,999)	1,099	(900)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	-	283	-	-	-	-	-	-	-	-	283	-	283
Compensation costs of treasury shares transferred to employees	-	-	-	24,325	-	-	-	-	-	-	-	-	24,325	-	24,325
Treasury shares transferred to employees	-	-	-	(14,323)	-	-	-	-	-	-	-	107,348	93,025	-	93,025
Disposals of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	1,287,350	1,287,350	-	(1,287,350)	-	-	-	-	-
Convertible bonds converted to ordinary shares	3,821,793	-	(682,339)	6,282,403	-	-	-	-	-	-	-	-	9,421,857	-	9,421,857
BALANCE, SEPTEMBER 30, 2021	<u>\$ 61,235,800</u>	<u>\$ 2,000,000</u>	<u>\$ 6,203</u>	<u>\$ 55,390,739</u>	<u>\$ 21,881,915</u>	<u>\$ 13,039,860</u>	<u>\$ 33,722,130</u>	<u>\$ 68,643,905</u>	<u>\$ (13,834,103)</u>	<u>\$ 28,664,606</u>	<u>\$ -</u>	<u>\$ (392,343)</u>	<u>\$ 201,714,807</u>	<u>\$ 19,205,882</u>	<u>\$ 220,920,689</u>

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

(With Deloitte & Touche review report dated November 11, 2021)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax from continuing operations	\$ 19,345,561	\$ 26,797,777
Profit (loss) before income tax from discontinued operations	<u>1,051,097</u>	<u>(580,321)</u>
Income before income tax	20,396,658	26,217,456
Adjustments for:		
Depreciation expense	5,171,009	5,081,010
Amortization expense	281,299	303,101
Net loss on fair value changes of financial assets and liabilities at fair value through profit or loss	11,703	2,536
Finance costs	1,266,781	1,513,668
Interest income	(1,159,997)	(993,550)
Dividend income	(1,249,895)	(1,564,833)
Share-based compensation	24,325	4,808
Share of profit of associates and joint ventures	(2,494,138)	(2,133,067)
Loss (gain) on disposal of property, plant and equipment, net	(388,965)	58,511
Loss on disposal of investment properties	4,298	-
Gain on disposal of investments, net	(552,721)	-
Non-financial asset impairment loss	-	51,656
Reversal of write-downs of inventories	(18,175)	(55,249)
Unrealized loss (gain) on foreign exchange, net	(36,716)	1,405
Changes in operating assets and liabilities:		
Financial assets mandatorily classified as at fair value through profit or loss	-	175,843
Notes receivable	2,494,761	2,235,946
Accounts receivable	(1,227,805)	(736,739)
Notes and accounts receivable from related parties	(207,594)	45,311
Other receivables	28,515	1,865
Other receivables from related parties	4,357	44,453
Inventories	(2,769,539)	(317,133)
Prepayments	(1,710,970)	(1,246,066)
Other current assets	184,572	(126,485)
Contract liabilities	582,675	837,898
Notes and accounts payable	2,072,307	(925,439)
Other payables	(2,365,024)	(1,424,084)
Other payables to related parties	457,530	570
Other current liabilities	(313,996)	101,386
Net defined benefit liabilities	<u>(12,842)</u>	<u>(34,601)</u>
Cash generated from operations	18,472,413	27,120,177
Income tax paid	<u>(6,078,963)</u>	<u>(6,863,209)</u>
Net cash generated from operating activities	<u>12,393,450</u>	<u>20,256,968</u>

(Continued)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of financial assets at fair value through other comprehensive income	\$ 2,182,067	\$ 1,057,782
Purchase of financial assets at amortized cost	-	(27,120,683)
Disposal of financial assets at amortized cost	652,942	-
Acquisition of long-term equity investments accounted for using the equity method	(764,614)	(234,020)
Acquisition of subsidiaries	(1,645,144)	-
Disposal of subsidiary	(126,538)	-
Payments for property, plant and equipment	(9,439,364)	(6,112,067)
Proceeds from disposal of property, plant and equipment	154,683	56,784
Increase in other receivables from related parties	-	(110,000)
Payments for intangible assets	(184,600)	(36,719)
Payments for right-of-use assets	(347,107)	-
Decrease in finance lease receivables	1,188,493	1,818,442
Decrease (increase) in other non-current assets	(350,501)	596,732
Interest received	1,103,110	872,464
Dividends received	<u>2,663,191</u>	<u>2,474,652</u>
Net cash used in investing activities	<u>(4,913,382)</u>	<u>(26,736,633)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	4,145,112	3,353,420
Increase in short-term bills payable	648,744	1,339,985
Issuance of bonds	16,600,000	19,960,000
Increase in long-term loans	8,778,286	4,002,564
Repayment of long-term loans	(10,237,956)	(4,755,932)
Increase in long-term bills payable	22,000,000	30,770,049
Decrease in long-term bills payable	(15,000,000)	(37,656,000)
Repayment of the principal portion of lease liabilities	(336,894)	(346,038)
Increase (decrease) in other non-current liabilities	(56,514)	26,315
Cash dividends paid	(22,978,591)	(16,479,654)
Treasury shares transferred to employees	93,025	19,471
Payment for buy-back of treasury shares	-	(171,600)
Acquisition of subsidiaries	(957,730)	(739,115)
Interest paid	(1,370,090)	(1,566,758)
Payments for buy-back of ordinary shares	<u>(900)</u>	<u>-</u>
Net cash used in financing activities	<u>1,326,492</u>	<u>(2,243,293)</u>

(Continued)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2021	2020
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	\$ <u>(281,273)</u>	\$ <u>(537,482)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	8,525,287	(9,260,440)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>51,433,522</u>	<u>53,572,620</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 59,958,809</u>	<u>\$ 44,312,180</u>

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

(With Deloitte & Touche review report dated November 11, 2021)

(Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

1. GENERAL INFORMATION

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation’s Board of Directors on November 11, 2021.

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

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

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

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

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

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

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

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

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

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

- c. The New IFRSs issued by International Accounting Standard Board (IASB) but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 4)

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

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

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

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

c. Basis of consolidation

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

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

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

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

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

d. Other significant accounting policies

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

1) Disposal groups held for sale

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

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

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

2) Retirement benefits

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

3) Taxation

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

4) Cash-settled share-based payment arrangement

For cash-settled share-based payments, a liability is recognized for the goods or services acquired, measured initially at the fair value of the liability incurred. At the end of each reporting period until the liability is settled and at the date of settlement, the fair value of the liability is remeasured, with any changes in the fair value recognized in profit or loss.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

6. CASH AND CASH EQUIVALENTS

	September 30, 2021	December 31, 2020	September 30, 2020
Cash on hand	\$ 8,899	\$ 7,934	\$ 7,976
Checking accounts and demand deposits	27,633,693	30,351,013	23,864,313
Cash equivalents			
Time deposits with original maturities of less than 3 months	27,710,786	17,683,667	15,957,336
Bonds with repurchase agreements	<u>4,605,431</u>	<u>3,390,908</u>	<u>4,482,555</u>
	<u>\$ 59,958,809</u>	<u>\$ 51,433,522</u>	<u>\$ 44,312,180</u>

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

	September 30, 2021	December 31, 2020	September 30, 2020
Cash in banks	0.01%-3.00%	0.01%-3.00%	0.01%-3.00%
Bonds with repurchase agreements	0.18%-0.28%	0.19%-0.40%	0.26%-0.50%

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

	September 30, 2021	December 31, 2020	September 30, 2020
Current	\$ 15,157,115	\$ 15,769,277	\$ 12,348,988
Non-current	<u>16,360,700</u>	<u>16,475,021</u>	<u>20,301,926</u>
	<u>\$ 31,517,815</u>	<u>\$ 32,244,298</u>	<u>\$ 32,650,914</u>

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

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

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

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTPL			
Derivative instruments (not under hedge accounting)			
Redemption options and put options of convertible bonds	\$ 9	\$ 17,092	\$ 17,153
Non-derivative financial assets			
Domestic listed shares	236,224	234,963	205,247
Domestic emerging market shares	<u>99,081</u>	<u>101,931</u>	<u>101,117</u>
	<u>\$ 335,314</u>	<u>\$ 353,986</u>	<u>\$ 323,517</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Current</u>			
Domestic investments			
Listed shares	\$ 6,129,928	\$ 5,544,326	\$ 5,116,376
Convertible preference shares	<u>51,066</u>	<u>52,145</u>	<u>52,143</u>
	<u>\$ 6,180,994</u>	<u>\$ 5,596,471</u>	<u>\$ 5,168,519</u>
<u>Non-current</u>			
Domestic investments			
Unlisted shares	\$ 9,205,717	\$ 7,239,178	\$ 7,398,937
Foreign investments			
Listed shares	<u>18,939,825</u>	<u>24,664,109</u>	<u>27,097,402</u>
	<u>\$ 28,145,542</u>	<u>\$ 31,903,287</u>	<u>\$ 34,496,339</u>

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

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

9. NOTES AND ACCOUNTS RECEIVABLE

	September 30, 2021	December 31, 2020	September 30, 2020
Notes receivable	\$ 26,822,950	\$ 29,529,951	\$ 28,993,090
Less: Allowance for impairment loss	<u>(11,144)</u>	<u>(11,144)</u>	<u>(11,144)</u>
	<u>26,811,806</u>	<u>29,518,807</u>	<u>28,981,946</u>
Accounts receivable	9,423,149	9,654,937	9,649,875
Less: Allowance for impairment loss	<u>(158,672)</u>	<u>(132,295)</u>	<u>(85,865)</u>
	<u>9,264,477</u>	<u>9,522,642</u>	<u>9,564,010</u>
	<u>\$ 36,076,283</u>	<u>\$ 39,041,449</u>	<u>\$ 38,545,956</u>

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

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

The aging analysis of receivables was as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Up to 90 days	\$ 20,560,133	\$ 23,631,396	\$ 22,645,336
91-180 days	14,490,661	14,264,510	15,213,378
181-365 days	1,010,939	1,123,626	629,954
Over 365 days	<u>14,550</u>	<u>21,917</u>	<u>57,288</u>
	<u>\$ 36,076,283</u>	<u>\$ 39,041,449</u>	<u>\$ 38,545,956</u>

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

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

	For the Nine Months Ended September 30	
	2021	2020
Balance at January 1	\$ 143,439	\$ 105,937
Add: Net remeasurement of loss allowance	10,859	(8,486)
Less: Amounts written off	(1,141)	-
Acquisitions through business combinations	18,008	-
Foreign exchange gains and losses	<u>(1,349)</u>	<u>(442)</u>
Balance at September 30	<u>\$ 169,816</u>	<u>\$ 97,009</u>

10. FINANCE LEASE RECEIVABLES

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Undiscounted lease payments</u>			
Year 1	\$ 5,430,178	\$ 5,457,252	\$ 5,521,623
Year 2	5,520,987	5,550,758	5,430,178
Year 3	6,154,395	5,578,575	5,520,987
Year 4	6,171,216	6,127,364	6,154,395
Year 5	6,184,797	6,285,029	6,171,216
Year 6 onwards	<u>10,207,053</u>	<u>15,011,003</u>	<u>16,391,851</u>
	39,668,626	44,009,981	45,190,250
Less: Unearned finance income	12,185,855	14,708,766	15,464,539
Less: Accumulated impairment	<u>47,878</u>	<u>47,878</u>	<u>47,878</u>
Net investment in leases presented as finance lease receivables	<u>\$ 27,434,893</u>	<u>\$ 29,253,337</u>	<u>\$ 29,677,833</u>
Current (included in accounts receivable)	\$ 2,506,312	\$ 2,278,220	\$ 2,242,939
Non-current	<u>24,928,581</u>	<u>26,975,117</u>	<u>27,434,894</u>
	<u>\$ 27,434,893</u>	<u>\$ 29,253,337</u>	<u>\$ 29,677,833</u>

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

11. DISCONTINUED OPERATIONS

On March 19, 2021, the Board of Directors of the Corporation approved to sell all its issued shares of Taiwan Prosperity Chemical Corporation for the total consideration of \$2,400,000 thousand to Chang Chun Plastics Co., Ltd. According to the Share Purchase Agreement, the Corporation planned to assist the termination of Equipment Lease Agreement between Taiwan Prosperity Chemical Corporation and TCC Chemical Corporation before the closing. Taiwan Prosperity Chemical Corporation planned to pay \$400,000 thousand to TCC Chemical Corporation as the consideration of the termination. The Corporation has completed the share transaction on August 17, 2021. Please refer to Note 28 for detailed information relating to the disposal.

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

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

	July 1, 2021 to August 17, 2021	For the Three Months Ended September 30, 2020	January 1, 2021 to August 17, 2021	For the Nine Months Ended September 30, 2020
Operating revenue	\$ 1,962,041	\$ 2,175,887	\$ 8,113,370	\$ 5,814,745
Operating costs	<u>(1,862,885)</u>	<u>(2,003,060)</u>	<u>(7,143,150)</u>	<u>(5,953,733)</u>
Gross profit (loss)	99,156	172,827	970,220	(138,988)
Marketing expenses	(86,314)	(113,916)	(323,364)	(260,342)
General and administrative expenses	4,386	(13,825)	(25,477)	(40,660)
Research and development expenses	<u>(3,618)</u>	<u>(9,546)</u>	<u>(19,131)</u>	<u>(20,648)</u>
Profit (loss) from operations	13,610	35,540	602,248	(460,638)
Finance costs	(13,524)	(24,499)	(61,699)	(68,736)
Other income and expenses	<u>10,613</u>	<u>(5,940)</u>	<u>(10,866)</u>	<u>(50,947)</u>
Income (loss) before income tax	10,699	5,101	529,683	(580,321)
Income tax benefit (expense)	<u>3,718</u>	<u>(2,148)</u>	<u>2,462</u>	<u>(14,192)</u>
Net profit (loss) for the year	14,417	2,953	532,145	(594,513)
Gain on disposal (Note 28)	<u>521,414</u>	<u>-</u>	<u>521,414</u>	<u>-</u>
Profit (loss) from discontinued operations	<u>\$ 535,831</u>	<u>\$ 2,953</u>	<u>\$ 1,053,559</u>	<u>\$ (594,513)</u>
Profit (loss) from discontinued operations attributable to:				
Shareholders of the Corporation	\$ 535,831	\$ (8,241)	\$ 1,073,939	\$ (262,234)
Non-controlling interests	<u>-</u>	<u>11,194</u>	<u>(20,380)</u>	<u>(332,279)</u>
	<u>\$ 535,831</u>	<u>\$ 2,953</u>	<u>\$ 1,053,559</u>	<u>\$ (594,513)</u>
Net cash inflow (outflow) from:				
Operating activities			\$ 56,445	\$ 363,043
Investing activities			520,746	(32,302)
Financing activities			<u>597,907</u>	<u>682,754</u>
Net cash inflow			<u>\$ 1,175,098</u>	<u>\$ 1,013,495</u>

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

12. INVENTORIES

	September 30, 2021	December 31, 2020	September 30, 2020
Finished goods	\$ 2,212,254	\$ 2,248,212	\$ 2,385,156
Work in process	2,673,557	1,610,246	1,641,721
Raw materials	<u>6,352,889</u>	<u>4,083,297</u>	<u>4,430,307</u>
	<u>\$ 11,238,700</u>	<u>\$ 7,941,755</u>	<u>\$ 8,457,184</u>

The costs of inventories recognized as cost of goods sold for the three months ended September 30, 2021 and 2020 and for the nine months ended September 30, 2021 and 2020 were \$19,526,500 thousand, \$15,428,951 thousand, \$51,407,247 thousand and \$43,825,158 thousand, respectively. The cost of goods sold included reversal of (write-downs) of inventory as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Reversal of (write-downs) of inventory	\$ 18,317	\$ (2,003)	\$ 22,549	\$ 14,133

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

13. SUBSIDIARIES

a. Subsidiaries included in consolidated financial statements

The consolidated financial statements include subsidiaries as follows:

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark
			September 30, 2021	December 31, 2020	September 30, 2020	
Taiwan Cement Corporation	Taiwan Transport & Storage Corporation	Warehousing, transportation and sale of sand and gravel	83.9	83.9	83.9	1)
	TCC Investment Corporation	Investment	100.0	100.0	100.0	
	Kuan-Ho Refractories Industry Corporation	Production and sale of refractory materials	95.3	95.3	95.3	
	Hong Kong Cement Manufacturing Co., Ltd. ("HKCMCL")	Investment holding	84.7	84.7	84.7	
	Ta-Ho Maritime Corporation	Marine transportation	64.8	64.8	64.8	10)
	Taiwan Cement Engineering Corporation	Engineering services	99.2	99.2	99.1	1)
	TCC Green Energy Corporation	Renewable energy generation	100.0	100.0	100.0	
	TCC Chemical Corporation	Leasing property and energy technology services	100.0	100.0	100.0	
	TCC Information Systems Corporation	Information software design	99.4	99.4	99.4	
	Taiwan Prosperity Chemical Corporation	Processing and sale of chemical material	-	71.1	71.1	1), 10)
	Tung Chen Mineral Corporation	Afforestation and sale of limestone	99.5	99.5	99.5	
	Jin Chang Minerals Corporation	Afforestation and sale of limestone	100.0	100.0	100.0	
	Hoping Industrial Port Corporation	Hoping Industrial Port management	100.0	100.0	100.0	10)
	TCC International Ltd. ("TCCI")	Investment holding	100.0	100.0	100.0	10)
	TCCMOLI Holdings (Singapore) Pte. Ltd. ("TCCMOLI")	Investment holding	100.0	100.0	100.0	4)
	Ho-Ping Power Company	Thermal power generation	59.5	59.5	59.5	10)
	HPC Power Service Corporation	Business consulting	60.0	60.0	60.0	
	E.G.C. Cement Corporation	Sale of cement	50.6	50.6	50.6	
	Feng Sheng Enterprise Company Limited	Sale of ready-mixed concrete	45.4	45.4	45.4	3)
	Trans Philippines Mineral Corporation ("TPMC")	Mining excavation	40.0	40.0	40.0	3)
	Taicorn Minerals Corporation ("TMC")	Mining excavation	72.7	72.7	72.7	
	Ta-Ho RSEA Environment Co., Ltd.	Waste collection and treatment	66.6	66.6	66.6	10)
	Ho Sheng Mining Co., Ltd.	Mining excavation and sale of limestone	100.0	100.0	100.0	

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark
			September 30, 2021	December 31, 2020	September 30, 2020	
Taiwan Transport & Storage Corporation	TCC International Holdings Ltd. ("TCCIH")	Investment holding	38.3	38.3	38.3	10)
	Taiwan Cement (Dutch) Holdings B.V. ("TCC Dutch")	Investment holding	100.0	100.0	100.0	10)
	TCC Sustainable Energy Investment Corporation	Investment holding	100.0	100.0	100.0	4)
	TCC Energy Storage Technology Corporation	Energy storage equipment manufacturing, production and sales	100.0	100.0	100.0	4)
	Tuo Shan Recycle Technology Company	Waste collection and treatment	100.0	-	-	4)
	TCC Recycle Energy Technology Company	Investment holding	63.3	18.2	18.2	2), 10)
	E.G.C. Cement Corporation	Sale of cement	49.4	49.4	49.4	
	Ta-Ho Maritime Corporation	Marine transportation	29.2	29.2	29.2	7), 10)
	Tai-Jie Transport & Storage Corporation	Transportation	100.0	100.0	100.0	
	Union Cement Traders Inc.	Import and export trading	100.0	100.0	100.0	
TCC Investment Corporation	Ho-Ping Power Company	Thermal power generation	0.5	0.5	0.5	10)
	Taiwan Prosperity Chemical Corporation	Processing and sale of chemical material	-	0.2	0.2	1), 10)
	Ta-Ho Maritime Corporation	Marine transportation	-	-	-	10)
	TCC Recycle Energy Technology Company	Investment holding	1.9	4.9	4.9	2), 10)
HKCMCL	TCC Development Ltd.	Property leasing	100.0	100.0	100.0	
Ta-Ho Maritime Corporation	Ta-Ho Maritime Holdings Ltd.	Investment	100.0	100.0	100.0	
TCC Information Systems Corporation	Taicem Information (Samoa) Pte., Ltd.	Investment	100.0	100.0	100.0	
Hoping Industrial Port Corporation	Taiwan Prosperity Chemical Corporation	Processing and sale of chemical material	-	2.3	2.3	1), 10)
	TCC Recycle Energy Technology Company	Investment holding	0.7	1.8	1.8	2), 10)
TCCI	TCCIH	Investment holding	61.7	61.7	61.7	10)
TPMC	TMC	Mining excavation	18.2	18.2	18.2	
Union Cement Traders Inc.	Taiwan Transport & Storage Corporation	Warehousing, transportation and sale of sand and gravel	0.7	0.7	0.7	
	TCC Recycle Energy Technology Company	Investment holding	1.9	4.8	4.8	2), 10)
Ho-Ping Power Company	Ho-Ping Renewable Energy Company	Renewable energy generation	100.0	100.0	100.0	
TCC Green Energy Corporation	Chang-Wang Wind Power Co., Ltd.	Renewable energy generation	100.0	100.0	100.0	
	TCC Nan-Chung Green Energy Corporation	Renewable energy generation	100.0	100.0	100.0	
	TCC Kao-Cheng Green Energy Corporation	Renewable energy generation	100.0	100.0	100.0	
	TCC Chang-Ho Green Energy Corporation	Renewable energy generation	100.0	100.0	100.0	
	TCC Chia-Chien Green Energy Corporation	Renewable energy generation	100.0	100.0	100.0	
	TCC Yun-Kai Green Energy Corporation	Renewable energy generation	100.0	100.0	100.0	
	TCC Lien-Hsin Green Energy Corporation	Renewable energy generation	100.0	100.0	100.0	
	TCC Ping-Chih Green Energy Corporation	Renewable energy generation	100.0	100.0	100.0	
	Chia-Ho Green Energy Corporation	Renewable energy generation	100.0	100.0	100.0	
	TCC Tung-Li Green Energy Corporation	Renewable energy generation	100.0	-	-	4)
	Ta-Ho Maritime Holdings Ltd.	Marine transportation	100.0	100.0	100.0	
	THC International S.A.	Marine transportation	100.0	100.0	100.0	
	Ta-Ho Maritime (Singapore) Pte. Ltd.	Marine transportation	100.0	100.0	100.0	
	Fuzhou TCC Information Technology Co., Ltd.	Software product and equipment maintenance	100.0	100.0	100.0	
Ta-Ho Maritime (Hong Kong) Limited	Da Tong (Guigang) International Logistics Co., Ltd.	Logistics and transportation	100.0	100.0	100.0	
Da Tong (Guigang) International Logistics Co., Ltd.	Da Tong (Ying De) Logistics Co., Ltd.	Logistics and transportation	100.0	100.0	100.0	
	Guigang Da-Ho Shipping Co., Ltd.	Marine transportation	100.0	100.0	100.0	

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark
			September 30, 2021	December 31, 2020	September 30, 2020	
TCC Dutch	Taiwan Cement Europe Holdings B.V. (TCEH)	Investment holding	100.0	-	-	4), 10)
TCEH	NHOA S.A.	Investment holding	65.2	-	-	9), 10)
NHOA S.A.	NHOA ENERGY S.R.L.	Renewable energy and energy storage system construction	100.0	-	-	9),10)
	ELECTRO POWER SYSTEM MANUFACTURING	Renewable energy and energy storage system construction	100.0	-	-	9)
	Comores Énergie Nouvelles S.A.R.L.	Renewable energy and energy storage system construction	60.0	-	-	9)
NHOA ENERGY S.R.L.	FREE2MOVE ESOLUTIONS S.P.A.	Electric vehicle charging equipment	49.9	-	-	3), 9),10)
	NHOA AMERICAS LLC	Renewable energy and energy storage system construction	100.0	-	-	9)
	NHOA AUSTRALIA PTY LTD	Renewable energy and energy storage system construction	100.0	-	-	9)
TCC Recycle Energy Technology Company	E-One Moli Energy Corp.	Manufacturing and sales of Lithium battery	100.0	-	-	2), 10)
E-One Moli Energy Corp.	E-One Holdings Ltd.	Investment holding	100.0	-	-	2)
	Molie Quantum Energy Corporation	Manufacturing and sales of batteries, power generation machinery and electronic components	100.0	-	-	2), 10)
E-One Holdings Ltd.	E-One Moli Holdings (Canada) Ltd.	Investment holding	100.0	-	-	2)
E-One Moli Holdings (Canada) Ltd.	E-One Moli Energy (Canada) Ltd.	Battery research and development and sales	100.0	-	-	2)
TCCIH	Upper Value Investment Limited	Investment holding	100.0	100.0	100.0	
	Upper Value Investments Ltd. (“UPPV”)	Investment holding	100.0	100.0	100.0	10)
	TCC Hong Kong Cement (BVI) Holdings Ltd.	Investment holding	100.0	100.0	100.0	10)
	Ulexite Investments Ltd.	Investment holding	100.0	100.0	100.0	
Upper Value Investment Limited	Prime York Ltd.	Investment holding	100.0	100.0	100.0	
	Prosperity Minerals (International) Ltd.	Investment holding	100.0	100.0	100.0	
TCC Hong Kong Cement (BVI) Holdings Ltd.	TCC Hong Kong Cement Development Ltd.	Investment holding	100.0	100.0	100.0	
	TCC Hong Kong Cement (QHC) Ltd.	Investment holding	100.0	100.0	100.0	
	TCC Hong Kong Cement (Yargoan) Ltd.	Investment holding	100.0	100.0	100.0	
	TCC Hong Kong Cement (Philippines) Ltd.	Investment holding	100.0	100.0	100.0	
	TCC Hong Kong Cement (International) Ltd.	Investment holding	100.0	100.0	100.0	10)
	Hong Kong Cement Company Limited (“HKCCL”)	Sale of cement	100.0	100.0	100.0	
TCC Hong Kong Cement (QHC) Ltd.	Chiefolk Company Ltd.	Investment holding	70.0	70.0	70.0	
Chiefolk Company Ltd.	TCC International (Liuzhou) Ltd.	Investment holding	100.0	100.0	100.0	
TCC International (Liuzhou) Ltd.	TCC Liuzhou Company Ltd.	Investment holding	100.0	100.0	100.0	
TCC Liuzhou Company Ltd.	TCC Liuzhou Construction Materials Co., Ltd.	Manufacturing and sale of slag powder	60.0	60.0	60.0	
TCC Hong Kong Cement (Philippines) Ltd.	TCC Cement Corp.	Cement processing services	100.0	100.0	100.0	
TCC Hong Kong Cement (International) Ltd.	TCC International (Hong Kong) Co., Ltd. (“TCCI (HK)”)	Investment holding	100.0	100.0	100.0	10)
TCCI (HK)	TCC Guigang Mining Industrial Company Limited	Mining excavation	52.5	52.5	52.5	
	Jiangsu TCC Investment Co., Ltd.	Investment holding	100.0	100.0	100.0	
	Jingyang Industrial Limited	Investment holding	100.0	100.0	100.0	
	TCC International (Guangxi) Ltd.	Investment holding	100.0	100.0	100.0	

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark
			September 30, 2021	December 31, 2020	September 30, 2020	
Jiangsu TCC Investment Co., Ltd.	TCC Shaoguan Cement Co., Ltd.	Manufacturing and sale of cement	100.0	100.0	100.0	
	TCC Yingde Mining Industrial Company Limited	Mining excavation	48.9	48.9	48.9	
	TCC Yingde Cement Co., Ltd.	Manufacturing and sale of cement	100.0	100.0	100.0	10)
	TCC Jiangsu Mining Industrial Company Limited	Mining excavation	100.0	100.0	100.0	
	TCC Fuzhou Yangyu Port Co., Ltd.	Service of port facility	100.0	100.0	100.0	
	TCC (Dong Guan) Cement Company Ltd.	Manufacturing and sale of cement	100.0	100.0	100.0	
	TCC Fuzhou Cement Co., Ltd.	Manufacturing and sale of cement	100.0	100.0	100.0	
	TCC Huaihua Cement Company Limited	Manufacturing and sale of cement	31.0	31.0	31.0	10)
	Jurong TCC Cement Co., Ltd.	Manufacturing and sale of cement	21.5	21.5	21.5	10)
	Jurong TCC Environmental Co., Ltd.	Dangerous waste treatment	21.5	21.5	-	4)
Jingyang Industrial Limited	Jurong TCC Cement Co., Ltd.	Manufacturing and sale of cement	78.5	78.5	78.5	10)
	Jurong TCC Environmental Co., Ltd.	Dangerous waste treatment	78.5	78.5	-	4)
TCC International (Guangxi) Ltd.	TCC (Gui Gang) Cement Ltd.	Manufacturing and sale of cement	100.0	100.0	100.0	10)
	TCC (Hangzhou) Recycle Resource Technology Environmental Limited	Recycle Resource technology development, business management and sales	82.1	82.1	-	5)
TCC (Gui Gang) Cement Ltd.	TCC Huaying Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	100.0	
	TCC Guigang Mining Industrial Company Limited	Mining excavation	47.5	47.5	47.5	
	Guigang TCC Dong Yuan Environmental Technology Company Limited	Dangerous waste treatment	100.0	100.0	95.2	8)
	TCC (Hangzhou) Recycle Resource Technology Environmental Limited	Recycle Resource technology development, business management and sales	17.9	17.9	100.0	5)
TCC Yingde Cement Co., Ltd.	TCC Yingde Mining Industrial Company Limited	Mining excavation	34.8	34.8	34.8	
	Scitus Luzhou Concrete Co., Ltd.	Sale of ready-mixed concrete	25.0	25.0	25.0	
	Scitus Luzhou Cement Co., Ltd.	Manufacturing and sale of cement	10.0	10.0	10.0	
	Scitus Naxi Cement Co., Ltd.	Manufacturing and sale of cement	10.0	10.0	10.0	
	Scitus Hejiang Cement Co., Ltd.	Manufacturing and sale of cement	10.0	10.0	10.0	
	Beijing TCC Environmental Technology Co., Ltd.	Technology development, enterprise management and sales	100.0	100.0	100.0	
	TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	Environmental protection, cement and enterprise management consulting	100.0	100.0	100.0	
	TCC Yingde Mining Industrial Company Limited	Mining excavation	16.3	16.3	16.3	
	TCC Jingzhou Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	100.0	
	TCC Huaihua Concrete Company Limited	Sale of ready-mixed concrete	100.0	100.0	100.0	
UPPV	Wayly Holdings Ltd.	Investment holding	100.0	100.0	100.0	
	TCC International (China) Co., Ltd.	Investment holding	100.0	100.0	100.0	
	Kong On Cement Holdings Ltd.	Investment holding	65.0	65.0	65.0	
	Mega East Ltd.	Investment holding	100.0	100.0	100.0	
	Prosperity Minerals (China) Ltd.	Investment holding	100.0	100.0	100.0	
	Sure Kit Ltd.	Investment holding	100.0	100.0	100.0	

(Continued)

Investor	Investee	Main Business	Proportion of Ownership (%)			Remark
			September 30, 2021	December 31, 2020	September 30, 2020	
	Hensford Ltd.	Investment holding	100.0	100.0	100.0	
	Kiton Ltd.	Investment holding	100.0	100.0	100.0	
	Prosperity Cement Investment Ltd.	Investment holding	100.0	100.0	100.0	
	Scitus Cement (China) Holdings Ltd. ("Scitus Holdings")	Investment holding	100.0	100.0	100.0	
Wayly Holdings Ltd.	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Manufacturing and sale of cement	100.0	100.0	100.0	
TCC International (China) Co., Ltd.	TCC New (Hangzhou) Management Company Limited	Operation management	100.0	100.0	100.0	
Kong On Cement Holdings Ltd.	Guizhou Kong On Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	100.0	
Mega East Ltd.	Guangan Changxing Cement Company Ltd.	Manufacturing and sale of cement	100.0	100.0	100.0	6)
Sure Kit Ltd.	TCC Chongqing Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	100.0	10)
Hensford Ltd.	TCC Anshun Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	100.0	10)
Kiton Ltd.	TCC Liaoning Cement Company Limited	Manufacturing and sale of cement	100.0	100.0	100.0	
Prosperity Cement Investment Ltd.	Yingde Dragon Mountain Cement Co., Ltd.	Manufacturing and sale of cement	100.0	100.0	100.0	10)
TCC Anshun Cement Company Limited	Anshun Xin Tai Construction Materials Company Limited	Filtering of sand and gravel and sale of ready-mixed concrete	100.0	100.0	100.0	
TCC New (Hangzhou) Management Company Limited	Kaili TCC Environment Technology Co., Ltd.	Waste collection and treatment	100.0	100.0	100.0	
Scitus Holdings	Scitus Cement (China) Operating Co., Ltd.	Investment holding	100.0	100.0	100.0	
	Hexagon XIV Holdings Ltd.	Investment holding	100.0	100.0	100.0	
	Hexagon XIII Holdings Ltd.	Investment holding	100.0	100.0	100.0	
	Hexagon IX Holdings Ltd.	Investment holding	100.0	100.0	100.0	
	Hexagon VIII Holdings Ltd.	Investment holding	100.0	100.0	100.0	
	Hexagon V Holdings Ltd.	Investment holding	100.0	100.0	100.0	
	Hexagon IV Holdings Ltd.	Investment holding	100.0	100.0	100.0	
	Hexagon III Holdings Ltd.	Investment holding	100.0	100.0	100.0	
	Hexagon II Holdings Ltd.	Investment holding	100.0	100.0	100.0	
	Hexagon Holdings Ltd.	Investment holding	100.0	100.0	100.0	
Hexagon IX Holdings Ltd.	Scitus Hejiang Cement Co., Ltd.	Manufacturing and sale of cement	90.0	90.0	90.0	
Hexagon IV Holdings Ltd.	Scitus Luzhou Cement Co., Ltd.	Manufacturing and sale of cement	90.0	90.0	90.0	
Hexagon III Holdings Ltd.	Scitus Naxi Cement Co., Ltd.	Manufacturing and sale of cement	90.0	90.0	90.0	
Hexagon XIV Holdings Ltd.	Scitus Luzhou Concrete Co., Ltd.	Sales of ready-mixed concrete	75.0	75.0	75.0	
Scitus Luzhou Cement Co., Ltd.	TCC Jiuyuan (Xuyong) Environmental Technology Co., Ltd.	Technology development, enterprise management and sales	55.0	55.0	55.0	
Jurong TCC Cement Co., Ltd.	TCC Huaihua Cement Company Limited	Manufacturing and sale of cement	69.0	69.0	69.0	10)

(Concluded)

Remarks:

- 1) The Corporation conducted a tender offer of 31.1% of the ordinary shares of Taiwan Prosperity Chemical Corporation in September 2020, and purchased 28.9% of the ordinary shares of Taiwan Prosperity Chemical Corporation in the first quarter of 2021, including 0.2% of the ordinary shares from TCC Investment Corporation and 2.3% of the ordinary shares from Hoping Industrial Port Corporation. In March 2021, the Board of Directors of the Corporation approved to sell all issued shares of Taiwan Prosperity Chemical Corporation. The Corporation completed the transaction and lost the control of Taiwan Prosperity Chemical Corporation in August 2021. The Corporation purchased shares of Taiwan Cement Engineering Corporation in 2020 and in the first three quarters of 2021. The Corporation purchased shares of Taiwan Transport & Storage Corporation in 2020. Refer to Notes 28 and 29 for information relating to the aforementioned equity acquisition transaction.

- 2) TCC Recycle Energy Technology Company increased its capital by \$10,000,000 thousand by cash in August 2021. The Group invested \$9,232,894 thousand in TCC Recycle Energy Technology Company and its subsidiaries. Due to the non-subscription by other shareholders, the shares held by the Group increased from 29.7% to 67.8% and the Group obtained the right to control TCC Recycle Energy Technology Company and its subsidiaries. Thus TCC Recycle Energy Technology Company was included in the consolidated entities from August 2021. Please refer to Note 27 for details.
- 3) Although the Group's percentages of ownership in Feng Sheng Enterprise Company Limited, TPMC and FREE2MOVE ESOLUTION S.P.A. were less than 50%, the Group still has control over those entities. Thus, Feng Sheng Enterprise Company Limited, TPMC and FREE2MOVE ESOLUTION S.P.A. are considered as subsidiaries of the Group. According to the agreement, other shareholders' investment in FREE2MOVE ESOLUTION S.P.A. will be paid in January 2022 and January 2023. As of September 30, 2021, the uncollected amount is accounted for as other receivables from related parties (including current and non-current).
- 4) TCC Sustainable Energy Investment Corporation, TCC Energy Storage Technology Corporation, TCC (Hangzhou) Recycle Resource Technology Environmental Limited and Jurong TCC Environmental Co., Ltd. were established in 2020. TCC Tung-Li Green Energy Corporation, Tuo Shan Recycle Technology Company and TCEH were established in the first three quarters of 2021. TCCMOLI was in the process of liquidation as at the end of September 2021.
- 5) Due to the non-subscription by the original shareholders of TCC (Hangzhou) Recycle Resource Technology Environmental Limited, the shareholding ratio would be disclosed based on the actual capital injection ratio.
- 6) TCC Guangan Cement Company Limited changed its name to Guangan Changxing Cement Co., Ltd. in the fourth quarter of 2020.
- 7) Taiwan Transport & Storage Corporation purchased 0.05% equity and shares of Ta-Ho Maritime Corporation in 2020 and in the first three quarters of 2021. Refer to Note 29 for information relating to the aforementioned equity acquisition transaction.
- 8) Guigang TCC Dong Yuan Environmental Technology Company Limited was 95.2% owned by TCC (Gui Gang) Cement Ltd. in the first three quarters of 2020. In 2020, due to non-subscription by minority shareholders, TCC (Gui Gang) Cement Ltd.'s percentage of ownership in Guigang TCC Dong Yuan Environmental Technology Company Limited increased to 100%.
- 9) TCEH acquired 60.5% ordinary shares of NHOA S.A. from Group Engie SA and the right to control NHOA S.A. and its subsidiaries in July 2021. TCEH filed a simple compulsory tender offer to acquire 4.7% of NHOA S.A. by cash in September 2021. Please refer to Note 27 and 29 for details relating to the share purchase transaction.
- 10) Except for the financial statements of Ta-Ho RSEA Environment Co., Ltd. which were not reviewed for the nine months ended September 30, 2020, the financial statements for the nine months ended September 30, 2021 and 2020 of the consolidated subsidiaries were reviewed by auditors.
- 11) Except for those mentioned directly above in Remark 10, the remaining subsidiaries' financial statements for the nine months ended September 30, 2021 and 2020 were not reviewed by auditors.

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

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

The Board of Directors of the Corporation approved the tender offer of the ordinary shares of Taiwan Prosperity Chemical Corporation with \$18 per share in July 2020 and approved the share swap by cash for the acquisition of 100% shares of Taiwan Prosperity Chemical Corporation and the delisting of the shares of Taiwan Prosperity Chemical Corporation in accordance with the applicable laws and regulations in September 2020. As of December 31, 2020, the Corporation had conducted the tender offer of 31.1% of the ordinary shares. The proportion of the Group's ownership was 73.6% and the proportion of the non-controlling interests decreased to 26.4%. On January 18, 2021, the Corporation acquired the ordinary shares of Taiwan Prosperity Chemical Corporation with share swap by cash in accordance with the Business Mergers and Acquisitions Act and the share swap agreement. The Corporation paid \$18 per share to other shareholders of Taiwan Prosperity Chemical Corporation, including the shares purchased from Taiwan Prosperity Chemical Corporation and Hoping Industrial Port Corporation, amounting \$685,845 thousand. Since then Taiwan Prosperity Chemical Corporation has become a wholly owned subsidiary of the Corporation. Meanwhile, the securities of Taiwan Prosperity Chemical Corporation were under suspension of trading and delisted on the same day with approval by competent authority. The Board of Directors of the Corporation approved the resolution in March 2021 to sell all the shares of Taiwan Prosperity Chemical Corporation. The Corporation completed the transaction and lost the control of Taiwan Prosperity Chemical Corporation in August 2021. Please refer to Notes 11, 28 and 29 for details.

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

The summarized financial information below represents amounts before intragroup eliminations.

Taiwan Prosperity Chemical Corporation

	December 31, 2020	September 30, 2020
Current assets	\$ 4,699,229	\$ 4,459,254
Non-current assets	3,910,575	4,090,425
Current liabilities	(3,893,618)	(3,615,059)
Non-current liabilities	<u>(3,682,570)</u>	<u>(4,017,957)</u>
Equity	<u>\$ 1,033,616</u>	<u>\$ 916,663</u>
Equity attributable to:		
Owners of Taiwan Prosperity Chemical Corporation	\$ 760,847	\$ 674,758
Non-controlling interests of Taiwan Prosperity Chemical Corporation	<u>272,769</u>	<u>241,905</u>
	<u>\$ 1,033,616</u>	<u>\$ 916,663</u>

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

Ho-Ping Power Company

	September 30, 2021	December 31, 2020	September 30, 2020
Current assets	\$ 8,343,928	\$ 8,307,788	\$ 7,693,347
Non-current assets	25,598,910	28,361,144	28,260,627
Current liabilities	(2,190,831)	(2,749,424)	(3,116,576)
Non-current liabilities	<u>(2,988,532)</u>	<u>(3,197,644)</u>	<u>(3,290,811)</u>
Equity	<u>\$ 28,763,475</u>	<u>\$ 30,721,864</u>	<u>\$ 29,546,587</u>
Equity attributable to:			
Owners of Ho-Ping Power Company	\$ 17,254,618	\$ 18,429,651	\$ 17,724,485
Non-controlling interests of Ho-Ping Power Company	<u>11,508,857</u>	<u>12,292,213</u>	<u>11,822,102</u>
	<u>\$ 28,763,475</u>	<u>\$ 30,721,864</u>	<u>\$ 29,546,587</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Operating revenue	<u>\$ 3,351,122</u>	<u>\$ 4,120,356</u>	<u>\$ 8,733,223</u>	<u>\$ 11,555,236</u>
Net profit for the period	\$ 597,818	\$ 2,539,987	\$ 2,685,162	\$ 6,093,086
Other comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>216</u>
Total comprehensive income for the period	<u>\$ 597,818</u>	<u>\$ 2,539,987</u>	<u>\$ 2,685,162</u>	<u>\$ 6,093,302</u>
Net profit attributable to:				
Owners of Ho-Ping Power Company	\$ 358,691	\$ 1,523,992	\$ 1,611,098	\$ 3,655,852
Non-controlling interests of Ho-Ping Power Company	<u>239,127</u>	<u>1,015,995</u>	<u>1,074,064</u>	<u>2,437,234</u>
	<u>\$ 597,818</u>	<u>\$ 2,539,987</u>	<u>\$ 2,685,162</u>	<u>\$ 6,093,086</u>
Total comprehensive income attributable to:				
Owners of Ho-Ping Power Company	\$ 358,691	\$ 1,523,992	\$ 1,611,098	\$ 3,655,981
Non-controlling interests of Ho-Ping Power Company	<u>239,127</u>	<u>1,015,995</u>	<u>1,074,064</u>	<u>2,437,321</u>
	<u>\$ 597,818</u>	<u>\$ 2,539,987</u>	<u>\$ 2,685,162</u>	<u>\$ 6,093,302</u>

	For the Nine Months Ended September 30	
	2021	2020
Net cash inflow (outflow) from:		
Operating activities	\$ 2,814,786	\$ 3,721,627
Investing activities	791,066	(137,593)
Financing activities	<u>(4,633,853)</u>	<u>(5,256,228)</u>
Net cash outflow	<u>\$ (1,028,001)</u>	<u>\$ (1,672,194)</u>
Dividends paid to non-controlling interests of Ho-Ping Power Company	<u>\$ 1,857,420</u>	<u>\$ 2,301,903</u>

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30, 2021	December 31, 2020	September 30, 2020
Investments in associates	<u>\$ 47,538,476</u>	<u>\$ 50,133,844</u>	<u>\$ 47,935,215</u>
Material associates			
Cimpor Global Holdings B.V.	\$ 26,800,347	\$ 28,748,060	\$ 27,715,733
Associates that are not individually material			
Prosperity Conch Cement Company Limited	7,156,054	7,247,911	6,693,306
International CSRC Investment Holdings Co., Ltd.	6,652,882	6,249,094	6,114,241
CCC USA Corp.	1,732,339	1,679,436	1,670,873
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.	1,581,645	1,742,842	1,632,859
ONYX Ta-Ho Environmental Services Co., Ltd.	1,068,354	815,179	769,983
Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd.	974,206	1,140,060	1,060,085
Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd.	692,314	-	-
Sichuan Taichang Building Material Group Company Limited	521,210	488,397	248,756
Quon Hing Concrete Co., Ltd.	143,787	130,615	125,671
Hong Kong Concrete Co., Ltd.	139,368	151,692	149,810
Guigang Conch-TCC New Material Technology Co., Ltd.	36,616	4,065	5,135
Guangan TCC Jiuyuan Environmental Technology Co., Ltd.	32,982	3,929	3,862
Synpac Ltd.	6,372	6,539	6,682
TCC Recycle Energy Technology Company	-	1,726,025	1,738,219
Chia Huan Tung Cement Corporation	-	-	-
Shih Hsin Storage & Transportation Co., Ltd.	-	-	-
	<u>\$ 47,538,476</u>	<u>\$ 50,133,844</u>	<u>\$ 47,935,215</u>

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

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

a. Material associates

	Proportion of Ownership		
	September 30, 2021	December 31, 2020	September 30, 2020
Cimpor Global Holdings B.V.	40.0%	40.0%	40.0%

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

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

Cimpor Global Holdings B.V.

	September 30, 2021	December 31, 2020	September 30, 2020	
Current assets	\$ 19,558,774	\$ 21,428,951	\$ 17,084,152	
Non-current assets	57,912,746	62,427,768	63,494,136	
Current liabilities	(15,628,982)	(15,901,917)	(13,628,309)	
Non-current liabilities	(9,856,081)	(12,355,266)	(11,986,001)	
Non-controlling interests	<u>(8,455,521)</u>	<u>(9,159,987)</u>	<u>(10,473,475)</u>	
Equity attributable to the Group	<u>\$ 43,530,936</u>	<u>\$ 46,439,549</u>	<u>\$ 44,490,503</u>	
Proportion of the Group’s ownership	40.0%	40.0%	40.0%	
Equity attributable to the Group	\$ 17,412,374	\$ 18,575,820	\$ 17,796,201	
Goodwill	<u>9,387,973</u>	<u>10,172,240</u>	<u>9,919,532</u>	
Carrying amounts	<u>\$ 26,800,347</u>	<u>\$ 28,748,060</u>	<u>\$ 27,715,733</u>	
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Operating revenue	<u>\$ 7,336,257</u>	<u>\$ 7,224,241</u>	<u>\$ 21,274,562</u>	<u>\$ 18,260,322</u>
Net profit for the period	\$ 692,039	\$ 835,869	\$ 2,148,719	\$ 1,381,359
Other comprehensive loss	<u>(32,893)</u>	<u>(1,318,743)</u>	<u>(1,274,539)</u>	<u>(2,632,057)</u>
Total comprehensive income (loss) for the period	<u>\$ 659,146</u>	<u>\$ (482,874)</u>	<u>\$ 874,180</u>	<u>\$ (1,250,698)</u>

b. Aggregate information of associates that are not individually material

	Proportion of Ownership		
	September 30, 2021	December 31, 2020	September 30, 2020
Prosperity Conch Cement Company Limited	25.0%	25.0%	25.0%
International CSRC Investment Holdings Co., Ltd. (Note 1)	19.2%	19.2%	19.2%
CCC USA Corp.	33.3%	33.3%	33.3%
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.	30.0%	30.0%	30.0%
ONYX Ta-Ho Environmental Services Co., Ltd.	50.0%	50.0%	50.0%
Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd.	30.0%	30.0%	30.0%
Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd. (Note 6)	40.0%	-	-
Sichuan Taichang Building Material Group Company Limited	30.0%	30.0%	30.0%
Quon Hing Concrete Co., Ltd.	50.0%	50.0%	50.0%
Hong Kong Concrete Co., Ltd.	31.5%	31.5%	31.5%
Guigang Conch-TCC New Material Technology Co., Ltd. (Note 2)	40.0%	40.0%	40.0%
Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd. (Note 3)	45.0%	45.0%	45.0%
Synpac Ltd.	25.0%	25.0%	25.0%
Yingjing Ximan New Material Co., Ltd. (Note 4)	30.0%	30.0%	-
TCC Recycle Energy Technology Company (Note 5)	-	29.7%	29.7%
Chia Huan Tung Cement Corporation (Note 1)	-	-	-
Shih Hsin Storage & Transportation Co., Ltd. (Note 1)	-	-	-

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
The Group's share of:				
Net income for the period	\$ 595,147	\$ 738,766	\$ 1,705,035	\$ 1,650,729
Other comprehensive income (loss)	<u>70,372</u>	<u>59,720</u>	<u>(29,289)</u>	<u>(329,810)</u>
Total comprehensive income for the period	<u>\$ 665,519</u>	<u>\$ 798,486</u>	<u>\$ 1,675,746</u>	<u>\$ 1,320,919</u>

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

- Note 2: The Group invested \$5,023 thousand in Guigang Conch-TCC New Material Technology Co., Ltd. in the third quarter of 2020. In addition, the Group increased its investment, and the investment amounts for the three months ended September 30, 2021 and for the nine months ended September 30, 2021 were \$0 thousand and \$36,442 thousand, respectively. The Group owns 40% shares of Guigang Conch-TCC New Material Technology Co., Ltd.
- Note 3: The Group invested \$3,731 thousand in Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd. in the third quarter of 2020. In addition, the Group increased its investment, and the investment amounts for the three months ended September 30, 2021 and for the nine months ended September 30, 2021, were \$0 thousand and \$29,375 thousand, respectively. The Group owns 45% shares of Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd.
- Note 4: Sichuan Taichang Building Material Group Company Limited has adjusted its internal organizational structure and transferred its 30% equity interest in Yingjing Company to the Group. The Group generated a credit balance for the equity method of investment due to the recognition of the investment loss of Yingjing Company. It was recognized by the Group under other non-current liabilities of \$165,763 thousand and \$167,446 thousand on September 30, 2021 and December 31, 2020, respectively.
- Note 5: TCC Recycle Energy Technology Company increased capital in August 2021. Due to the non-subscription by the original shareholders of TCC Recycle Energy Technology Company, the shares held by the Group increased to 67.8% and the Group also obtained the right of control of TCC Recycle Energy Technology Company. Thus TCC Recycle Energy Technology Company was included in the consolidated entities from August 2021. Please refer to Note 27 for details.
- Note 6: The Group invested in Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd. in the third quarter of 2021. The Group invested \$699,477 thousand and owned 40% shares of Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd.

15. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Miscellaneous Equipment	Property in Construction	Total
<u>Cost</u>						
Balance at January 1, 2020	\$ 20,676,526	\$ 48,461,498	\$ 92,919,161	\$ 14,931,799	\$ 6,516,379	\$ 183,505,363
Additions	388,217	62,860	215,519	233,696	2,493,181	3,393,473
Disposals	(18,843)	(15,847)	(516,075)	(194,057)	-	(744,822)
Reclassification	1,383,983	148,333	1,019,448	109,320	(894,528)	1,766,556
Effects of exchange rate changes	-	(223,029)	(342,729)	(108,810)	(16,649)	(691,217)
Balance at September 30, 2020	<u>\$ 22,429,883</u>	<u>\$ 48,433,815</u>	<u>\$ 93,295,324</u>	<u>\$ 14,971,948</u>	<u>\$ 8,098,383</u>	<u>\$ 187,229,353</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2020	\$ 274,188	\$ 17,858,784	\$ 67,448,532	\$ 7,963,743	\$ 78,797	\$ 93,624,044
Disposals	-	(14,844)	(461,645)	(153,038)	-	(629,527)
Depreciation expenses	-	1,013,342	2,944,591	516,330	-	4,474,263
Impairment loss	-	-	51,656	-	-	51,656
Reclassification	534,716	-	-	(265)	-	534,451
Effects of exchange rate changes	-	(54,171)	(177,554)	(17,126)	(572)	(249,423)
Balance at September 30, 2020	<u>\$ 808,904</u>	<u>\$ 18,803,111</u>	<u>\$ 69,805,580</u>	<u>\$ 8,309,644</u>	<u>\$ 78,225</u>	<u>\$ 97,805,464</u>
Carrying amounts at September 30, 2020	<u>\$ 21,620,979</u>	<u>\$ 29,630,704</u>	<u>\$ 23,489,744</u>	<u>\$ 6,662,304</u>	<u>\$ 8,020,158</u>	<u>\$ 89,423,889</u>

(Continued)

	Land	Buildings	Machinery and Equipment	Miscellaneous Equipment	Property in Construction	Total
Cost						
Balance at January 1, 2021	\$ 24,111,549	\$ 49,391,149	\$ 95,772,602	\$ 15,070,836	\$ 7,743,182	\$ 192,089,318
Additions	1,861,980	70,117	390,626	406,561	7,054,478	9,783,762
Disposals	(310,481)	(310,768)	(673,597)	(380,552)	(2,530,920)	(4,206,318)
Acquisitions through business combinations (Note 27)	84,427	2,418,663	4,175,521	413,563	225,197	7,317,371
Reclassification	(560,204)	356,492	(18,443,579)	(281,348)	(2,663,000)	(21,591,639)
Effects of exchange rate changes	(1,171)	(324,262)	(512,685)	(91,160)	(51,106)	(980,384)
Balance at September 30, 2021	<u>\$ 25,186,100</u>	<u>\$ 51,601,391</u>	<u>\$ 80,708,888</u>	<u>\$ 15,137,900</u>	<u>\$ 9,777,831</u>	<u>\$ 182,412,110</u>
Accumulated depreciation and impairment						
Balance at January 1, 2021	\$ 808,904	\$ 19,401,738	\$ 71,362,067	\$ 8,327,743	\$ 79,894	\$ 99,980,346
Disposals	-	(298,420)	(607,876)	(240,858)	-	(1,147,154)
Depreciation expenses	-	1,031,931	2,745,506	519,106	-	4,296,543
Acquisitions through business combinations (Note 27)	-	999,335	2,886,929	326,820	-	4,213,084
Reclassification	-	(158,049)	(18,571,185)	(490,760)	-	(19,219,994)
Effects of exchange rate changes	-	(101,196)	(312,359)	(23,017)	(803)	(437,375)
Balance at September 30, 2021	<u>\$ 808,904</u>	<u>\$ 20,875,339</u>	<u>\$ 57,503,082</u>	<u>\$ 8,419,034</u>	<u>\$ 79,091</u>	<u>\$ 87,685,450</u>
Carrying amounts at December 31, 2020 and January 1, 2021	<u>\$ 23,302,645</u>	<u>\$ 29,989,411</u>	<u>\$ 24,410,535</u>	<u>\$ 6,743,093</u>	<u>\$ 7,663,288</u>	<u>\$ 92,108,972</u>
Carrying amounts at September 30, 2021	<u>\$ 24,377,196</u>	<u>\$ 30,726,052</u>	<u>\$ 23,205,806</u>	<u>\$ 6,718,866</u>	<u>\$ 9,698,740</u>	<u>\$ 94,726,660</u>

(Concluded)

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

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

The Group assessed that the related products of the chemical segment were affected by changes in market demand, and the sales were below expectation; therefore, in the first three quarters of 2020, it recognized an impairment loss of \$51,656 thousand. The Group applied value in use to measure the recoverable amount of such equipment, and the discount rate before tax used was 18.21%.

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

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

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 34.

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

	For the Nine Months Ended September 30	
	2021	2020
Acquisitions of property, plant and equipment	\$ 9,783,762	\$ 3,393,473
Increase in prepayments for equipment	324,455	2,051,973
Decrease (increase) in payables for equipment	(662,170)	666,621
Increase in other non-current liabilities	<u>(6,683)</u>	<u>-</u>
	<u>\$ 9,439,364</u>	<u>\$ 6,112,067</u>

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2021		December 31, 2020		September 30, 2020	
<u>Carrying amounts</u>						
Land	\$ 12,784,799		\$ 12,538,669		\$ 11,446,495	
Buildings	768,580		658,456		700,850	
Machinery	490,211		200,348		216,481	
Others	<u>58,417</u>		<u>53,652</u>		<u>52,479</u>	
	<u>\$ 14,102,007</u>		<u>\$ 13,451,125</u>		<u>\$ 12,416,305</u>	
	For the Three Months Ended September 30		For the Nine Months Ended September 30			
	2021	2020	2021	2020		
Additions to right-of-use assets	<u>\$ 961,596</u>	<u>\$ 190,764</u>	<u>\$ 1,429,558</u>	<u>\$ 364,827</u>		
Depreciation charge for right-of-use assets						
Land	\$ 398,325	\$ 127,185	\$ 662,764	\$ 373,501		
Buildings	29,479	40,251	101,663	123,925		
Machinery	24,395	28,453	76,216	78,220		
Others	<u>6,273</u>	<u>5,218</u>	<u>18,456</u>	<u>15,509</u>		
	<u>\$ 458,472</u>	<u>\$ 201,107</u>	<u>\$ 859,099</u>	<u>\$ 591,155</u>		

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

b. Lease liabilities

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Carrying amounts</u>			
Current	\$ 364,352	\$ 315,451	\$ 343,689
Non-current	\$ 2,594,630	\$ 1,978,361	\$ 1,959,022

Range of discount rate for lease liabilities was as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Land	1.79%-4.45%	1.79%-4.90%	1.79%-4.90%
Buildings	1.79%-4.55%	1.79%-4.75%	1.79%-4.75%
Machinery	1.21%-2.20%	1.21%-2.05%	1.21%-2.00%
Others	1.85%-4.65%	1.76%-4.75%	1.76%-4.75%

c. Material lease-in activities and terms

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

d. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Expenses relating to short-term leases	\$ 293,239	\$ 315,001	\$ 901,681	\$ 798,436
Expenses relating to low-value asset leases	\$ 128	\$ 347	\$ 478	\$ 960
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 49,531	\$ 44,534	\$ 186,027	\$ 165,738
Total cash outflow for leases	\$ (491,346)	\$ (511,593)	\$ (1,500,467)	\$ (1,325,681)

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

17. INVESTMENT PROPERTIES

	September 30, 2021	December 31, 2020	September 30, 2020
Land	\$ 4,875,977	\$ 4,875,977	\$ 4,875,977
Buildings	551,616	575,457	580,973
	\$ 5,427,593	\$ 5,451,434	\$ 5,456,950

Except for depreciation expense and a transfer of the net proceeds from land used by the Group of \$849,267 thousand to property, plant and equipment in the first three quarters of 2020, the Group did not recognize significant additions, disposals or impairment loss of investment properties during the nine months ended September 30, 2021 and 2020.

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

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

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

18. INTANGIBLE ASSETS

	Goodwill	Operational Concession	Mining Rights	Others	Total
<u>Cost</u>					
Balance at January 1, 2020	\$ 11,603,510	\$ 7,681,476	\$ 3,184,609	\$ 1,190,994	\$ 23,660,589
Additions	-	-	26,583	10,136	36,719
Reclassification	-	-	-	560	560
Effects of exchange rate changes	(61,404)	-	(22,781)	(7,063)	(91,248)
Balance at September 30, 2020	<u>\$ 11,542,106</u>	<u>\$ 7,681,476</u>	<u>\$ 3,188,411</u>	<u>\$ 1,194,627</u>	<u>\$ 23,606,620</u>
<u>Accumulated amortization and impairment</u>					
Balance at January 1, 2020	\$ 156,000	\$ 1,208,888	\$ 1,529,944	\$ 1,109,639	\$ 4,004,471
Amortization expenses	-	113,333	147,926	41,842	303,101
Effects of exchange rate changes	-	-	(10,202)	(6,381)	(16,583)
Balance at September 30, 2020	<u>\$ 156,000</u>	<u>\$ 1,322,221</u>	<u>\$ 1,667,668</u>	<u>\$ 1,145,100</u>	<u>\$ 4,290,989</u>
Carrying amounts at September 30, 2020	<u>\$ 11,386,106</u>	<u>\$ 6,359,255</u>	<u>\$ 1,520,743</u>	<u>\$ 49,527</u>	<u>\$ 19,315,631</u>
<u>Cost</u>					
Balance at January 1, 2021	\$ 11,784,778	\$ 7,681,476	\$ 3,335,578	\$ 1,203,169	\$ 24,005,001
Additions	-	-	143,738	40,862	184,600
Acquisitions through business combinations (Note 27)	5,276,913	-	-	438,755	5,715,668
Effects of exchange rate changes	(234,305)	-	(32,888)	(21,769)	(288,962)
Balance at September 30, 2021	<u>\$ 16,827,386</u>	<u>\$ 7,681,476</u>	<u>\$ 3,446,428</u>	<u>\$ 1,661,017</u>	<u>\$ 29,616,307</u>
<u>Accumulated amortization and impairment</u>					
Balance at January 1, 2021	\$ 156,000	\$ 1,359,999	\$ 1,763,855	\$ 1,161,187	\$ 4,441,041
Amortization expenses	-	113,333	126,854	41,112	281,299
Acquisitions through business combinations (Note 27)	-	-	-	212,138	212,138
Effects of exchange rate changes	-	-	(18,568)	(14,360)	(32,928)
Balance at September 30, 2021	<u>\$ 156,000</u>	<u>\$ 1,473,332</u>	<u>\$ 1,872,141</u>	<u>\$ 1,400,077</u>	<u>\$ 4,901,550</u>
Carrying amounts at December 31, 2020 and January 1, 2021	<u>\$ 11,628,778</u>	<u>\$ 6,321,477</u>	<u>\$ 1,571,723</u>	<u>\$ 41,982</u>	<u>\$ 19,563,960</u>
Carrying amounts at September 30, 2021	<u>\$ 16,671,386</u>	<u>\$ 6,208,144</u>	<u>\$ 1,574,287</u>	<u>\$ 260,940</u>	<u>\$ 24,714,757</u>

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

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

19. BORROWINGS

a. Short-term loans

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Secured borrowings</u>			
Bank loans	\$ -	\$ 100,000	\$ 170,000
<u>Unsecured borrowings</u>			
Bank loans - unsecured	\$ 35,106,056	\$ 33,867,794	\$ 32,882,607
Bank loans - letters of credit	<u>537,267</u>	<u>707,660</u>	<u>583,777</u>
	<u>35,643,323</u>	<u>34,575,454</u>	<u>33,466,384</u>
	<u>\$ 35,643,323</u>	<u>\$ 34,675,454</u>	<u>\$ 33,636,384</u>
Interest rate	0.55%-1.11%	0.62%-1.15%	0.62%-1.85%

b. Short-term bills payable

	September 30, 2021	December 31, 2020	September 30, 2020
Commercial paper	\$ 6,900,000	\$ 6,250,000	\$ 7,220,000
Less: Unamortized discount on bills payable	<u>4,227</u>	<u>2,971</u>	<u>4,617</u>
	<u>\$ 6,895,773</u>	<u>\$ 6,247,029</u>	<u>\$ 7,215,383</u>
Interest rate	0.84%-1.11%	0.85%-1.15%	0.86%-1.17%

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

	September 30, 2021	December 31, 2020	September 30, 2020
Secured borrowings	\$ 2,247,750	\$ 5,278,160	\$ 5,958,756
Unsecured borrowings	<u>24,564,526</u>	<u>24,525,321</u>	<u>25,353,041</u>
	<u>26,812,276</u>	<u>29,803,481</u>	<u>31,311,797</u>
Less: Current portion	<u>8,202,250</u>	<u>4,805,000</u>	<u>5,061,151</u>
	<u>\$ 18,610,026</u>	<u>\$ 24,998,481</u>	<u>\$ 26,250,646</u>

(Continued)

	September 30, 2021	December 31, 2020	September 30, 2020
Long-term bills payable	\$ 12,000,000	\$ 5,000,000	\$ 5,000,000
Less: Discount on bills payable	<u>22,896</u>	<u>8,673</u>	<u>8,731</u>
	<u>\$ 11,977,104</u>	<u>\$ 4,991,327</u>	<u>\$ 4,991,269</u>
Interest rate			
Long-term loans	0.70%-3.75%	1.01%-1.89%	0.95%-1.89%
Long-term bills payable	1.18%	1.19%	1.16%
			(Concluded)

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

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

According to the syndicated loan agreement, if the subsidiary, Taiwan Prosperity Chemical Corporation, fails to meet the financial ratio requirements based on the financial data in the semi-annual or annual financial reports, the Corporation should improve its financial ratios within 6 months from the public announcement date of the semi-annual or annual financial reports; if an improvement is made within the aforementioned period, the Corporation would not be deemed as violating the financial covenants. The Corporation violated the above financial ratio requirements in 2019, but it has obtained a waiver from the credit bank in May 2020 to be exempt from the above-mentioned violation of financial ratio requirements, as well as from reviewing the Corporation's relevant financial ratios based on its financial reports from 2019 to 2021. The Group disposed of all its interests in Taiwan Prosperity Chemical Corporation in August 2021, refer to Note 28.

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

20. BONDS PAYABLE

	September 30, 2021	December 31, 2020	September 30, 2020
Domestic unsecured bonds			
1 st issued in 2018	\$ 12,000,000	\$ 12,000,000	\$ 12,000,000
1 st issued in 2019	12,600,000	12,600,000	12,600,000
1 st issued in 2020	20,000,000	20,000,000	20,000,000
1 st issued in 2021	<u>16,600,000</u>	<u>-</u>	<u>-</u>
	61,200,000	44,600,000	44,600,000
Less: Discount on bonds payable	<u>(115,192)</u>	<u>(83,620)</u>	<u>(86,775)</u>
	<u>61,084,808</u>	<u>44,516,380</u>	<u>44,513,225</u>
Overseas unsecured convertible bonds			
1 st issued in 2018	31,659	10,308,070	12,562,169
Less: Discount on bonds payable	<u>(2,135)</u>	<u>(927,080)</u>	<u>(1,223,521)</u>
	<u>29,524</u>	<u>9,380,990</u>	<u>11,338,648</u>
	<u>\$ 61,114,332</u>	<u>\$ 53,897,370</u>	<u>\$ 55,851,873</u>

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

On September 27, 2021, the Board of Directors of the Corporation resolved to issue overseas unsecured convertible bonds with the face value of no more than US\$800,000 thousand. As of the date the consolidated financial statements were authorized and issued, the Corporation has not issued any of the abovementioned bonds.

a. Domestic unsecured bonds

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

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

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

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

b. Overseas unsecured convertible bonds

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

Bondholders may request the Corporation to convert the bonds into the Corporation's ordinary shares at the price of NT\$41 per share at any time within the period from the following day after three months from the issuance date to 10 days prior to the maturity date. The conversion price after the issuance of convertible bonds will be adjusted according to the anti-dilution clause of the 2018 First Overseas Unsecured Convertible Bonds Issuance and Conversion Rules of the Corporation. The conversion price has been adjusted to NT\$29.87 per share since August 18, 2021, (the ex-dividend date). Bondholders can request the Corporation to convert the bonds at a fixed exchange rate of US\$1=NT\$30.878, which is to be divided by the conversion price per share on the conversion date. As of the issuance date of this consolidated financial report, a total of 385,700 thousand shares had been converted.

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

	September 30, 2020
Proceeds from issuance (less transaction costs of \$103,353 thousand)	\$ 12,247,847
Redemption of option derivatives (accounting for financial liabilities measured at FVTPL) and transaction costs	(159,222)
Equity component (less transaction costs allocated to the equity component of \$11,038 thousand)	<u>(1,308,070)</u>
Liability component at the date of issue (less transaction costs allocated to the liability component of \$90,971 thousand)	10,780,555
Interest charged at an effective interest rate of 3.27%	<u>374,463</u>
Liability component at December 31, 2019	11,155,018
Interest charged at an effective interest rate of 3.27%	274,667
Convertible bonds converted to ordinary shares (2,901 thousand shares has been converted)	<u>(91,037)</u>
Liability component at September 30, 2020	<u><u>\$ 11,338,648</u></u>
	September 30, 2021
Proceeds from issuance (less transaction costs of \$103,353 thousand)	\$ 12,247,847
Redemption of option derivatives (accounting for financial liabilities measured at FVTPL) and transaction costs	(159,222)
Equity component (less transaction costs allocated to the equity component of \$11,038 thousand)	<u>(1,308,070)</u>
Liability component at the date of issue (less transaction costs allocated to the liability component of \$90,971 thousand)	10,780,555
Interest charged at an effective interest rate of 3.27%	732,755
Convertible bonds converted to ordinary shares (71,755 thousand shares has been converted)	<u>(2,132,320)</u>
Liability component at December 31, 2020	9,380,990
Interest charged at an effective interest rate of 3.27%	77,360
Convertible bonds converted to ordinary shares (313,945 thousand shares has been converted)	<u>(9,428,826)</u>
Liability component at September 30, 2021	<u><u>\$ 29,524</u></u>

21. OTHER PAYABLES

	September 30, 2021	December 31, 2020	September 30, 2020
Salaries and bonuses payable	\$ 1,577,736	\$ 2,583,574	\$ 2,127,771
Payables for equipment	1,497,368	845,305	272,279
Deposits and retention money	1,254,435	1,126,321	1,073,094
Taxes payable	864,653	869,035	872,788
Payables for electricity	297,010	468,672	274,457
Interest payable	222,318	348,060	221,485
Freight payables	122,332	387,098	238,265
Others	<u>3,558,756</u>	<u>4,033,564</u>	<u>3,290,105</u>
	<u>\$ 9,394,608</u>	<u>\$ 10,661,629</u>	<u>\$ 8,370,244</u>

22. RETIREMENT BENEFIT PLANS

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Operating costs	\$ (230)	\$ (680)	\$ (467)	\$ (508)
Operating expenses	<u>(267)</u>	<u>(534)</u>	<u>(690)</u>	<u>1,215</u>
	<u>\$ (497)</u>	<u>\$ (1,214)</u>	<u>\$ (1,157)</u>	<u>\$ 707</u>

23. EQUITY

a. Share capital

1) Ordinary shares

	September 30, 2021	December 31, 2020	September 30, 2020
Number of shares authorized (in thousands)	<u>7,000,000</u>	<u>7,000,000</u>	<u>7,000,000</u>
Shares authorized	<u>\$ 70,000,000</u>	<u>\$ 70,000,000</u>	<u>\$ 70,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>6,123,580</u>	<u>5,741,401</u>	<u>5,741,401</u>
Shares issued	<u>\$ 61,235,800</u>	<u>\$ 57,414,007</u>	<u>\$ 57,414,007</u>

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

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

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

2) Preference shares

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

3) Certificate of entitlement to new shares from convertible bonds

	September 30, 2021	December 31, 2020	September 30, 2020
Number of shares requested for conversion but change in registration has not yet been completed (in thousands)	<u>620</u>	<u>68,854</u>	<u>-</u>
Shares requested for conversion but change in registration has not yet been completed (in thousands)	<u>\$ 6,203</u>	<u>\$ 688,542</u>	<u>\$ -</u>

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

b. Capital surplus

	September 30, 2021	December 31, 2020	September 30, 2020
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 1)			
Issuance of ordinary shares	\$ 44,176,367	\$ 44,176,367	\$ 44,176,367
Conversion of bonds	10,518,263	3,174,361	1,593,020
Difference between the consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	-	22,400	22,392
Treasury share transactions	204,127	204,127	204,127
Donations	31,537	31,537	31,537
May be used to offset a deficit only (Note 2)			
Changes in percentage of ownership interests in subsidiaries	114,239	116,238	116,238
Forfeited share options	16,456	13,542	13,542
Dividends distributed by subsidiaries not yet received by shareholders	2,510	2,510	2,161
Exercised employee share options	7,652	564	564
May not be used for any purpose			
Equity component of convertible bond	3,270	1,064,769	1,297,605
Changes in interests in associates accounted for using the equity method	<u>316,318</u>	<u>316,035</u>	<u>179,902</u>
	<u>\$ 55,390,739</u>	<u>\$ 49,122,450</u>	<u>\$ 47,637,455</u>

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

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

c. Retained earnings and dividend policy

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

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

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

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

The appropriations of earnings for 2020 and 2019, which were approved in the shareholders’ general meeting in July 2021 and June 2020, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share	
	For the Year Ended		(NT\$)	
	December 31		For the Year Ended	
	2020	2019	2020	2019
Legal reserve	\$ 2,530,554	\$ 2,448,745		
Cash dividends on preference shares	350,000	350,000	<u>\$ 1.75</u>	<u>\$ 1.75</u>
Cash dividends on ordinary shares	20,594,434	13,644,048	<u>\$ 3.50</u>	<u>\$ 2.50</u>
			(Note 1)	(Note 2)
Share dividends on ordinary shares	-	2,728,810	<u>\$ -</u>	<u>\$ 0.50</u>
				(Note 2)

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

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

d. Special reserve

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

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

e. Other equity items

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

	For the Nine Months Ended September 30	
	2021	2020
Balance at January 1	\$ (9,523,576)	\$ (11,660,261)
Recognized during the period		
Exchange differences on translating foreign operations	(1,302,934)	(827,905)
Share of exchange differences of associates and joint ventures accounted for using the equity method	<u>(3,007,593)</u>	<u>(833,608)</u>
Balance at September 30	<u>\$ (13,834,103)</u>	<u>\$ (13,321,774)</u>

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

	For the Nine Months Ended September 30	
	2021	2020
Balance at January 1	<u>\$ 30,670,817</u>	<u>\$ 35,395,116</u>
Recognized during the period		
Unrealized loss - equity instruments	(964,587)	(2,437,223)
Share of profit or loss of associates and joint ventures	<u>245,726</u>	<u>(95,530)</u>
Other comprehensive loss recognized in the period	(718,861)	(2,532,753)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	<u>(1,287,350)</u>	<u>(101,298)</u>
Balance at September 30	<u>\$ 28,664,606</u>	<u>\$ 32,761,065</u>

3) Cash flow hedges

	For the Nine Months Ended September 30	
	2021	2020
Balance at January 1	\$ (250)	\$ -
Gain on changes in the fair value of hedging instruments		
Exchange rate risk - spot exchange rate	-	129
Share from associates accounted for by using the equity method	250	(174)
Transferred to initial carrying amount of hedged items	<u>-</u>	<u>(129)</u>
Balance at September 30	<u>\$ -</u>	<u>\$ (174)</u>

f. Non-controlling interests

	For the Nine Months Ended September 30	
	2021	2020
Balance at January 1	\$ 14,758,236	\$ 14,777,799
Net income	1,403,511	2,299,065
Other comprehensive income (loss) in the period		
Exchange differences on translating foreign operations	(33,764)	(24,491)
Unrealized gain (loss) on financial assets at FVTOCI	14,042	(101,045)
Gain on fair value changes of cash flow hedges	-	87
Transferred to initial carrying amount of hedged items	-	(87)
Dividends paid by subsidiaries	(2,069,806)	(2,485,606)
Changes in ownership interests of subsidiaries	1,099	-
Non-controlling interests arising from acquisition of subsidiaries (Note 27)	5,335,620	-
Acquisition of non-controlling interests in subsidiaries (Note 29)	<u>(203,056)</u>	<u>(294,723)</u>
Balance at September 30	<u>\$ 19,205,882</u>	<u>\$ 14,170,999</u>

g. Treasury shares

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

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

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

24. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations includes the following items:

a. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
An analysis of depreciation by account				
Property, plant and equipment	\$ 1,414,493	\$ 1,335,885	\$ 4,168,241	\$ 3,988,468
Right-of-use assets	458,472	175,446	833,451	514,252
Investment properties	<u>5,145</u>	<u>5,182</u>	<u>15,367</u>	<u>15,592</u>
	<u>\$ 1,878,110</u>	<u>\$ 1,516,513</u>	<u>\$ 5,017,059</u>	<u>\$ 4,518,312</u>
An analysis of depreciation by function				
Operating costs	\$ 1,767,301	\$ 1,433,838	\$ 4,735,976	\$ 4,211,744
Operating expenses	110,765	82,463	279,018	305,928
Non-operating expenses	<u>44</u>	<u>212</u>	<u>2,065</u>	<u>640</u>
	<u>\$ 1,878,110</u>	<u>\$ 1,516,513</u>	<u>\$ 5,017,059</u>	<u>\$ 4,518,312</u>
An analysis of amortization by function				
Operating costs	\$ 84,689	\$ 86,229	\$ 248,054	\$ 267,110
Operating expenses	<u>12,798</u>	<u>11,920</u>	<u>33,245</u>	<u>35,991</u>
	<u>\$ 97,487</u>	<u>\$ 98,149</u>	<u>\$ 281,299</u>	<u>\$ 303,101</u>

b. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Retirement benefit plans				
Defined contribution plans	\$ 139,695	\$ 48,689	\$ 396,528	\$ 148,161
Defined benefit plans	<u>(497)</u>	<u>(1,214)</u>	<u>(1,157)</u>	<u>707</u>
	<u>139,198</u>	<u>47,475</u>	<u>395,371</u>	<u>148,868</u>
Share-based payments				
Equity-settled	-	-	24,325	4,808
Cash-settled	<u>105,960</u>	<u>-</u>	<u>105,960</u>	<u>-</u>
	<u>105,960</u>	<u>-</u>	<u>130,285</u>	<u>4,808</u>
Other employee benefits	<u>2,060,271</u>	<u>1,770,059</u>	<u>5,598,253</u>	<u>5,067,665</u>
Total employee benefits expense	<u>\$ 2,305,429</u>	<u>\$ 1,817,534</u>	<u>\$ 6,123,909</u>	<u>\$ 5,221,341</u>

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
An analysis of employee benefits expense by function				
Operating costs	\$ 1,553,002	\$ 1,228,158	\$ 4,078,834	\$ 3,464,314
Operating expenses	<u>752,427</u>	<u>589,376</u>	<u>2,045,075</u>	<u>1,757,027</u>
	<u>\$ 2,305,429</u>	<u>\$ 1,817,534</u>	<u>\$ 6,123,909</u>	<u>\$ 5,221,341</u>
				(Concluded)

c. Compensation of employees and remuneration of directors

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Compensation of employees	\$ 15,177	\$ 9,462	\$ 47,460	\$ 56,793
Remuneration of directors	<u>\$ 48,062</u>	<u>\$ 66,968</u>	<u>\$ 150,290</u>	<u>\$ 179,765</u>

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

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

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

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

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

d. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Interest on bank borrowings	\$ 167,118	\$ 181,402	\$ 544,041	\$ 698,387
Interest on corporate bonds	133,274	215,443	450,565	587,695
Interest on lease liabilities	20,398	7,772	37,275	22,808
Other finance costs	<u>90,434</u>	<u>44,037</u>	<u>173,201</u>	<u>136,042</u>
	<u>\$ 411,224</u>	<u>\$ 448,654</u>	<u>\$ 1,205,082</u>	<u>\$ 1,444,932</u>

e. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Interest on bank deposits	\$ 385,069	\$ 311,974	\$ 1,151,192	\$ 970,782
Others	<u>4,175</u>	<u>11,956</u>	<u>4,986</u>	<u>17,684</u>
	<u>\$ 389,244</u>	<u>\$ 323,930</u>	<u>\$ 1,156,178</u>	<u>\$ 988,466</u>

25. INCOME TAX RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Current tax				
In respect of the current period	\$ 1,034,151	\$ 1,948,344	\$ 4,160,542	\$ 5,486,128
Adjustments for prior periods	<u>2,114</u>	<u>(6,605)</u>	<u>(106,529)</u>	<u>(231,665)</u>
	<u>1,036,265</u>	<u>1,941,739</u>	<u>4,054,013</u>	<u>5,254,463</u>
Deferred tax				
In respect of the current period	<u>(45,538)</u>	<u>153,362</u>	<u>105,046</u>	<u>242,499</u>
	<u>\$ 990,727</u>	<u>\$ 2,095,101</u>	<u>\$ 4,159,059</u>	<u>\$ 5,496,962</u>

b. Income tax return assessments

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

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

26. EARNINGS PER SHARE

	Unit: NT\$ Per Share			
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Basic earnings (loss) per share				
From continuing operations	\$ 0.50	\$ 1.30	\$ 2.23	\$ 3.20
From discontinued operations	<u>0.09</u>	<u>-</u>	<u>0.18</u>	<u>(0.05)</u>
	<u>\$ 0.59</u>	<u>\$ 1.30</u>	<u>\$ 2.41</u>	<u>\$ 3.15</u>
Diluted earnings (loss) per share				
From continuing operations	\$ 0.50	\$ 1.23	\$ 2.20	\$ 3.03
From discontinued operations	<u>0.09</u>	<u>-</u>	<u>0.18</u>	<u>(0.04)</u>
	<u>\$ 0.59</u>	<u>\$ 1.23</u>	<u>\$ 2.38</u>	<u>\$ 2.99</u>

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Profit for the period attributable to owners of the Corporation (Note)	\$ 3,634,484	\$ 7,472,614	\$ 14,486,550	\$ 18,057,237
Loss (profit) for the period used in the computation of basic earnings per share from discontinued operations	<u>(535,831)</u>	<u>8,241</u>	<u>(1,073,939)</u>	<u>262,234</u>
Profit used in the computation of basic earnings per share from continuing operations	3,098,653	7,480,855	13,412,611	18,319,471
Effect of potentially dilutive ordinary shares:				
Interest on convertible bonds	<u>282</u>	<u>70,201</u>	<u>67,286</u>	<u>211,213</u>
Profit used in the computation of diluted earnings per share from continuing operations	<u>\$ 3,098,935</u>	<u>\$ 7,551,056</u>	<u>\$ 13,479,897</u>	<u>\$ 18,530,684</u>
<u>Number of shares (in thousands)</u>				
Weighted average number of ordinary shares in computation of basic earnings per share	6,114,728	5,729,105	6,007,803	5,729,368
Effect of potentially dilutive ordinary shares:				
Compensation of employees	931	1,372	1,673	2,134
Convertible bonds	<u>1,459</u>	<u>384,528</u>	<u>106,752</u>	<u>385,923</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>6,117,118</u>	<u>6,115,005</u>	<u>6,116,228</u>	<u>6,117,425</u>

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

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

27. BUSINESS COMBINATIONS

a. Subsidiaries acquired

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

On April 19, 2021, the Board of Directors of the Corporation resolved to acquire 60.5% of the ordinary shares of Engie EPS in order to expand the Group's energy storage business. The Group acquired 7,721,453 shares of Engie EPS from Engie SA group for a cash payment of EUR\$17.1 per share on July 20, 2021, and Engie EPS changed its name to NHOA S.A. on the same day.

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

b. Consideration transferred

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

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

	NHOA S.A.	TCC Recycle Energy Technology Company
Current assets		
Cash and cash equivalents	\$ 354,778	\$ 11,624,517
Trade and other receivables	154,344	539,583
Inventories	99,534	1,289,974
Other current assets	410,461	258,499
Non-current assets		
Property, plant and equipment	215,757	2,888,530
Intangible assets	226,617	-
Other non-current assets	286,453	689,442
		(Continued)

	NHOA S.A.	TCC Recycle Energy Technology Company
Current liabilities		
Short-term borrowings	\$ (33,376)	\$ (11,129)
Trade and other payables	(308,958)	(694,594)
Long-term borrowings (expired within a year)	-	(300,000)
Other current liabilities	(432,490)	(398,269)
Non-current liabilities		
Long-term borrowings	(1,190,060)	-
Other non-current liabilities	<u>(149,897)</u>	<u>(123,469)</u>
Net assets acquired (net liabilities assumed)	<u>\$ (366,837)</u>	<u>\$ 15,763,084</u> (Concluded)

A tentative set of accounting principle was applied in the acquisition of NHOA S.A. and TCC Recycle Energy Technology Company at the date the consolidated financial statements were authorized for issue.

d. Non-controlling interests

The non-controlling interests recognized at the acquisition date were measured by the proportion of identifiable net assets owned. As mentioned above, the measurement of non-controlling interests as of September 30, 2021 was only tentative.

e. Goodwill recognized on acquisitions

	NHOA S.A.	TCC Recycle Energy Technology Company
Consideration transferred	\$ 4,391,545	\$ 9,232,894
Fair value of equity at acquisition date	-	1,713,101
Non-controlling interests	258,331	5,077,289
Fair value of identifiable net assets acquired (net liabilities assumed)	<u>366,837</u>	<u>(15,763,084)</u>
Goodwill recognized on acquisitions	<u>\$ 5,016,713</u>	<u>\$ 260,200</u>

The goodwill recognized in the acquisition of NHOA S.A. mainly represents the control premium included in the cost of the combinations. In addition, the consideration paid for the combinations effectively included amounts attributed to the benefits of expected synergies, revenue growth, and future market development. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

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

As of September 30, 2021, the Group had not finished identifying the difference between the investment cost and net fair value of NHOA S.A. and TCC Recycle Energy Technology Company. Hence, the difference is temporarily recognized as goodwill.

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

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

g. Impact of acquisitions on the results of the Group

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

	NHOA S.A.	TCC Recycle Energy Technology Company
Operating revenue	<u>\$ 118,968</u>	<u>\$ 908,282</u>
Net income (loss)	<u>\$ (92,268)</u>	<u>\$ 32,342</u>

Had the acquisition happened at the beginning of 2021, the Group's revenue would have been \$27,215,567 thousand and \$79,392,053 thousand, and the profit would have been \$4,158,737 thousand and \$15,525,993 thousand for the three months and nine months ended September 30, 2021, respectively. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the acquisition year, nor is it intended to be a projection of future results.

28. DISPOSAL OF SUBSIDIARY

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

a. Consideration received from disposal

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

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

c. Gain on disposal of subsidiaries

Consideration received	\$ 2,800,000
Net assets disposed of	<u>(2,278,586)</u>
Gain on disposals	<u>\$ 521,414</u>

d. Net cash outflow on disposals of subsidiaries

Consideration received in cash and cash equivalents	\$ 2,800,000
Less: Cash and cash equivalent balances disposed of	<u>(2,926,538)</u>
	<u>\$ (126,538)</u>

29. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

For the nine months ended September 30, 2021

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

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

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

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

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

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

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

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

Line items adjusted for equity transactions

Capital surplus - difference between the consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	\$ <u>13</u>
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- d. During the nine months ended September 30, 2021, the Group acquired a portion of the shares of NHOA S.A., and the proportion of ownership was increased from 60.5% to 65.2%.

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

Line items adjusted for equity transactions

Unappropriated earnings	\$ <u>(380,492)</u>
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The above transactions were accounted for as equity transactions since there was no change in the Group's control over these subsidiaries.

For the nine months ended September 30, 2020

During the nine months ended September 30, 2020, the Group acquired 0.02% of the shares of Taiwan Cement Engineering Corporation, and the proportion of ownership was from 99.05% to 99.07%.

Acquirer	Taiwan Cement Corporation
Acquiree	Taiwan Cement Engineering Corporation
Cash consideration paid	\$ (160)
The proportionate share of subsidiaries' net assets carrying amount transferred from non-controlling interests	<u>160</u>
Differences arising from equity transactions	<u>\$ -</u>

During the nine months ended September 30, 2020, the Group acquired 31.1% of the shares of Taiwan Property Chemical Corporation, and the proportion of ownership was from 42.5% to 73.6%.

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

Line items adjusted for equity transactions

Capital surplus - difference between the consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	<u>\$444,392</u>
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The above transactions were accounted for as equity transactions since there was no change in the Group's control over these subsidiaries.

30. CASH FLOWS INFORMATION

Changes in liabilities arising from financing activities:

For the nine months ended September 30, 2021

	Opening Balance	Cash Flows	Acquisition of Subsidiaries	Disposal of subsidiary	Effect of Exchange Rate	Closing Balance
Short-term borrowings	\$ 34,675,454	\$ 4,145,112	\$ 44,505	\$ (3,179,197)	\$ (42,551)	\$ 35,643,323
Long-term borrowings (including expired within a year)	<u>29,803,481</u>	<u>(1,459,670)</u>	<u>1,490,060</u>	<u>(2,995,760)</u>	<u>(25,835)</u>	<u>26,812,276</u>
	<u>\$ 64,478,935</u>	<u>\$ 2,685,442</u>	<u>\$ 1,534,565</u>	<u>\$ (6,174,957)</u>	<u>\$ (68,386)</u>	<u>\$ 62,455,599</u>

For the nine months ended September 30, 2020

	Opening Balance	Cash Flows	Effect of Exchange Rate	Closing Balance
Short-term borrowings	\$ 30,445,048	\$ 3,353,420	\$ (162,084)	\$ 33,636,384
Long-term borrowings (including expired within a year)	<u>32,177,173</u>	<u>(753,368)</u>	<u>(112,008)</u>	<u>31,311,797</u>
	<u>\$ 62,622,221</u>	<u>\$ 2,600,052</u>	<u>\$ (274,092)</u>	<u>\$ 64,948,181</u>

31. CAPITAL MANAGEMENT

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

32. FINANCIAL INSTRUMENTS

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

September 30, 2021

	Carrying	Fair Value			
	Amount	Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds payable	\$ 29,524	\$ -	\$ -	\$ 31,140	\$ 31,140

December 31, 2020

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

September 30, 2020

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds payable	\$ 11,338,648	\$ -	\$ -	\$ 12,336,932	\$ 12,336,932

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

1) Fair value hierarchy

September 30, 2021

	Level 1	Level 2	Level 3	Total
Financial assets mandatorily classified as at FVTPL				
Derivatives - put options and redemption options of convertible bond payables	\$ -	\$ -	\$ 9	\$ 9
Domestic listed shares	236,224	-	-	236,224
Domestic emerging market shares	<u>99,081</u>	<u>-</u>	<u>-</u>	<u>99,081</u>
	<u>\$ 335,305</u>	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 335,314</u>
Financial assets at FVTOCI				
Equity instrument investment				
Domestic listed shares	\$ 6,129,928	\$ -	\$ -	\$ 6,129,928
Foreign listed shares	18,939,825	-	-	18,939,825
Domestic unlisted shares	-	-	9,205,717	9,205,717
Domestic convertible preference shares	<u>51,066</u>	<u>-</u>	<u>-</u>	<u>51,066</u>
	<u>\$ 25,120,819</u>	<u>\$ -</u>	<u>\$ 9,205,717</u>	<u>\$ 34,326,536</u>

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets mandatorily classified as at FVTPL				
Derivatives - put options and redemption options of convertible bond payables	\$ -	\$ -	\$ 17,092	\$ 17,092
Domestic listed shares	234,963	-	-	234,963
Domestic emerging market shares	<u>101,931</u>	<u>-</u>	<u>-</u>	<u>101,931</u>
	<u>\$ 336,894</u>	<u>\$ -</u>	<u>\$ 17,092</u>	<u>\$ 353,986</u>
Financial assets at FVTOCI				
Equity instrument investment				
Domestic listed shares	\$ 5,544,326	\$ -	\$ -	\$ 5,544,326
Foreign listed shares	24,664,109	-	-	24,664,109
Domestic unlisted shares	-	-	7,239,178	7,239,178
Domestic convertible preference shares	<u>52,145</u>	<u>-</u>	<u>-</u>	<u>52,145</u>
	<u>\$ 30,260,580</u>	<u>\$ -</u>	<u>\$ 7,239,178</u>	<u>\$ 37,499,758</u>

September 30, 2020

	Level 1	Level 2	Level 3	Total
Financial assets mandatorily classified as at FVTPL				
Derivatives - put options and redemption options of convertible bond payables	\$ -	\$ -	\$ 17,153	\$ 17,153
Domestic listed shares	205,247	-	-	205,247
Domestic emerging market shares	<u>101,117</u>	<u>-</u>	<u>-</u>	<u>101,117</u>
	<u>\$ 306,364</u>	<u>\$ -</u>	<u>\$ 17,153</u>	<u>\$ 323,517</u>
Financial assets at FVTOCI				
Equity instrument investment				
Domestic listed shares	\$ 5,116,376	\$ -	\$ -	\$ 5,116,376
Foreign listed shares	27,097,402	-	-	27,097,402
Domestic unlisted shares	-	-	7,398,937	7,398,937
Convertible preference shares	<u>52,143</u>	<u>-</u>	<u>-</u>	<u>52,143</u>
	<u>\$ 32,265,921</u>	<u>\$ -</u>	<u>\$ 7,398,937</u>	<u>\$ 39,664,858</u>

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

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

For the Nine Months Ended September 30, 2021

Financial assets at FVTOCI	
Equity instrument investment	
Balance at January 1, 2021	\$ 7,239,178
Recognized in other comprehensive income	<u>1,966,539</u>
Balance at September 30, 2021	<u>\$ 9,205,717</u>
Financial assets at FVTPL	
Derivative instrument investment	
Balance at January 1, 2021	\$ 17,092
Recognized in loss	(10,114)
Convertible bonds converted into ordinary shares	<u>(6,969)</u>
Balance at September 30, 2021	<u>\$ 9</u>

**For the Nine
Months Ended
September 30,
2020**

Financial assets at FVTOCI

Equity instrument investment

Balance at January 1, 2020	\$ 6,971,622
Recognized in other comprehensive income	481,284
Disposal	<u>(53,969)</u>

Balance at September 30, 2020	<u>\$ 7,398,937</u>
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Financial assets at FVTPL

Derivative instrument investment

Balance at January 1, 2020	\$ 1,235
Recognized in gain	16,027
Convertible bonds converted into ordinary shares	<u>(109)</u>

Balance at September 30, 2020	<u>\$ 17,153</u>
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3) Valuation techniques and inputs applied for Level 3 fair value measurement

- a) There were no quoted prices in active markets for put options and redemption options of ECB issued by the Corporation. Hence, the fair values of options are determined using the binomial option pricing model where the unobservable input is historical volatility. An increase in historical volatility used in isolation would result in an increase in the fair value. As of September 30, 2021, December 31, 2020 and September 30, 2020, the historical volatility used were 21.36%, 23.69% and 23.75%, respectively.
- b) The Group measures the fair value of its investments on domestic and foreign unlisted shares by using the asset-based approach, the market approach, and the dividend discount model.

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

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

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

	September 30, 2021	December 31, 2020	September 30, 2020
Comprehensive discount for lack of marketability and non-controlling interests			
1% increase	<u>\$ (27,597)</u>	<u>\$ (25,297)</u>	<u>\$ (25,751)</u>
1% decrease	<u>\$ 27,597</u>	<u>\$ 25,297</u>	<u>\$ 25,751</u>

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

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

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

	September 30, 2021	December 31, 2020	September 30, 2020
Discount for lack of marketability			
1% increase	<u>\$ (3,734)</u>	<u>\$ (2,932)</u>	<u>\$ (2,518)</u>
1% decrease	<u>\$ 3,734</u>	<u>\$ 2,932</u>	<u>\$ 2,518</u>

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

	September 30, 2021	December 31, 2020	September 30, 2020
Discount rate	5.3%	6.1%	5.5%
Dividend growth rate	1.4%	1.3%	1.4%
Discount for lack of marketability	10.0%	10.0%	10.0%

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

	September 30, 2021	December 31, 2020	September 30, 2020
Discount for lack of marketability			
1% increase	<u>\$ (71,243)</u>	<u>\$ (52,570)</u>	<u>\$ (54,062)</u>
1% decrease	<u>\$ 71,243</u>	<u>\$ 52,570</u>	<u>\$ 54,062</u>

c. Categories of financial instruments

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Financial assets</u>			
Financial assets at FVTPL			
Financial assets mandatorily classified at FVTPL	\$ 335,314	\$ 353,986	\$ 323,517
Financial assets measured at amortized cost (1)	154,229,717	151,045,326	144,671,871
Financial assets at FVTOCI			
Equity instruments investment	34,326,536	37,499,758	39,664,858

Financial liabilities

Financial liabilities measured at amortized cost (2)	160,117,239	146,422,478	148,237,773
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- 1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes and accounts receivable (including related parties transactions), other receivables, other receivables from related parties and finance lease receivables.
- 2) The balances include financial liabilities measured at amortized cost, which comprise short-term loans, short-term bills payable, notes and accounts payable, other payables (including related parties transactions), bonds payable and long-term loans (including current portion), and long-term bills payable.

d. Financial risk management objectives and policies

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

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

1) Market risk

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

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

a) Foreign currency risk

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

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

The carrying amounts of the significant monetary assets and liabilities not denominated in the functional currency (including those eliminated on consolidation) at the end of reporting period are set out in Note 37.

The Group was mainly exposed to the USD.

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

	USD Impact		HKD Impact		EUR Impact	
	For the Nine Months Ended September 30		For the Nine Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020	2021	2020
NTD	\$ (619)	\$ (1,903)	\$ -	\$ -	\$ -	\$ -
RMB	\$ (1,735)	\$ (1,791)	\$ 3,224	\$ (1,161)	\$ -	\$ -
HKD	\$ 61,315	\$ 47,940	\$ -	\$ -	\$ (9,181)	\$ -

b) Interest rate risk

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

	September 30, 2021	December 31, 2020	September 30, 2020
Cash flow interest rate risk			
Financial assets	\$ 27,633,693	\$ 30,351,013	\$ 23,864,313
Financial liabilities	62,455,599	64,478,935	64,948,181

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

For the Group's portion of floating interest rate financial assets, if interest rates had been 50 basis points higher/lower, the cash inflows from floating interest rate financial assets for the nine months ended September 30, 2021 and 2020 would increase/decrease by \$82,901 thousand and \$71,593 thousand, respectively.

For the Group's portion of floating interest rate financial liabilities, if interest rates had been 50 basis points higher/lower, the cash outflows from floating interest rate financial liabilities for the nine months ended September 30, 2021 and 2020 would increase/decrease by \$187,367 thousand and \$194,845 thousand, respectively.

c) Other price risk

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

Sensitivity analysis

The sensitivity analyses were based on the exposure of equity instruments/commodities prices at the end of reporting period. If equity instruments/commodities prices of financial assets at FVTPL had been 5% higher/lower, profit or loss for the nine months ended September 30, 2021 and 2020 would increase/decrease by \$16,765 thousand and \$15,318 thousand, respectively. If equity prices of financial assets at FVTOCI had been 5% higher/lower, other comprehensive income (loss) for the nine months ended September 30, 2021 and 2020 would increase/decrease by \$1,716,327 thousand and \$1,983,243 thousand, respectively.

2) Credit risk

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

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

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

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

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank facilities and ensures compliance with loan covenants. As of September 30, 2021, December 31, 2020 and September 30, 2020, the amounts of unused financing facilities were \$97,974,751 thousand, \$116,754,202 thousand and \$111,462,501 thousand, respectively.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

September 30, 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	\$ 193,032	\$ 13,115,090	\$ 4,581,301	\$ 135,918	\$ 29,046
Lease liabilities	50,358	49,400	368,760	1,372,959	2,097,580
Variable interest rate liabilities	5,613,629	20,453,384	18,200,787	18,669,651	102,380
Fixed interest rate liabilities	<u>1,900,000</u>	<u>5,000,000</u>	<u>576,844</u>	<u>32,310,636</u>	<u>46,209,100</u>
	<u>\$ 7,757,019</u>	<u>\$ 38,617,874</u>	<u>\$ 23,727,692</u>	<u>\$ 52,489,164</u>	<u>\$ 48,438,106</u>

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

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 468,518</u>	<u>\$ 1,372,959</u>	<u>\$ 992,890</u>	<u>\$ 238,323</u>	<u>\$ 198,401</u>	<u>\$ 667,966</u>

December 31, 2020

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

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

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

September 30, 2020

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 1,056,020	\$ 10,471,610	\$ 2,604,258	\$ 163,576	\$ 3,277
Lease liabilities	45,000	88,371	446,270	1,745,802	2,061,289
Variable interest rate liabilities	10,422,989	20,034,940	8,814,789	26,862,427	92,041
Fixed interest rate liabilities	<u>1,790,000</u>	<u>5,430,000</u>	<u>484,620</u>	<u>31,993,549</u>	<u>35,080,160</u>
	<u>\$ 13,314,009</u>	<u>\$ 36,024,921</u>	<u>\$ 12,349,937</u>	<u>\$ 60,765,354</u>	<u>\$ 37,236,767</u>

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

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 579,641</u>	<u>\$ 1,745,802</u>	<u>\$ 941,207</u>	<u>\$ 182,447</u>	<u>\$ 173,209</u>	<u>\$ 764,426</u>

e. Transfers of financial assets

The Group transferred a portion of its banker's acceptance bills in mainland China to some of its suppliers in order to settle the trade payables to these suppliers. As the Group 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 September 30, 2021, December 31, 2020 and September 30, 2020, the face amounts of these unsettled bills receivable were \$2,003,898 thousand, \$2,308,323 thousand and \$1,977,295 thousand, respectively. The unsettled bills receivable will be due in 11 months, 10 months and 8 months, after September 30, 2021, December 31, 2020 and September 30, 2020, respectively. Taking into consideration the credit risk of these derecognized bills receivable, the Group estimates that the fair values of its continuing involvement are not significant.

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

33. 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 as follows:

a. Name of the related parties and relationships

Related Party	Relationship with the Group
Onyx Ta-Ho Waste Clearance Co., Ltd.	Subsidiary of associates
Onyx Ta-Ho Energy Recovery Co., Ltd	Subsidiary of associates
E-One Moli Energy Corporation	A subsidiary of associates (classified as associates until August 2021 and has been reported as consolidated entity ever since.)
E-One Moli Energy (Canada) Ltd.	A subsidiary of associates (classified as associates until August 2021 and has been reported as consolidated entity ever since.)
Onyx Ta-Ho Environmental Services Co., Ltd.	Associates
Shih Hsin Storage & Transportation Co., Ltd. (process of liquidation finished in 2020)	Associates
Chia Huan Tung Cement Corporation (process of liquidation finished in 2020)	Associates
Quon Hing Concrete Co., Ltd. (Quon Hing)	Associates
Prosperity Conch Cement Company Limited	Associates
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.	Associates
Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd.	Associates
Hong Kong Concrete Co., Ltd.	Associates
International CSRC Investment Holdings Co., Ltd.	Associates
TCC Recycle Energy Technology Company	Associates (classified as associates until August 2021 and has been reported as consolidated entity ever since.)
Guigang Conch-TCC New Material Technology Co., Ltd.	Associates
Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd.	Associates
Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd.	Associates
Chia Hsin R.M.C. Corp.	Management personnel in substance
The Koo Foundation	Management personnel in substance
Chia Hsin Cement Corporation	Management personnel in substance
L'Hotel de Chine Corporation (L'Hotel de Chine)	Management personnel in substance
FDC International Hotels Corporation	Management personnel in substance
Chia Hsin Property Management and Development Corp.	Management personnel in substance
Goldsun Development & Construction Co., Ltd.	Investors with significant influence over the Group
China Hi-Ment Corporation	The Group acts as key management personnel
Rong Gong Enterprise Co.	The Group acts as key management personnel

(Continued)

Related Party	Relationship with the Group
O-Bank Co., Ltd.	The Group acts as key management personnel
Pan Asia Corporation	The Group acts as key management personnel
Ta-Ho Taitung Environment Co., Ltd. (process of liquidation finished in 2020)	The Group acts as key management personnel
CTCI Corporation (became related parties since May 2020)	The Group acts as key management personnel
Union Steel Development Corporation	The Group acts as key management of its parent company
CTCI Beijing	The Group acts as key management of its parent company
CTCI Resources Engineering Inc.	The Group acts as key management of its parent company
Chinatrust Investment Co., Ltd.	Same key management personnel
Consolidated Resource Company	Same key management personnel
CSRC China (Maanshan) Corporation	Same key management personnel
CSRC China (Anshan) Corporation	Same key management personnel
Chienten Temple	Same key management personnel
China (Chongqing) Synthetic Rubber Corporation	Same key management personnel
Circular Commitment Company	Same key management personnel
Dr. Cecilla Koo Botanic Conservation and Environmental Protection Foundation	Same key management personnel
Continental Carbon India Ltd.	Same key management personnel
Continental Carbon Eco Technology Private Limited	Same key management personnel
Linyuan Advanced Materials Technology Co., Ltd.	Same key management personnel
Fortune Quality investment Limited	Same key management personnel
Sing Cheng Investment Co., Ltd.	Same key management personnel
Tangshan Jidong Cement Co., Ltd.	Related party in substance
Yantai Jinyu Jidong Cement Co., Ltd.	Related party in substance
Shenyang Jingdong Cement Co., Ltd.	Related party in substance
Dachang Jinyu Paint Co., Ltd.	Related party in substance
Tangshan Caofeidian Jidong Equipment Machinery Thermal Processing Co., Ltd.	Related party in substance
Tangshan Dunshi Constructional Engineering Co., Ltd.	Related party in substance
Jilin Jidong Development Shield Engineering Co., Ltd.	Related party in substance
FCA AUSTRIA GMBH	Related party in substance
FCA BELGIUM S.A.	Related party in substance
FCA GERMANY AG	Related party in substance
FCA SWITZERLAND S.A.	Related party in substance
GROUPE PSA ITALIA SPA	Related party in substance
LEASYS RENT SPA	Related party in substance
FIAT CHRYSLER AUTOMOBILES ITALY SPA	Related party in substance
Fiat Chrysler Automobiles N.V.	Related party in substance

(Concluded)

b. Operating transactions

Continuing operations

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
<u>Sales</u>				
Management personnel in substance	\$ 259,374	\$ 120,074	\$ 505,753	\$ 346,293
Related party in substance	154,028	-	447,843	-
Associates	108,430	118,394	360,429	320,816
The Group acts as key management personnel	52,489	83,997	147,956	206,087
Same key management personnel	56,134	42,423	155,198	125,090
The Group acts as key management of its parent company	16	-	16	-
Investors with significant influence over the Group	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,515</u>
	<u>\$ 630,471</u>	<u>\$ 364,888</u>	<u>\$ 1,617,195</u>	<u>\$ 1,031,801</u>
<u>Purchases of goods and operating expenses</u>				
The Group acts as key management personnel	\$ 186,585	\$ 191,381	\$ 565,246	\$ 554,713
Associates	11,954	17,603	48,952	42,125
Same key management personnel	7,126	8,695	7,365	46,405
Management personnel in substance	23,716	9,273	51,961	51,798
Related party in substance	4,220	-	8,288	-
The Group acts as key management of its parent company	<u>72</u>	<u>161</u>	<u>72</u>	<u>161</u>
	<u>\$ 233,673</u>	<u>\$ 227,113</u>	<u>\$ 681,884</u>	<u>\$ 695,202</u>

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

	September 30, 2021	December 31, 2020	September 30, 2020
Management personnel in substance			
Chia Hsin Cement Corporation	\$ 146,265	\$ 73,133	\$ 83,580
Others	<u>-</u>	<u>1,831</u>	<u>-</u>
	<u>146,265</u>	<u>74,964</u>	<u>83,580</u>
Associates			
Quon Hing	106,968	116,879	111,699
Others	<u>6,021</u>	<u>32,460</u>	<u>7,207</u>
	<u>112,989</u>	<u>149,339</u>	<u>118,906</u>
The Group acts as key management personnel			
China Hi-Ment Corporation	25,980	29,638	37,241
Others	<u>2,527</u>	<u>3,036</u>	<u>1,250</u>
	<u>28,507</u>	<u>32,674</u>	<u>38,491</u>
Related party in substance			
Leasys Rent SPA	56,295	-	-
Others	<u>46,315</u>	<u>-</u>	<u>-</u>
	<u>102,610</u>	<u>-</u>	<u>-</u>
Same key management personnel	<u>27,286</u>	<u>16,889</u>	<u>12,593</u>
	<u>\$ 417,657</u>	<u>\$ 273,866</u>	<u>\$ 253,570</u>

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

	September 30, 2021	December 31, 2020	September 30, 2020
The Group acts as key management personnel	\$ 130,268	\$ 147,713	\$ 138,290
Associates	4,681	5,293	8,480
Management personnel in substance	2,600	2,686	2,895
Related party in substance	961	-	-
Same key management personnel	<u>33</u>	<u>172</u>	<u>3,929</u>
	<u>\$ 138,543</u>	<u>\$ 155,864</u>	<u>\$ 153,594</u>

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

Discontinued operations

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Purchases of goods and operating expenses				
Same key management personnel	<u>\$ 925</u>	<u>\$ 8,492</u>	<u>\$ 2,560</u>	<u>\$ 39,105</u>

c. Other receivables

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Included in other receivables - related parties</u>			
The Group acts as key management personnel			
Ta-Ho Taitung Environment Co., Ltd.	\$ -	\$ -	\$ 341,280
Others	<u>-</u>	<u>-</u>	<u>2</u>
	<u>-</u>	<u>-</u>	<u>341,282</u>
Associates			
Quon Hing	7,942	1,653	1,689
International CSRC Investment Holdings Co., Ltd.	428	482	213
Onyx Ta-Ho Environmental Services Co., Ltd.	88	4	-
E-One Moli Energy Corporation	4	1,031	224
Others	<u>-</u>	<u>-</u>	<u>27</u>
	<u>8,462</u>	<u>3,170</u>	<u>2,153</u>
Same key management personnel	<u>78</u>	<u>252</u>	<u>824</u>
Management personnel in substance	<u>138</u>	<u>363</u>	<u>94</u>
Related party in substance			
Fiat Chrysler Automobiles N.V.	<u>245,955</u>	<u>-</u>	<u>-</u>
	<u>254,633</u>	<u>3,785</u>	<u>344,353</u>
<u>Classified as other non-current assets</u>			
Related party in substance			
Fiat Chrysler Automobiles N.V.	<u>151,904</u>	<u>-</u>	<u>-</u>
	<u>\$ 406,537</u>	<u>\$ 3,785</u>	<u>\$ 344,353</u>

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

d. Other payables to related parties

	September 30, 2021	December 31, 2020	September 30, 2020
The Group act as key management personnel			
CTCI Corporation	\$ -	\$ -	\$ 390,180
Associates			
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.	3,890	3,929	3,846
Others	<u>27</u>	<u>69</u>	<u>3,541</u>
	<u>3,917</u>	<u>3,998</u>	<u>7,387</u>
Management personnel in substance			
FDC International Hotels Corporation	1,066	1,013	53
L'hotel de Chine Corporation	40	2,765	295
Others	<u>-</u>	<u>508</u>	<u>-</u>
	<u>1,106</u>	<u>4,286</u>	<u>348</u>
	<u>\$ 5,023</u>	<u>\$ 8,284</u>	<u>\$ 397,915</u>

e. Prepayments for property, plant and equipment

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

f. Acquisitions of property, plant and equipment

Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Associates				
E-One Moli Energy Corporation	\$ -	\$ 3,322	\$ 65,000	\$ 3,322
The Group acts as key management of its parent company				
CTCI Resources Engineering Inc.	<u>51,000</u>	<u>-</u>	<u>51,000</u>	<u>-</u>
	<u>\$ 51,000</u>	<u>\$ 3,322</u>	<u>\$ 116,000</u>	<u>\$ 3,322</u>

g. Lease arrangements

Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
<u>Acquisition of right-use assets</u>				
Same Key management personnel				
Linyuan Advanced Materials Technology Co., Ltd.	\$ -	\$ 2,500	\$ -	\$ 2,500
Management personnel in substance				
Chia Hsin R.M.C. Corp.	-	-	23,313	-
Chia Hsin Property Management and Development Corp.	<u>-</u>	<u>39</u>	<u>-</u>	<u>39</u>
	<u>\$ -</u>	<u>\$ 2,539</u>	<u>\$ 23,313</u>	<u>\$ 2,539</u>

Line Item	Related Party Category	September 30, 2021	December 31, 2020	September 30, 2020
Lease liabilities	Management personnel in substance			
	Chia Hsin R.M.C. Corp.	\$ 21,759	\$ 2,085	\$ 3,328
	Chia Hsin Cement Corporation	-	10,593	14,532
	Chia Hsin Property Management and Development Corp.	-	-	2,987
		<u>\$ 21,759</u>	<u>\$ 12,678</u>	<u>\$ 20,847</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
Related Party Category	2021	2020	2021	2020

Interest expense

Management personnel in substance	\$ <u>105</u>	\$ <u>112</u>	\$ <u>213</u>	\$ <u>421</u>
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The lease contracts between the Group and related parties were based on market price and general terms of payment.

h. Loans to related parties (included in other receivables from related parties)

Related Party Category/Name	September 30, 2021	December 31, 2020	September 30, 2020
Associates			
Onyx Ta-Ho Energy Recovery Co., Ltd.	\$ <u>-</u>	\$ <u>-</u>	\$ <u>110,000</u>

Interest revenue

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
Related Party Category/Name	2021	2020	2021	2020
Associates				
Onyx Ta-Ho Energy Recovery Co., Ltd.	\$ <u>-</u>	\$ <u>27</u>	\$ <u>-</u>	\$ <u>27</u>

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

i. Disposal of financial assets

For the three months ended September 30, 2020

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

For the nine months ended September 30, 2020

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

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

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Short-term employee benefits	\$ 130,086	\$ 158,453	\$ 398,011	\$ 461,332
Post-employment benefits	1,536	1,458	4,646	4,286
Share-based payments				
Cash-settled	105,960	-	105,960	-
Equity-settled	-	-	8,187	2,867
	<u>\$ 237,582</u>	<u>\$ 159,911</u>	<u>\$ 516,804</u>	<u>\$ 468,485</u>

34. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	September 30, 2021	December 31, 2020	September 30, 2020
Financial assets at fair value through other comprehensive income (including current and non-current portion)	\$ 308,560	\$ 278,880	\$ 251,020
Property, plant and equipment	3,164,440	3,168,464	3,305,636
Investments accounted for using the equity method	45,548	50,093	37,908
Investment properties	837,936	845,666	857,311
Guarantee deposits (included in other non-current assets)	1,067,551	-	-
Pledged bank deposits (included in financial assets measured at amortized cost)			
Current	383,323	272,124	357,938
Non-current	<u>1,539,131</u>	<u>1,713,403</u>	<u>1,551,121</u>
	<u>\$ 7,346,489</u>	<u>\$ 6,328,630</u>	<u>\$ 6,360,934</u>

35. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

Name	September 30, 2021	December 31, 2020	September 30, 2020
The Corporation	\$ 208,747	\$ 145,571	\$ 180,315
Taiwan Prosperity Chemical Corporation (Note)	-	1,150,104	874,578
Ho-Ping Power Company	2,022,348	457,930	488,436
Kuan-Ho Refractories Industry Corporation	18,505	8,804	-
TCC Recycle Energy Technology Company (Note)	35,606	-	-

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

Name	September 30, 2021	December 31, 2020	September 30, 2020
The Corporation	\$ 22,120	\$ 22,120	\$ 22,120
Ho-Ping Power Company	1,148,000	1,148,000	1,148,000
Taiwan Prosperity Chemical Corporation (Note)	-	151,565	151,565
TCCI (Group)	1,097,848	786,037	831,427
Taiwan Transport & Storage Corporation	28,502	28,150	28,150
TCC Recycle Energy Technology Company (Note)	12,863	-	-

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

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

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

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

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

d. Ho-Ping Power Company

Company Name	Ho-Ping Power Company
Factual background	The Fair Trade Commission fined Ho-Ping Power Company \$1.35 billion for an alleged violation of Article 14 of the Fair Trade Act.
Amount in dispute (NT\$)	\$1.35 billion.
Commencement date of litigation	March 2013
Parties	Ho-Ping Power Company and the Fair Trade Commission
Status	<p>The Fair Trade Commission made a second administrative disposition in November 2013, which reduced the amount of the fine imposed on Ho-Ping Power Company to \$1,320,000 thousand.</p> <p>On June 30, 2015, the Supreme Administrative Court overruled the original judgment in favor of Ho-Ping Power Company and remanded the case for retrial to the Taipei High Administrative Court. On May 25, 2017, the Taipei High Administrative Court ruled in favor of Ho-Ping Power Company by holding that “the original disposition and decision of administrative appeal, which determined that Ho-Ping Power Company committed concerted action, shall be dismissed.” On the appeal part of the participant Taiwan Power Company, the Supreme Administrative Court made the ruling of “Appeal Rejection” on September 6, 2018 (Ref. No. 107 Nian-Du-Cai-Zi-Di 1380). In the case of another appellant (the Fair Trade Commission), the Supreme Administrative Court overruled the original judgment by rendering the judgment (Ref. No. 107 Nian-Du-Pan-Zi 505) on the same day, and remanded the case to the Taipei High Administrative Court for retrial (Ref. No. 107 Nian-Du-Su-Geng-Er-Zi 116). The Taipei High Administrative Court in second instance also ruled that “the administrative disposition made by the Fair Trade Commission shall be dismissed” in May 2020. However, the Fair Trade Commission still appealed and expressed dissatisfaction. The case is currently under review by the Supreme Administrative Court.</p> <p>In accordance with the accounting conservatism principle, Ho-Ping Power Company recognized relevant losses in 2012 and paid the total fine as of June 30, 2019.</p>

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

- e. The Board of Directors of Ta-Ho Maritime Corporation has resolved to purchase three bulk carriers from Sumitomo Corporation on September 11, 2019. The aggregate purchase amount is US\$100,200 thousand, among which US\$40,080 thousand was paid as of the issuance date of this report.
- f. For the purpose of improving the PH air quality and reducing air pollution, the Board of Directors of the Group's subsidiary Ho-Ping Power Company has resolved to contract out the air pollution improvement equipment project for Unit 2 to CTCI Corporation on January 21, 2020. The total amount of investment is approximately \$1.858 billion. The contract was signed on June 9, 2020. As of September 30, 2021, 61.8% of the construction has been completed.
- g. The subsidiary, TCC Shaoguan Cement Co., Limited, a cement clinker producer, invested in cement clinker production line project on June 29, 2020 with the total investment amount of RMB244 million. As of September 30, 2021, 85.1% of the construction has been completed.

- h. On May 12, 2020, the Board of Directors of TCC (Hangzhou) Environment Co., Ltd., the Group's subsidiary, has resolved to outsource construction and invite tender. The contract has been signed on October 30, 2020 and the total amount is RMB566,888 thousand. As of September 30, 2021, 19.3% of the construction has been completed.
- i. The Board of Directors of Chia-Chien Green Energy Corporation, the Group's subsidiary, has resolved on November 6, 2020 to build a fish-electricity symbiosis solar photovoltaic power generation system in order to enhance power generation and contracted the fishery-electricity symbiosis EPC turnkey project to Taiyen Green Energy Co., Ltd. in the total amount of \$1,398,000 thousand. As of September 30, 2021, 40% of the construction has been completed.
- j. On July 15, 2021, the Board of Directors of the Corporation approved the plan to upgrade the Corporation's Suao cement plant to reduce electricity consumption for carbon reduction purposes and to improve productivity, with an estimated total amount of \$1,145,500 thousand.
- k. On September 27, 2021, the Board of Directors of the Corporation resolved the plan to repayments of foreign currency bank loans, improvements to the financial structure of the Group and Group's energy policy investment plan, planning to participate in various energy storage development projects.

The Corporation invested US\$0.35 billion, US\$0.39 billion, US\$2 billion and US\$4.5 billion in TCCIH, TCC Dutch, TCC Energy Storage Technology Corporation and TCC Green Energy Corporation, respectively. As of the date the consolidated financial statements were authorized and issued, the company has invested \$1.5 billion and \$4 billion in TCC Energy Storage Technology Corporation and TCC Green Energy Corporation, respectively.

- l. The Board of Directors of TCC Green Energy Corporation, the Group's subsidiary, resolved on September 27, 2021 to the Group's energy policy investment plan, planning to participate in various energy storage development projects.

The Corporation invested \$1.3 billion and \$4 billion in Chia-Chien Green Energy Corporation and TCC Lien-Hsin Green Energy Corporation, respectively. As of the date the consolidated financial statements were authorized and issued, the aforementioned plan has been completed.

- m. The Board of Directors of TCC Energy Storage Technology Corporation, the Group's subsidiary, resolved on September 27, 2021, to actively participate in the power trading platform and complementary services market merchandise transactions. It intended to build the large-scale energy storage systems in the Corporation's Su'ao factory, the total amount of investment is approximately \$1.5 billion.
- n. The Board of Directors of TCC Green Energy Corporation, the Group's subsidiary, resolved on September 27, 2021, to invest via an investment plan of its subsidiary, TCC Lien-Hsin Green Energy Corporation, to actively participate in the power trading platform and complementary services market merchandise transactions. It intended to build the large-scale energy storage systems in the Corporation's Ho-Ping factory, the total amount of investment is approximately \$4 billion.
- o. The Board of Directors of Ho-Ping Power Company, the Group's subsidiary, resolved on September 27, 2021, to actively participate in the power trading platform and complementary services market merchandise transactions. It intended to build the large-scale energy storage systems in the Ho-Ping Industrial Park of Hualien, the total amount is yet to be discussed by the Board of Directors.

- p. The Board of Directors of Molie Quantum Energy Corporation, the Group's subsidiary, resolved on September 27, 2021 to build the plant and purchase production line equipment on the leased land in Kaohsiung Linhai Industrial Park, the total amount of investment is approximately \$12 billion. On October 20, 2021, Molie Quantum Energy Corporation signed contracts with Ruentex Engineering & Construction Co., Ltd. for the construction of land at the Lithium battery factory site for a total amount of \$4.8 billion, and signed with CTCI Smart Engineering Corporation the electrical and mechanical works of the Lithium battery factory with a total amount of \$3,900,000 thousand, respectively.
- q. On September 27, 2021, the Board of Directors of the Corporation resolved the expansion of the DAKA Regeneration Resource Utilization Center, the original factory of the Company's local Commission, and entered into a contract with CTCI Resources Engineering Inc. to use the cement kiln heat to jointly dispose of waste living in Hualien County, with a total amount not exceeding \$3,450,000 thousand.
- r. On September 27, 2021, the Board of Directors of the TCCIH proposed to increase the capital of RMB350,000 thousand for long-term investment to TCC (Hangzhou) Environment Co., Ltd.
- s. On September 28, 2021, the net limestone mining rights of TCC Yingde Cement Co., Ltd. has been approved by the Natural Resources Bureau of Qingyuan City. The total amount of the net limestone mining rights in the clear water Path Head facing Mountain is RMB242,650 thousand. At the date the consolidated financial report was authorized and issued, the payment of mining rights has been paid in full.
- t. TCC Lien-Hsin Green Energy Corporation plans to build a large-scale energy storage system in Hualien Hoping Industrial park. TCC Lien-Hsin Green Energy Corporation signed a procuring equipment contract, including energy storage systems and maintenance services afterward for a total amount of US\$93,205 thousand with NHOA ENERGY S.R.L. on October 26, 2021.
- u. TCC Energy Storage Technology Corporation plans to build large-scale energy storage systems in the Corporation's Su'ao factory. TCC Energy Storage Technology Corporation signed a procuring equipment contract, including energy storage systems and maintenance services afterward for a total amount of US\$29,415 thousand with NHOA ENERGY S.R.L. on October 26, 2021.
- v. TCEH participates in a cash capital increase of no more than EUR 0.105 billion by a resolution of the Board of Directors on November 3, 2021.

36. OTHER ITEMS

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

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

37. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

September 30, 2021

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 58,637	27.850 (USD:NTD)	\$ 1,633,040
USD	88,970	7.790 (USD:HKD)	2,478,445
EUR	35,500	9.040 (EUR:HKD)	1,147,610
Non-monetary items			
USD	62,431	27.850 (USD:NTD)	1,738,711
EUR	829,219	32.320 (EUR:NTD)	26,800,347
<u>Financial liabilities</u>			
Monetary items			
USD	55,860	27.850 (USD:NTD)	1,555,700
USD	364,103	7.790 (USD:HKD)	10,142,832

December 31, 2020

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

September 30, 2020

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 59,609	29.100 (USD:NTD)	\$ 1,734,622
USD	69,017	7.750 (USD:HKD)	2,007,943
Non-monetary items			
USD	57,648	29.100 (USD:NTD)	1,677,555
EUR	811,588	34.150 (EUR:NTD)	27,715,733
<u>Financial liabilities</u>			
Monetary items			
USD	51,435	29.100 (USD:NTD)	1,496,764
USD	274,991	7.750 (USD:HKD)	8,000,451

For the three months ended September 30, 2021 and 2020 and the nine months ended September 30, 2021 and 2020, realized and unrealized net foreign exchange (losses) gains were \$(8,556) thousand, \$2,869 thousand, \$(43,879) thousand and \$35,533 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

38. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (excluding investment in subsidiaries, associates and joint ventures) (Table 3)
- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the share capital (Table 4)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the share capital (None)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the share capital (Table 5)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the share capital (Table 6)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the share capital (Table 7)
- 9) Trading in derivative instruments (Notes 7, 20 and 32)

10) Intercompany relationships and significant intercompany transactions (Table 10)

11) Information on investees (Table 8)

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

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

- a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
- b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
- c) The amount of property transactions and the amount of the resultant gains or losses
- d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
- e) The highest period balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds
- f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services

c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (None)

39. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of segment. Specifically, the Group's reportable segments under IFRS 8 "Operating Segments" were as follows:

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

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

One business unit (Taiwan Prosperity Chemical Corporation) was discontinued in the current period. Refer to Note 28 for the business unit that has been sold by the Corporation in August 2021. The segment information reported on the following pages does not include any amounts for this discontinued operation, which is described in more details in Note 11.

Segment revenue and results

	Segment Revenue		Segment Income	
	For the Nine Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2021	2020	2021	2020
Cement segment	\$ 64,398,121	\$ 62,081,951	\$ 10,533,876	\$ 14,583,551
Electricity segment	9,910,789	11,651,656	4,365,454	8,436,939
Other segments	<u>2,595,886</u>	<u>2,700,136</u>	<u>358,372</u>	<u>456,729</u>
	<u>\$ 76,904,796</u>	<u>\$ 76,433,743</u>	15,257,702	23,477,219
Share of profit of associates and joint ventures			2,494,138	2,133,067
Dividend income			1,249,895	1,564,833
Interest income			1,156,178	988,466
Net gain (loss) on disposal of property			388,965	(57,064)
Finance costs			(1,205,082)	(1,444,932)
Foreign exchange gains (losses), net			(43,879)	35,533
Administrative expenses and directors' remuneration			(150,290)	(179,765)
Net gain (loss) on financial assets and liabilities at fair value through profit and loss			(11,703)	(2,536)
Other income and expenses, net			<u>209,637</u>	<u>282,956</u>
Income before tax			<u>\$ 19,345,561</u>	<u>\$ 26,797,777</u>

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

40. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- The Board of Directors of TCC Green Energy Corporation, the Group's subsidiary, resolved on November 11, 2021, to the Group's energy policy investment plan, planning to invest in the construction of energy storage systems in the Middle and the East Taiwan, the total amount of investment is approximately \$0.62 billion.
- The Board of Directors of TCC Energy Storage Technology Corporation, the Group's subsidiary, resolved on November 11, 2021, to the Group's energy policy investment plan, planning to invest in the construction of energy storage systems in the East Taiwan, the total amount of investment is approximately \$0.5 billion.

TABLE 1

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

No.	Lender	Borrower (Note 2)	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Note
													Item	Value			
1	Taiwan Transport & Storage Corporation	Tai-Jie Transport & Storage Corporation	Other receivables from related parties	Yes	\$ 100,000	\$ 100,000	\$ 70,000	1.46	The need for short-term financing	\$ -	Operating capital	\$ -		\$ -	\$ 955,162	\$ 955,162	
2	TCC Investment Corporation	Jin Chang Minerals Corporation	Other receivables from related parties	Yes	130,000	130,000	100,000	1.45	The need for short-term financing	-	Operating capital	-		-	1,849,747	1,849,747	
3	TCC Green Energy Corporation	Chang-Wang Wind Power Co., Ltd.	Other receivables from related parties	Yes	30,000	30,000	30,000	1.26	The need for short-term financing	-	Operating capital	-		-	1,239,241	1,239,241	
4	TCC Development Ltd.	TCCIH	Other receivables from related parties	Yes	268,129	261,048	261,048	0.28	The need for short-term financing	-	Operating capital	-		-	735,670	735,670	
5	TCCI	TCCIH	Other receivables from related parties	Yes	3,424,200	3,342,000	-	-	The need for short-term financing	-	Operating capital	-		-	108,390,852	216,781,704	
		TCC Dutch	Other receivables from related parties	Yes	1,663,000	1,616,000	1,082,720	0.85	The need for short-term financing	-	Operating capital	-		-	108,390,852	216,781,704	
		TCEH	Other receivables from related parties	Yes	665,200	646,400	64,640	1.15	The need for short-term financing	-	Operating capital	-		-	108,390,852	216,781,704	
6	Yingde Dragon Mountain Cement Co., Ltd.	TCC Yingde Cement Co., Ltd.	Other receivables from related parties	Yes	874,174	865,392	-	-	The need for short-term financing	-	Operating capital	-		-	17,543,104	35,086,208	
		TCC Liaoning Cement Company Limited	Other receivables from related parties	Yes	996,558	986,547	778,853	3.05	The need for short-term financing	-	Operating capital	-		-	17,543,104	35,086,208	
		TCC (Gui Gang) Cement Ltd.	Other receivables from related parties	Yes	7,430,479	7,355,832	7,355,832	3.05	The need for short-term financing	-	Operating capital	-		-	17,543,104	35,086,208	
7	TCC (Gui Gang) Cement Ltd.	TCC (Hangzhou) Recycle Resource Technology Limited	Other receivables from related parties	Yes	43,709	43,270	-	-	The need for short-term financing	-	Operating capital	-		-	26,242,802	52,485,604	
		Guigang TCC DongYuan Environmental Technology Company Limited	Other receivables from related parties	Yes	131,126	129,809	-	-	The need for short-term financing	-	Operating capital	-		-	26,242,802	52,485,604	
		TCC Huaying Cement Company Limited	Other receivables from related parties	Yes	1,258,811	1,246,164	-	-	The need for short-term financing	-	Operating capital	-		-	26,242,802	52,485,604	
		TCC Anshun Cement Company Limited	Other receivables from related parties	Yes	437,087	432,696	-	-	The need for short-term financing	-	Operating capital	-		-	26,242,802	52,485,604	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	874,174	865,392	-	-	The need for short-term financing	-	Operating capital	-		-	26,242,802	52,485,604	
		TCC Jingzhou Cement Company Limited	Other receivables from related parties	Yes	655,631	649,044	-	-	The need for short-term financing	-	Operating capital	-		-	26,242,802	52,485,604	
		Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	284,107	281,252	-	-	The need for short-term financing	-	Operating capital	-		-	26,242,802	52,485,604	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	1,223,844	1,211,549	-	-	The need for short-term financing	-	Operating capital	-		-	26,242,802	52,485,604	
		Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	437,087	432,696	-	-	The need for short-term financing	-	Operating capital	-		-	26,242,802	52,485,604	
		TCC Yingde Cement Co., Ltd.	Other receivables from related parties	Yes	437,087	432,696	-	-	The need for short-term financing	-	Operating capital	-		-	26,242,802	52,485,604	
		Scitus Luzhou Concrete Co., Ltd.	Other receivables from related parties	Yes	87,417	86,539	-	-	The need for short-term financing	-	Operating capital	-		-	26,242,802	52,485,604	
8	TCC Yingde Cement Co., Ltd.	Beijing TCC Environment Technology Co., Ltd.	Other receivables from related parties	Yes	87,417	86,539	58,414	3.48	The need for short-term financing	-	Operating capital	-		-	29,675,039	59,350,078	
		TCC (Hangzhou) Recycle Resource Technology Limited	Other receivables from related parties	Yes	2,989,675	2,959,641	2,656,753	3.48	The need for short-term financing	-	Operating capital	-		-	29,675,039	59,350,078	
		TCC Shaoguan Cement Co., Ltd.	Other receivables from related parties	Yes	2,700,414	2,700,414	2,699,137	3.48	The need for short-term financing	-	Operating capital	-		-	29,675,039	59,350,078	
		TCC (Dong Guan) Cement Company Ltd.	Other receivables from related parties	Yes	437,087	432,696	-	-	The need for short-term financing	-	Operating capital	-		-	29,675,039	59,350,078	
		TCC Anshun Cement Company Limited	Other receivables from related parties	Yes	874,174	865,392	-	-	The need for short-term financing	-	Operating capital	-		-	29,675,039	59,350,078	

(Continued)

No.	Lender	Borrower (Note 2)	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Note
													Item	Value			
		Guangan Changxing Cement Company Ltd.	Other receivables from related parties	Yes	\$ 874,174	\$ 865,392	\$ -	-	The need for short-term financing	\$ -	Operating capital	\$ -		\$ -	\$ 29,675,039	\$ 59,350,078	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	874,174	865,392	519,235	3.48	The need for short-term financing	-	Operating capital	-		-	29,675,039	59,350,078	
		TCC Jingzhou Cement Company Limited	Other receivables from related parties	Yes	218,544	216,348	-	-	The need for short-term financing	-	Operating capital	-		-	29,675,039	59,350,078	
		TCC Chongqing Cement Company Limited	Other receivables from related parties	Yes	437,087	432,696	-	-	The need for short-term financing	-	Operating capital	-		-	29,675,039	59,350,078	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	655,631	649,044	-	-	The need for short-term financing	-	Operating capital	-		-	29,675,039	59,350,078	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	786,757	778,853	-	-	The need for short-term financing	-	Operating capital	-		-	29,675,039	59,350,078	
		Sctius Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	218,544	216,348	-	-	The need for short-term financing	-	Operating capital	-		-	29,675,039	59,350,078	
		Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	437,087	432,696	43,270	3.48	The need for short-term financing	-	Operating capital	-		-	29,675,039	59,350,078	
		TCC Liaoning Cement Company Limited	Other receivables from related parties	Yes	218,544	216,348	86,539	3.48	The need for short-term financing	-	Operating capital	-		-	29,675,039	59,350,078	
9	TCC Fuzhou Cement Co., Ltd.	TCC Liaoning Cement Company Limited	Other receivables from related parties	Yes	305,961	302,887	-	-	The need for short-term financing	-	Operating capital	-		-	920,926	2,762,777	
		TCC New (Hangzhou) Management Company Limited	Other receivables from related parties	Yes	437,087	432,696	-	-	The need for short-term financing	-	Operating capital	-		-	920,926	2,762,777	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	218,544	216,348	-	-	The need for short-term financing	-	Operating capital	-		-	920,926	2,762,777	
10	TCCIH	TCC Yingde Cement Co., Ltd.	Other receivables from related parties	Yes	212,793	210,656	208,802	-	The need for short-term financing	-	Operating capital	-		-	143,441,759	286,883,518	
11	Prime York Ltd.	Upper Value Investment Limited	Other receivables from related parties	Yes	187,323	182,376	182,376	-	The need for short-term financing	-	Operating capital	-		-	2,967,112	5,934,224	
12	Jurong TCC Cement Co., Ltd.	TCC Anshun Cement Company Limited	Other receivables from related parties	Yes	874,174	865,392	-	-	The need for short-term financing	-	Operating capital	-		-	17,584,007	35,168,013	
		TCC Chongqing Cement Company Limited	Other receivables from related parties	Yes	874,174	865,392	-	-	The need for short-term financing	-	Operating capital	-		-	17,584,007	35,168,013	
		Guangan Changxing Cement Company Ltd.	Other receivables from related parties	Yes	437,087	432,696	-	-	The need for short-term financing	-	Operating capital	-		-	17,584,007	35,168,013	
		TCC Liaoning Cement Company Limited	Other receivables from related parties	Yes	305,961	302,887	-	-	The need for short-term financing	-	Operating capital	-		-	17,584,007	35,168,013	
		TCC Yingde Cement Co., Ltd.	Other receivables from related parties	Yes	437,087	432,696	-	-	The need for short-term financing	-	Operating capital	-		-	17,584,007	35,168,013	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	655,631	649,044	129,809	3.48	The need for short-term financing	-	Operating capital	-		-	17,584,007	35,168,013	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	1,311,261	1,298,088	337,503	3.48	The need for short-term financing	-	Operating capital	-		-	17,584,007	35,168,013	
		TCC Huaihua Concrete Company Limited	Other receivables from related parties	Yes	131,126	129,809	43,270	3.48	The need for short-term financing	-	Operating capital	-		-	17,584,007	35,168,013	
		Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	305,961	302,887	216,348	3.48	The need for short-term financing	-	Operating capital	-		-	17,584,007	35,168,013	
		Kaili TCC Environment Technology Co., Ltd.	Other receivables from related parties	Yes	218,365	216,348	121,155	3.48	The need for short-term financing	-	Operating capital	-		-	17,584,007	35,168,013	
13	TCC Anshun Cement Company Limited	Anshun Xin Tai Construction Materials Company Limited	Other receivables from related parties	Yes	87,417	86,539	-	-	The need for short-term financing	-	Operating capital	-		-	7,438,387	14,876,774	
		Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	262,252	259,618	259,618	3.48	The need for short-term financing	-	Operating capital	-		-	7,438,387	14,876,774	
		Scitus Luzhou Concrete Co., Ltd.	Other receivables from related parties	Yes	131,126	129,809	-	-	The need for short-term financing	-	Operating capital	-		-	7,438,387	14,876,774	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	131,126	129,809	-	-	The need for short-term financing	-	Operating capital	-		-	7,438,387	14,876,774	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	131,126	129,809	-	-	The need for short-term financing	-	Operating capital	-		-	7,438,387	14,876,774	
		TCC Chongqing Cement Company Limited	Other receivables from related parties	Yes	874,174	865,392	-	-	The need for short-term financing	-	Operating capital	-		-	7,438,387	14,876,774	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	655,631	649,044	173,078	3.48	The need for short-term financing	-	Operating capital	-		-	7,438,387	14,876,774	

(Continued)

No.	Lender	Borrower (Note 2)	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Note
													Item	Value			
14	Guangan Changxing Cement Company Ltd.	TCC Huaying Cement Company Limited	Other receivables from related parties	Yes	\$ 437,087	\$ 432,696	\$ -	-	The need for short-term financing	\$ -	Operating capital	\$ -		\$ -	\$ 5,321,871	\$ 10,643,741	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	131,126	129,809	-	-	The need for short-term financing	-	Operating capital	-		-	5,321,871	10,643,741	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	87,417	86,539	-	-	The need for short-term financing	-	Operating capital	-		-	5,321,871	10,643,741	
15	Wayly Holdings Ltd.	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	57,600	56,079	56,079	-	The need for short-term financing	-	Operating capital	-		-	1,740,204	3,480,408	
16	TCC Chongqing Cement Company Limited	Guangan Changxing Cement Company Ltd.	Other receivables from related parties	Yes	437,087	432,696	-	-	The need for short-term financing	-	Operating capital	-		-	9,125,241	18,250,482	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	218,544	216,348	51,924	3.48	The need for short-term financing	-	Operating capital	-		-	9,125,241	18,250,482	
		Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	131,126	129,809	-	-	The need for short-term financing	-	Operating capital	-		-	9,125,241	18,250,482	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	218,544	216,348	-	-	The need for short-term financing	-	Operating capital	-		-	9,125,241	18,250,482	
		TCC Huaying Cement Company Limited	Other receivables from related parties	Yes	109,272	108,174	-	-	The need for short-term financing	-	Operating capital	-		-	9,125,241	18,250,482	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	655,631	649,044	531,783	3.48	The need for short-term financing	-	Operating capital	-		-	9,125,241	18,250,482	
		TCC Jingzhou Cement Company Limited	Other receivables from related parties	Yes	87,417	86,539	-	-	The need for short-term financing	-	Operating capital	-		-	9,125,241	18,250,482	
		Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	131,126	129,809	86,539	3.48	The need for short-term financing	-	Operating capital	-		-	9,125,241	18,250,482	
17	TCC New (Hangzhou) Management Company Limited	Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	270,994	268,272	-	-	The need for short-term financing	-	Operating capital	-		-	513,358	1,026,716	
		Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	240,398	237,983	190,386	3.48	The need for short-term financing	-	Operating capital	-		-	513,358	1,026,716	
		Scitus Luzhou Concrete Co., Ltd.	Other receivables from related parties	Yes	34,967	34,616	-	-	The need for short-term financing	-	Operating capital	-		-	513,358	1,026,716	
18	Prosperity Minerals (China) Ltd.	TCC New (Hangzhou) Management Company Limited	Other receivables from related parties	Yes	348,563	345,061	255,291	-	The need for short-term financing	-	Operating capital	-		-	865,555	1,731,111	
19	Da Tong (Guigang) International Logistics Co., Ltd.	Guigang Da-Ho Shipping Co., Ltd.	Other receivables from related parties	Yes	131,126	129,809	-	-	The need for short-term financing	-	Operating capital	-		-	703,992	1,407,985	
20	Hong Kong Cement Co., Ltd.	TCCIH	Other receivables from related parties	Yes	472,711	461,363	461,363	0.36	The need for short-term financing	-	Operating capital	-		-	912,461	1,824,922	
21	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	131,126	129,809	-	-	The need for short-term financing	-	Operating capital	-		-	3,659,908	7,319,816	
		Kaili TCC Environment Technology Co., Ltd.	Other receivables from related parties	Yes	174,835	173,078	173,078	3.48	The need for short-term financing	-	Operating capital	-		-	3,659,908	7,319,816	
22	Union Cement Traders Inc.	Jin Chang Minerals Corporation	Other receivables from related parties	Yes	300,000	-	-	-	The need for short-term financing	-	Operating capital	-		-	310,622	310,622	
23	TCC Huaihua Cement Company Limited	TCC Jingzhou Cement Company Limited	Other receivables from related parties	Yes	87,417	86,539	-	-	The need for short-term financing	-	Operating capital	-		-	4,521,752	9,043,505	
24	Scitus Luzhou Cement Co., Ltd.	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	87,417	86,539	8,654	3.48	The need for short-term financing	-	Operating capital	-		-	3,061,736	6,123,473	
25	E-One Moli Energy Corp.	E-One Moli Energy (Canada) Ltd.	Other receivables from related parties	Yes	834,300	834,300	432,572	1.46	The need for short-term financing	-	Operating capital	-		-	1,008,503	2,017,006	
26	E-One Moli Energy (Canada) Ltd.	E-One Moli Energy Corp.	Other receivables from related parties	Yes	547,750	547,750	408,615	0.7	The need for short-term financing	-	Operating capital	-		-	1,130,687	2,261,375	

(Continued)

Note 1: “Financing Limits for Each Borrower” and “Aggregate Financing Limits”:

- A. For Taiwan Cement Corporation, financing limits are as follows:
 - a. Where a business relationship exists, the individual financing limits were the total transaction amounts with the borrower and 20% of Taiwan Cement Corporation’s net equity in the recent year.
 - b. Where there is a need for a short-term financing facility, the individual financing limits were 20% of Taiwan Cement Corporation’s net equity as stated in its latest financial statements.
 - c. For the above items a and b, the aggregate financing limits were 40% of Taiwan Cement Corporation’s net equity as stated in its latest financial statements.
- B. The restrictions above in paragraph A, subparagraphs b and c shall not apply to inter-company loans of funds between foreign companies of which Taiwan Cement Corporation holds, directly or indirectly, 100% of the voting shares. The aggregate and individual financing limits for the companies were 200% and 100%, respectively, of the net equity of each company as stated in their respective latest financial statements. In addition, the aggregate and individual financing limits for TCC International Ltd. were 200% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for TCC Fuzhou Cement Co., Ltd. were 300% and 100%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for TCC New (Hangzhou) Management Company Limited were 600% and 300%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for Prosperity Minerals (China) Ltd. were 400% and 200%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for TCC Development Ltd. were 200% and 200%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for E-One Moli Energy (Canada) Ltd. were 600% and 300%, respectively, of its net equity as stated in its latest financial statements.

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

(Concluded)

TABLE 2

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 3)											
0	Taiwan Cement Corporation	Union Cement Traders Inc.	b	\$ 100,857,403	\$ 1,420,000	\$ 1,420,000	\$ 780,000	\$ -	0.70	\$ 201,714,807	Yes	No	No	
		TCC Investment Corporation	b	100,857,403	2,570,000	2,570,000	1,500,000	-	1.27	201,714,807	Yes	No	No	
		TCC Chemical Corporation	b	100,857,403	1,499,117	1,499,117	441,117	-	0.74	201,714,807	Yes	No	No	
		Jin Chang Minerals Corporation	b	100,857,403	68,848	31,257	31,257	31,257	0.02	201,714,807	Yes	No	No	
		Ho Sheng Mining Co., Ltd.	b	100,857,403	99,884	99,884	99,884	99,884	0.05	201,714,807	Yes	No	No	
		TCCI	b	100,857,403	6,294,080	5,876,350	64,640	-	2.91	201,714,807	Yes	No	No	
1	Ho Sheng Mining Co., Ltd.	Taiwan Cement Corporation	c	1,125,773	137,462	137,462	137,462	-	36.63	1,125,773	No	Yes	No	
2	TCC Green Energy Corporation	TCC Chemical Corporation	a	3,098,101	6,117	6,117	6,117	-	0.20	3,098,101	No	No	No	
3	TCCIH	TCC Yingde Cement Co., Ltd.	b	71,720,880	2,273,407	2,247,817	-	-	1.57	143,441,759	Yes	No	Yes	
		Jurong TCC Cement Co., Ltd.	b	71,720,880	2,020,490	1,976,373	-	-	1.38	143,441,759	Yes	No	Yes	
		TCC Fuzhou Cement Co., Ltd.	b	71,720,880	1,147,977	1,133,350	-	-	0.79	143,441,759	Yes	No	Yes	
		TCC Liaoning Cement Company Limited	b	71,720,880	869,231	857,919	-	-	0.60	143,441,759	Yes	No	Yes	
		TCC (Gui Gang) Cement Ltd.	b	71,720,880	7,417,299	5,920,465	-	-	4.13	143,441,759	Yes	No	Yes	
		TCC Chongqing Cement Company Limited	b	71,720,880	1,753,088	1,725,516	-	-	1.20	143,441,759	Yes	No	Yes	
		Guizhou Kong On Cement Company Limited	b	71,720,880	288,204	281,285	-	-	0.20	143,441,759	Yes	No	Yes	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	b	71,720,880	285,350	278,500	-	-	0.19	143,441,759	Yes	No	Yes	
		Guangan Changxing Cement Company Ltd.	b	71,720,880	305,961	302,887	-	-	0.21	143,441,759	Yes	No	Yes	
		TCC Anshun Cement Company Limited	b	71,720,880	655,631	649,044	-	-	0.45	143,441,759	Yes	No	Yes	
		TCC Huaihua Cement Company Limited	b	71,720,880	830,465	822,122	-	-	0.57	143,441,759	Yes	No	Yes	
		TCC Jingzhou Cement Company Limited	b	71,720,880	262,252	259,618	-	-	0.18	143,441,759	Yes	No	Yes	
4	TCC (Gui Gang) Cement Ltd.	Guigang Conch-TCC New Material Technology Co., Ltd.	f	13,121,401	129,809	129,809	129,679	-	0.49	26,242,802	No	No	Yes	
5	TCC Dutch	NHOA S. A.	b	13,314,418	1,098,599	1,067,551	1,067,551	1,067,551	4.01	26,628,836	Yes	No	No	

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

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

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

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

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

TABLE 3

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2021				Note
				Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taiwan Cement Corporation	<u>Ordinary shares</u>							
	Chien Kuo Construction Co., Ltd.	-	FVTPL - current	7,522	\$ 101,550	-	\$ 101,550	
	Taiwan Television Enterprise, Ltd.	The Corporation serves as supervisor	FVTPL - current	13,573	99,081	-	99,081	
	Chinatrust Financial Holding Co., Ltd.	-	FVTPL - current	3,576	81,882	-	81,882	
	China Hi-Ment Corporation	The Corporation serves as director	FVTOCI - current	30,196	1,355,808	-	1,355,808	
	Taishin Financial Holding Co., Ltd.	-	FVTOCI - current	63,865	1,155,950	-	1,155,950	
	CTCI Corporation	The Corporation serves as director	FVTOCI - current	9,054	324,598	-	324,598	
	Chia Hsin Cement Corporation	Directors	FVTOCI - current	27,419	582,662	-	582,662	
	O-Bank	The Corporation serves as director	FVTOCI - current	32,809	249,675	-	249,675	
	IBT II Venture Capital Corporation	-	FVTOCI - non-current	2,626	14,510	8.3	14,510	
	Chinatrust Investment Co., Ltd.	The Corporation serves as director	FVTOCI - non-current	29,553	1,282,877	9.4	1,282,877	
	Pan Asia Corporation	The Corporation serves as supervisor	FVTOCI - non-current	6,204	8,996	5.4	8,996	
	Taiwan Stock Exchange Corporation	The Corporation serves as director	FVTOCI - non-current	55,698	6,042,676	6.6	6,042,676	
	Excel Corporation	-	FVTOCI - non-current	600	-	9.5	-	
	<u>Convertible preference shares</u>							
	O-Bank	The Corporation serves as director	FVTOCI - current	2,956	29,381	-	29,381	
Taiwan Transport & Storage Corporation	<u>Ordinary shares</u>							
	Chia Hsin Cement Corporation	Director of parent company	FVTOCI - current	8,632	183,420	-	183,420	
TCC Investment Corporation	<u>Ordinary shares</u>							
	O-Bank	The Corporation serves as director	FVTOCI - current	24,214	184,271	-	184,271	21,000 thousand shares were pledged
	Taishin Financial Holding Co., Ltd.	-	FVTOCI - current	12,217	221,124	-	221,124	
	Chia Hsin Cement Corporation	Director of parent company	FVTOCI - current	8,334	177,095	-	177,095	7,000 thousand shares were pledged
	China Conch Venture Holdings Limited	-	FVTOCI - non-current	11,110	1,432,244	-	1,432,244	
	Chinatrust Investment Co., Ltd.	The Corporation serves as director	FVTOCI - non-current	10,884	472,468	3.5	472,468	
	Pan Asia Corporation	The Corporation serves as supervisor	FVTOCI - non-current	1	14	-	14	
	<u>Convertible preference shares</u>							
	O-Bank	The Corporation serves as director	FVTOCI - current	2,182	21,685	-	21,685	
Ta-Ho Maritime Corporation	<u>Ordinary shares</u>							
	Prosperity Dielectrics Co., Ltd.	-	FVTPL - current	951	52,792	-	52,792	
	Chia Hsin Cement Corporation	Director of parent company	FVTOCI - current	25,761	547,427	-	547,427	
	Chinatrust Investment Co., Ltd.	The Corporation serves as director	FVTOCI - non-current	6,612	287,013	2.1	287,013	
TCC Chemical Corporation	<u>Ordinary shares</u>							
	Taiwan Stock Exchange Corporation	The Corporation serves as director	FVTOCI - non-current	3,180	345,040	-	345,040	
Hoping Industrial Port Corporation	<u>Ordinary shares</u>							
	Chinatrust Investment Co., Ltd.	The Corporation serves as director	FVTOCI - non-current	10,444	453,361	3.3	453,361	
E.G.C. Cement Corporation	<u>Ordinary shares</u>							
	Feng Yu United Engineering Company	-	FVTPL - current	97	-	0.1	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2021				Note
				Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Union Cement Traders Inc.	<u>Ordinary shares</u>							
	Taishin Financial Holding Co., Ltd.	-	FVTOCI - current	28,212	\$ 510,630	-	\$ 510,630	
	CTCI Corporation	The Corporation serves as director	FVTOCI - current	13,365	479,147	-	479,147	
	Chia Hsin Cement Corporation	Director of parent company	FVTOCI - current	7,441	158,121	-	158,121	
TCCI (Group)	Videoland Inc.	-	FVTOCI - non-current	6,437	298,762	5.6	298,762	
	<u>Ordinary shares</u>							
	Anhui Conch Cement Co., Ltd.	-	FVTOCI - non-current	116,568	17,507,581	-	17,507,581	
	Yargoan Co., Ltd.	-	FVTOCI - non-current	19	-	12.5	-	

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

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

(Concluded)

TABLE 4

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Other Adjustment	Ending Balance	
					Shares/Units (In Thousands)	Amount	Shares/Units (In Thousands)	Amount	Shares/Units (In Thousands)	Amount	Carrying Amount	Gain on Disposal		Shares	Amount
Taiwan Cement Corporation	<u>Shares</u> Taiwan Prosperity Chemical Corporation	Investments accounted for using the equity method	Note 1	Subsidiary	93,857	\$ 734,888	38,103 (Note 1)	\$ 685,845 (Note 1)	\$ 131,960	\$ 2,800,000 (Note 2)	\$ 2,278,586 (Note 2)	\$ 521,414 (Note 2)	\$ 857,853 (Note 3)	-	\$ -
Taiwan Cement Corporation	TCC Energy Storage Technology Corporation	Investments accounted for using the equity method	-	Subsidiary	100	984	50,500	505,000	-	-	-	-	(4,197) (Note 3)	50,600	501,787 (Note 7)
Taiwan Cement Corporation	TCC Recycle Energy Technology Company	Investments accounted for using the equity method	-	Subsidiary	117,364	1,244,337	923,289	9,232,894	-	-	-	-	(188,241) (Note 3)	1,040,653	10,288,990 (Note 7)
Taiwan Cement Corporation	TCC Green Energy Corporation	Investments accounted for using the equity method	-	Subsidiary	320,899	3,149,254	230,000	2,300,000	-	-	-	-	(60,970) (Note 3)	550,899	5,388,284 (Note 7)
TCC Dutch	TCEH	Investments accounted for using the equity method	-	Subsidiary	-	-	75,001	7,317,233	-	-	-	-	(649,329) (Note 3)	75,001	6,667,904 (Note 7)
TCEH	NHOA S.A.	Investments accounted for using the equity method	Note 6	Subsidiary	-	-	8,318	4,720,992	-	-	-	-	(558,305) (Note 3)	8,318	4,162,687 (Note 7)
TCC Investment Corporation	China Conch Venture Holdings Limited	FVTOCI - current	-	-	28,000	3,877,219	-	-	16,890	2,182,067	2,182,067 (Note 4)	-	(262,908) (Note 5)	11,110	1,432,244
TCC Yingde Cement Co., Ltd.	Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd.	Investments accounted for using the equity method	-	Associates	-	-	-	699,477	-	-	-	-	(7,163) (Note 3)	-	692,314
TCC (Gui Gang) Cement Ltd.	Guigang TCC Dong Yuan Environmental Technology Company Limited	Investments accounted for using the equity method	-	Subsidiary	-	570,171	-	355,276	-	-	-	-	10,155 (Note 3)	-	935,602 (Note 7)

(Continued)

- Note 1: Purchase 34,787 thousand shares for NT\$626,345 thousand from unrelated parties and 3,316 thousand shares for NT\$59,500 thousand from subsidiaries.
- Note 2: On March 19, 2021, the board of directors of the Corporation approved to sell 100% of the total issued shares of Taiwan Prosperity Chemical Corporation, for the total consideration of NT\$2,400,000 thousand to Chang Chun Plastics Co., Ltd. According to the Share Purchase Agreement, the Corporation planned to assist the termination of Equipment Lease Agreement between Taiwan Prosperity Chemical Corporation and TCC Chemical Corporation before the closing. Taiwan Prosperity Chemical Corporation planned to pay NT\$400,000 thousand to TCC Chemical Corporation as the consideration of the termination. The Group completed its disposition and lost control on August 17, 2021. Refer to Note 28.
- Note 3: Including the profit and loss parts of subsidiaries recognized under the equity method and adjustments to shareholder's equity.
- Note 4: Including accumulated gain from retained earnings in the amount of NT\$1,287,350 thousand which is reclassified from unrealized gain on financial assets at FVTOCI due to disposal.
- Note 5: Unrealized loss on financial assets at FVTOCI in this period.
- Note 6: Purchase 7,722 thousand shares for NT\$4,391,545 thousand from Engie SA Group and acquire 596 thousand shares for NT\$329,447 thousand from open market.
- Note 7: All intercompany transactions have been eliminated upon consolidation.

(Concluded)

TABLE 5

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

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

TABLE 6

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total (Note 1)	
Taiwan Cement Corporation	Feng Sheng Enterprise Company Limited	Subsidiary	Sales	\$ (360,218)	(2)	30 days	\$ -	-	\$ 113,486	21	Note 2
	HKCCL	Subsidiary	Purchases	144,126	1	30 days	-	-	(8,885)	(1)	Note 2
			Sales	(408,933)	(2)	65 days after the end of the day when shipment was made	-	-	86,570	16	Note 2
	TCCIH	Subsidiary	Service revenue	(330,500)	(2)	By contract	-	-	73,028	13	Note 2
	E.G.C. Cement Corporation	Subsidiary	Sales	(371,063)	(2)	50 days after the end of the day when delivery was made	-	-	101,870	18	Note 2
	Ta-Ho Maritime Corporation	Subsidiary	Purchases	1,236,063	9	30 days	-	-	(251,423)	(35)	Note 2
	Jin Chang Minerals Corporation	Subsidiary	Purchases	524,234	4	30 days	-	-	(78,600)	(11)	Note 2
	Taiwan Transport & Storage Corporation	Subsidiary	Purchases	488,992	4	30 days	-	-	(70,979)	(10)	Note 2
	Hoping Industrial Port Corporation	Subsidiary	Purchases	418,141	3	20 days	-	-	(62,714)	(9)	Note 2
	Ho Sheng Mining Co., Ltd.	Subsidiary	Purchases	232,548	2	30 days	-	-	(26,138)	(4)	Note 2
	Kuan-Ho Refractories Industry Corporation	Subsidiary	Purchases	174,639	1	By contract	-	-	(84,712)	(12)	Note 2
	Chia Hsin Cement Corporation	Director of the Corporation	Sales	(503,470)	(3)	65 days after the end of the day when delivery was made	-	-	146,265	27	
	China Hi-Ment Corporation	The Corporation serves as director	Purchases	565,246	4	60 days	-	-	(130,268)	(18)	
Ho-Ping Power Company	Hoping Industrial Port Corporation	The same parent company	Purchases	858,624	18	20 days	-	-	(54,471)	(28)	Note 2
	HPC Power Service Corporation	The same parent company	Purchases	365,649	8	By contract	-	-	(80,943)	(41)	Note 2
Hoping Industrial Port Corporation	Taiwan Cement Corporation	Parent company	Sales	(418,141)	(31)	20 days	-	-	62,714	52	Note 2
	Ho-Ping Power Company	The same parent company	Sales	(858,624)	(65)	20 days	-	-	54,471	45	Note 2
	Taiwan Transport & Storage Corporation	The same parent company	Purchases	167,271	78	30 days	-	-	(31,796)	(93)	Note 2
E.G.C. Cement Corporation	Taiwan Cement Corporation	Parent company	Purchases	371,063	100	50 days after the end of the day when delivery was made	-	-	(101,870)	(100)	Note 2
Feng Sheng Enterprise Company Limited	Taiwan Cement Corporation	Parent company	Purchases	360,218	16	30 days	-	-	(113,486)	(100)	Note 2
			Sales	(144,126)	(6)	30 days	-	-	8,885	100	Note 2
Taiwan Transport & Storage Corporation	Taiwan Cement Corporation	Parent company	Sales	(488,992)	(38)	30 days	-	-	70,979	60	Note 2
	Hoping Industrial Port Corporation	The same parent company	Sales	(167,271)	(13)	30 days	-	-	31,796	27	Note 2
	Taiwan Prosperity Chemical Corporation (Note 3)	The same parent company	Sales	(205,653)	(16)	30 days	-	-	-	-	Note 2
	Linyuan Advanced Materials Technology Co., Ltd.	The same chairman	Sales	(111,232)	(9)	30 days	-	-	11,895	10	
Ta-Ho Maritime Corporation	Taiwan Cement Corporation	Parent company	Sales	(1,236,063)	(59)	30 days	-	-	251,423	89	Note 2
TCCIH	Taiwan Cement Corporation	Parent company	Service expense	330,500	100	By contract	-	-	(73,028)	(100)	Note 2
Ho Sheng Mining Co., Ltd.	Taiwan Cement Corporation	Parent company	Sales	(232,548)	(72)	30 days	-	-	26,138	87	Note 2
HPC Power Service Corporation	Ho-Ping Power Company	The same parent company	Sales	(365,649)	(100)	By contract	-	-	80,943	100	Note 2
Jin Chang Minerals Corporation	Taiwan Cement Corporation	Parent company	Sales	(524,234)	(100)	30 days	-	-	78,600	100	Note 2

(Continued)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total (Note 1)	
Kuan-Ho Refractories Industry Corporation	Taiwan Cement Corporation	Parent company	Sales	\$ (174,639)	(25)	By contract	\$ -	-	\$ 84,712	87	Note 2
Taiwan Prosperity Chemical Corporation (Note 3)	Taiwan Transport & Storage Corporation	The same parent company	Purchases	205,653	3	30 days	-	-	-	-	Note 2
Da Tong (Guigang) International Logistics Co., Ltd.	TCC (Gui Gang) Cement Ltd.	The same ultimate parent company	Freight revenue	(432,811)	(93)	By negotiation	-	-	102,626	100	Note 2
Guigang Da-Ho Shipping Co., Ltd.	TCC (Gui Gang) Cement Ltd.	The same ultimate parent company	Freight revenue	(353,256)	(38)	By negotiation	-	-	105,455	62	Note 2
	TCC Yingde Cement Co., Ltd.	The same ultimate parent company	Freight revenue	(262,864)	(28)	By negotiation	-	-	60,308	35	Note 2
TCC (Gui Gang) Cement Ltd.	Da Tong (Guigang) International Logistics Co., Ltd.	The same ultimate parent company	Purchases	432,811	8	By negotiation	-	-	(102,626)	(1)	Note 2
	Guigang Da-Ho Shipping Co., Ltd.	The same ultimate parent company	Purchases	353,256	6	By negotiation	-	-	(105,455)	(1)	Note 2
TCC Yingde Cement Co., Ltd.	Guigang Da-Ho Shipping Co., Ltd.	The same ultimate parent company	Purchases	262,864	4	By negotiation	-	-	(60,308)	(2)	Note 2
HKCCL	Taiwan Cement Corporation	Parent company	Purchases	408,933	87	65 days after the end of the day when shipment was made	-	-	(86,570)	(100)	Note 2
	Quon Hing Concrete Co., Ltd.	Associates	Sales	(227,758)	(34)	By negotiation	-	-	106,968	16	
TCC Liaoning Cement Company Limited	Yantai Jinyu Jidong Cement Co., Ltd.	Related party in substance	Sales	(318,066)	(21)	By negotiation	-	-	-	-	

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

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

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

(Concluded)

TABLE 7**TAIWAN CEMENT CORPORATION AND SUBSIDIARIES****RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE SHARE CAPITAL****SEPTEMBER 30, 2021****(In Thousands of New Taiwan Dollars)**

Related Party	Company Name	Relationship	Ending Balance	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Taiwan Cement Corporation	Feng Sheng Enterprise Company (Note)	Subsidiary	\$ 113,486	4.2	\$ -	-	\$ 32,821	\$ -
Taiwan Cement Corporation	E.G.C. Cement Corporation (Note)	Subsidiary	101,870	4.1	-	-	44,811	-
Taiwan Cement Corporation	Chia Hsin Cement Corporation	Directors	146,265	6.1	-	-	83,580	-
Ta-Ho Maritime Corporation	Taiwan Cement Corporation (Note)	Parent company	251,423	5.4	-	-	119,197	-
Da Tong (Guigang) International Logistics Co., Ltd.	TCC (Gui Gang) Cement Ltd. (Note)	The same ultimate parent company	102,626	3.4	-	-	66,480	-
Guigang Da-Ho Shipping Co., Ltd.	TCC (Gui Gang) Cement Ltd. (Note)	The same ultimate parent company	105,455	2.9	-	-	55,241	-
HKCCL	Quon Hing Concrete Co., Ltd.	Associates	106,968	2.7	-	-	28,713	-
E-One Moli Energy Corp.	E-One Moli Energy (Canada) Ltd. (Note)	The same ultimate parent company	395,315	-	-	-	106,143	-
E-One Moli Energy (Canada) Ltd.	E-One Moli Energy Corp. (Note)	The same ultimate parent company	103,632	-	-	-	-	-

Note: All intercompany transactions have been eliminated upon consolidation.

TABLE 8

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2021	December 31, 2020	Shares/Units (In Thousands)	%	Carrying Amount			
Taiwan Cement Corporation	TCCI	British Virgin Islands	Investment holding	\$ 33,774,761	\$ 33,774,761	1,100,875,900	100.00	\$ 113,159,344	\$ 5,903,666	\$ 5,903,666	Note
	Ho-Ping Power Company	Taiwan	Thermal power generation	6,037,720	6,037,720	805,940,306	59.50	17,114,268	2,685,162	1,597,672	Note
	Hoping Industrial Port Corporation	Taiwan	Hoping Industrial Port management	3,198,500	3,198,500	319,990,000	100.00	5,703,405	630,501	629,659	Note
	Ta-Ho Maritime Corporation	Taiwan	Marine transportation	528,506	528,506	143,565,823	64.79	2,744,299	185,637	120,270	Note
	Taiwan Prosperity Chemical Corporation	Taiwan	Processing and sale of chemical material	-	1,731,127	-	-	-	532,145	554,464	Note
	Taiwan Transport & Storage Corporation	Taiwan	Warehousing, transportation and sale of sand and gravel	90,863	90,863	40,541,082	83.85	2,037,518	124,898	104,722	Note
	TCC Investment Corporation	Taiwan	Investment	190,000	190,000	117,400,000	100.00	4,694,426	(187,332)	(22,133)	Note
	Ho Sheng Mining Co., Ltd.	Taiwan	Mining excavation and sale of limestone	1,414,358	1,414,358	30,100,000	100.00	1,323,101	58,623	58,623	Note
	CCC USA Corporation	U.S.A.	Rubber raw materials	1,284,421	1,284,421	79,166	33.33	1,732,339	280,678	93,559	
	Taiwan Cement Engineering Corporation	Taiwan	Engineering services	320,404	320,373	59,672,487	99.18	718,589	41	1,076	Note
	ONYX Ta-Ho Environmental Services Co., Ltd.	Taiwan	Waste collection and treatment	72,000	72,000	58,828,112	50.00	1,068,354	569,521	284,760	
	Kuan-Ho Refractories Industry Corporation	Taiwan	Production and sale of refractory materials	181,050	181,050	18,105,000	95.29	582,320	72,678	69,255	Note
	Feng Sheng Enterprise Company	Taiwan	Sale of ready-mixed concrete	250,000	250,000	27,260,611	45.43	401,946	133,658	60,727	Note
	TCC Chemical Corporation	Taiwan	Leasing property and energy technology services	1,510,842	1,510,842	240,000,000	100.00	1,220,283	(555,691)	(555,691)	Note
	TCC Information Systems Corporation	Taiwan	Information software design	71,000	71,000	14,904,000	99.36	261,829	8,881	8,824	Note
	Ta-Ho RSEA Environment Co., Ltd.	Taiwan	Waste collection and treatment	666,000	666,000	39,960,000	66.60	610,719	634,899	422,843	Note
	HKCMCL	Hong Kong	Investment holding	72,005	72,005	38,094	84.65	449,805	49,935	42,272	Note
	TCC Green Energy Corporation	Taiwan	Renewable energy generation	5,446,046	3,146,046	550,898,696	100.00	5,388,284	(60,970)	(60,970)	Note
	Jin Chang Minerals Corporation	Taiwan	Afforestation and sale of limestone	18,042	18,042	5,400,000	100.00	50,912	(128,197)	(128,197)	Note
	HPC Power Service Corporation	Taiwan	Business consulting	1,861	1,861	6,000	60.00	92,529	151,108	90,665	Note
	E.G.C. Cement Corporation	Taiwan	Sale of cement	184,359	184,359	8,062,600	50.64	116,836	27,943	14,152	Note
	Synpac Ltd.	British Virgin Islands	Investment	70,367	70,367	2,700,000	25.00	6,372	(89)	(22)	
	Tung Chen Mineral Corporation	Taiwan	Afforestation and sale of limestone	1,989	1,989	19,890	99.45	1,237	(32)	(32)	Note
	TMC	Philippines	Mining excavation	11,880	11,880	119,997	72.70	-	-	-	Note
	TPMC	Philippines	Mining excavation	2,105	2,105	19,996	40.00	-	-	-	Note
	TCCIH	Cayman Islands	Investment holding	40,701,671	40,701,671	2,581,832,362	38.28	58,727,442	7,419,115	2,840,037	Note
	International CSRC Investment Holdings Co., Ltd.	Taiwan	Investment	3,563,397	3,563,397	153,476,855	15.59	5,410,461	1,369,513	213,447	
	TCC Dutch	Netherlands	Investment holding	29,695,730	29,695,730	838,370	100.00	26,655,947	702,938	702,938	Note
	TCC Recycle Energy Technology Company	Taiwan	Manufacturing and sale of batteries, power generation machinery, electronic components, etc.	10,423,119	1,190,225	1,040,652,886	63.26	10,288,990	(150,329)	(16,719)	Note
	TCCMOLI	Singapore	Investment holding	1,239	1,239	30,000	100.00	-	(79)	(79)	Liquidation process was in progress
	TCC Sustainable Energy Investment Corporation	Taiwan	Investment holding	1,000	1,000	100,000	100.00	942	(33)	(33)	Note
	TCC Energy Storage Technology Corporation	Taiwan	Energy storage equipment manufacturing production and sales	506,000	1,000	50,600,000	100.00	501,787	(4,198)	(4,198)	Note
	Tuo Shan Recycle Technology Company	Taiwan	Waste collection and treatment	1,000	-	100,000	100.00	989	(11)	(11)	Note
Taiwan Transport & Storage Corporation	Ta-Ho Maritime Corporation	Taiwan	Marine transportation	303,431	301,524	64,821,740	29.25	1,239,085	185,637	54,276	Note
	E.G.C. Cement Corporation	Taiwan	Sale of cement	136,476	136,476	7,857,400	49.36	143,243	27,943	13,792	Note
	Tai-Jie Transport & Storage Corporation	Taiwan	Transportation	25,000	25,000	2,500,000	100.00	36,393	9,261	9,261	Note

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2021	December 31, 2020	Shares/Units (In Thousands)	%	Carrying Amount			
TCC Investment Corporation	Union Cement Traders Inc.	Taiwan	Import and export trading	\$ 219,450	\$ 219,450	27,783,000	100.00	\$ 1,020,398	\$ 28,314	\$ 28,314	Note
	Ho-Ping Power Company	Taiwan	Thermal power generation	68,911	68,911	6,772,608	0.50	140,350	2,685,162	13,426	Note
	Taiwan Prosperity Chemical Corporation	Taiwan	Processing and sale of chemical material	-	10,528	-	-	-	532,145	(174)	Note
	Ta-Ho Maritime Corporation	Taiwan	Marine transportation	343	343	42,521	0.02	794	185,637	35	Note
	International CSRC Investment Holdings Co., Ltd.	Taiwan	Investment	388,079	388,079	22,008,505	2.23	769,484	1,369,513	30,608	
	TCC Recycle Energy Technology Company	Taiwan	Manufacturing and sale of batteries, power generation machinery, electronic components, etc.	312,833	312,833	31,859,829	1.94	219,082	(150,329)	(7,731)	Note
Ta-Ho Maritime Corporation	Ta-Ho Maritime Holdings Ltd.	Samoa	Investment	537,505	549,664	19,300,000	100.00	4,746,587	180,894	180,894	Note
TCC Information Systems Corporation	Taicem Information (Samoa) Pte., Ltd.	Samoa	Investment	3,042	3,042	100,000	100.00	50,509	1,764	1,764	Note
	International CSRC Investment Holdings Co., Ltd.	Taiwan	Investment	49,882	49,882	2,055,473	0.21	71,907	1,369,513	2,859	
Hoping Industrial Port Corporation	Taiwan Prosperity Chemical Corporation	Taiwan	Processing and sale of chemical material	-	104,929	-	-	-	532,145	(1,765)	Note
	TCC Recycle Energy Technology Company	Taiwan	Manufacturing and sale of batteries, power generation machinery, electronic components, etc.	112,898	112,898	11,695,699	0.71	80,425	(150,329)	(2,986)	Note
Union Cement Traders Inc.	Taiwan Transport & Storage Corporation	Taiwan	Warehousing, transportation and sale of sand and gravel	2,612	2,612	324,245	0.67	16,296	124,898	838	Note
	International CSRC Investment Holdings Co., Ltd.	Taiwan	Investment	281,806	281,806	11,463,551	1.16	401,030	1,369,513	15,943	
	TCC Recycle Energy Technology Company	Taiwan	Manufacturing and sale of batteries, power generation machinery, electronic components, etc.	298,046	298,046	30,702,994	1.87	211,127	(150,329)	(7,450)	Note
TCC Recycle Energy Technology Company	E-One Moli Energy Corp.	Taiwan	Manufacturing and sales of Lithium battery	15,683,427	-	1,566,310,703	100.00	14,948,728	(146,252)	(146,252)	Note
E-One Moli Energy Corp.	E-One Holdings Ltd.	British Virgin Islands	Investment holding	2,050,040	-	65,344,940	100.00	413,381	34,662	34,662	Note
	Molie Quantum Energy Corporation	Taiwan	Manufacturing and sales of batteries, power generation machinery and electronic components	10,001,000	-	1,000,100,000	100.00	9,998,184	(2,816)	(2,816)	Note
E-One Holdings Ltd.	E-One Moli Holdings (Canada) Ltd.	Canada	Investment holding	2,376,413	-	23,800	100.00	413,350	34,663	34,663	Note
E-One Moli Holdings (Canada) Ltd.	E-One Moli Energy (Canada) Ltd.	Canada	Battery research and development and sales	1,879,418	-	6,649,200	100.00	413,354	34,670	34,670	Note
Ho-Ping Power Company	Ho-Ping Renewable Energy Company	Taiwan	Renewable energy generation	1,000	1,000	100,000	100.00	994	(3)	(3)	Note
TCC Green Energy Corporation	TCC Chia-Chien Green Energy Corporation	Taiwan	Renewable energy generation	1,002,000	1,002,000	100,200,000	100.00	893,605	(36,600)	(36,600)	Note
	TCC Yun-Kai Green Energy Corporation	Taiwan	Renewable energy generation	25,000	25,000	2,500,000	100.00	22,079	(185)	(185)	Note
	TCC Lien-Hsin Green Energy Corporation	Taiwan	Renewable energy generation	12,000	12,000	1,200,000	100.00	9,026	(25)	(25)	Note
	TCC Chang-Ho Green Energy Corporation	Taiwan	Renewable energy generation	2,456	2,456	245,635	100.00	2,388	(22)	(22)	Note
	TCC Kao-Cheng Green Energy Corporation	Taiwan	Renewable energy generation	82,000	82,000	8,200,000	100.00	83,876	2,126	2,126	Note
	TCC Nan-Chung Green Energy Corporation	Taiwan	Renewable energy generation	170,000	170,000	17,000,000	100.00	169,235	979	979	Note
	Chang-Wang Wind Power Co., Ltd.	Taiwan	Renewable energy generation	720,000	720,000	72,000,000	100.00	681,476	12,557	12,557	Note
	TCC Ping-Chih Green Energy Corporation	Taiwan	Renewable energy generation	2,000	2,000	200,000	100.00	1,895	(23)	(23)	Note
	Chia-Ho Green Energy Corporation	Taiwan	Renewable energy generation	100,000	50,000	10,000,000	100.00	76,766	(22,859)	(22,859)	Note
	TCC Tung-Li Green Energy Corporation	Taiwan	Renewable energy generation	150,000	-	15,000,000	100.00	145,995	(4,005)	(4,005)	Note

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2021	December 31, 2020	Shares/Units (In Thousands)	%	Carrying Amount			
Ta-Ho Maritime Holdings Ltd.	THC International S.A.	Panama	Marine transportation	\$ 1,094,784	\$ 1,119,549	39,310,000	100.00	\$ 3,748,582	\$ 106,711	\$ 106,711	Note
	Ta-Ho Maritime (Hong Kong) Limited	Hong Kong	Marine transportation	142,035	145,248	5,100,000	100.00	921,306	74,911	74,911	Note
	Ta-Ho Maritime (Singapore) Pte. Ltd.	Singapore	Marine transportation	2,785	2,848	100,000	100.00	66,784	(617)	(617)	Note
TCC International Ltd. (Group)	Quon Hing Concrete Co., Ltd.	Hong Kong	Investment holding	159,100	163,415	100,000	50.00	143,787	36,261	18,130	
	Hong Kong Concrete Co., Ltd.	Hong Kong	Cement processing services	24,395	25,057	129,150	31.50	139,368	(26,676)	(8,403)	
TCC Dutch	Cimpor Global Holdings B.V.	Netherlands	Holding company	26,417,006	27,014,590	100,000	40.00	26,800,347	2,148,719	789,103	
	TCEH	Netherlands	Investment holding	7,317,233	-	75,001,000	100.00	6,667,904	(64,469)	(64,469)	Note
TCEH	NHOA S.A.	France	Investment holding	4,720,992	-	8,317,551	65.15	4,162,687	(92,268)	(55,804)	Note
NHOA S.A.	NHOA ENERGY S.R.L.	Italy	Renewable energy and energy storage system construction	1,886,085	-	1,000,000	100.00	26,818	(164,713)	(164,713)	Note
	ELECTRO POWER SYSTEM MANUFACTURING	Italy	Renewable energy and energy storage system construction	685,262	-	1,004,255	100.00	126,396	4,806	4,806	Note
	Comores Energie Nouvelles S.A.R.L.	Union of the Comoros	Renewable energy and energy storage system construction	305	-	60	60.00	(9,811)	(929)	(558)	Note
NHOA ENERGY S.R.L	FREE2MOVE ESOLUTIONS S.P.A.	Italy	Electric vehicle charging equipment	528,255	-	16,344,531	49.90	655,818	(28,624)	(14,283)	Note
	NHOA AMERICAS LLC	U.S.A.	Renewable energy and energy storage system construction	274	-	10,000	100.00	271	-	-	Note
	NHOA AUSTRALIA PTY LTD.	Australia	Renewable energy and energy storage system construction	-	-	10,000	100.00	-	-	-	Note

Note: All intercompany transactions have been eliminated upon consolidation.

(Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

A.

Investee Company	Main Businesses and Products	Share Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021 (Note 2)	Investment Flow (Note 2)		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2021 (Note 2)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount as of September 30, 2021 (Note 3)	Accumulated Repatriation of Investment Income as of September 30, 2021	Note
					Outflow	Inflow							
TCC Fuzhou Cement Co., Ltd.	Manufacturing and sale of cement	\$ 452,563	(b)	\$ 255,698	\$ -	\$ -	\$ 255,698	\$ 50,967	100.00	\$ 50,967	\$ 987,210	\$ -	Note 6
TCC Fuzhou Yangyu Port Co., Ltd.	Service of port facility	139,250	(b)	78,676	-	-	78,676	16,884	100.00	16,884	290,617	-	Note 6
TCC Liuzhou Construction Materials Company Limited	Manufacturing and sale of slag powder	375,975	(b)	90,234	-	-	90,234	78,445	42.00	32,947	384,239	-	Note 6
TCC Yingde Cement Co., Ltd.	Manufacturing and sale of cement	7,085,040	(b)	4,427,064	-	-	4,427,064	2,499,445	100.00	2,499,445	32,664,468	-	Note 6
Jurong TCC Cement Co., Ltd.	Manufacturing and sale of cement	6,489,050	(b)	3,787,461	-	-	3,787,461	1,249,462	100.00	1,249,462	19,117,644	-	Note 6
TCC (Gui Gang) Cement Ltd.	Manufacturing and sale of cement	9,270,594	(b)	6,631,082	-	-	6,631,082	937,976	100.00	937,976	27,559,705	-	Note 6
Jiangsu TCC Investment Co., Ltd.	Investment holding	1,392,500	(b)	786,763	-	-	786,763	268,909	100.00	268,909	4,243,281	-	Note 6
Yingde Dragon Mountain Cement Co., Ltd.	Manufacturing and sale of cement	1,839,161	(b)	3,025,432	-	-	3,025,432	1,461,329	100.00	1,461,329	19,289,130	-	Note 6
TCC Liaoning Cement Company Limited	Manufacturing and sale of cement	1,593,816	(b)	1,241,595	-	-	1,241,595	101,731	100.00	101,731	1,835,688	-	Note 6
TCC Anshun Cement Company Limited	Manufacturing and sale of cement	4,274,697	(b)	3,114,354	-	-	3,114,354	(31,107)	100.00	(31,107)	7,531,320	-	Note 6
TCC Chongqing Cement Company Limited	Manufacturing and sale of cement	3,286,300	(b)	2,376,200	-	-	2,376,200	537,393	100.00	537,393	9,812,165	-	Note 6
Guangan Changxing Cement Company Ltd.	Manufacturing and sale of cement	2,144,172	(b)	1,556,686	-	-	1,556,686	368,999	100.00	368,999	5,778,584	-	Note 6
TCC (Dong Guan) Cement Company Ltd.	Manufacturing and sale of cement	557,000	(b)	314,705	-	-	314,705	105	100.00	105	313,714	-	Note 6
Guizhou Kong On Cement Company Limited	Manufacturing and sale of cement	565,355	(b)	254,832	-	-	254,832	(121,283)	65.00	(78,834)	380,241	-	Note 6
TCC New (Hangzhou) Management Company Limited	Operation management	222,800	(b)	125,882	-	-	125,882	(28,054)	100.00	(28,054)	146,029	-	Note 6
Guizhou Kaili Rui An Jian Cai Co., Ltd.	Manufacturing and sale of cement	1,673,982	(b)	996,317	-	-	996,317	(197,836)	100.00	(197,836)	3,524,207	-	Note 6
TCC Shaoguan Cement Co., Limited	Manufacturing and sale of cement	1,924,435	(b)	1,803,288	-	-	1,803,288	(29,125)	100.00	(29,125)	1,889,354	-	Note 6
TCC Huaying Cement Company Limited	Manufacturing and sale of cement	4,080,684	(b)	2,863,103	-	-	2,863,103	(136,684)	100.00	(136,684)	3,574,200	-	Note 6
TCC Huaihua Cement Company Limited (Note 4)	Manufacturing and sale of cement	1,288,800	(b)	5,241,172	-	-	5,241,172	(40,883)	100.00	(40,883)	4,546,254	-	Note 6
TCC Jingzhou Cement Company Limited (Note 4)	Manufacturing and sale of cement	644,400	(b)	-	-	-	-	12,953	100.00	12,953	2,115,888	-	Note 6
TCC Huaihua Concrete Company Limited (Note 4)	Sale of ready-mixed concrete	42,960	(b)	-	-	-	-	(7,972)	100.00	(7,972)	35,012	-	Note 6
TCC Jiangsu Mining Industrial Company Limited	Mining excavation	111,400	(b)	348,317	-	-	348,317	29,000	100.00	29,000	343,917	-	Note 6
TCC Yingde Mining Industrial Company Limited	Mining excavation	320,275	(b)	251,977	-	-	251,977	4,147	100.00	4,147	390,487	-	Note 6
TCC Guigang Mining Industrial Company Limited	Mining excavation	139,250	(b)	120,274	-	-	120,274	4,523	100.00	4,523	385,440	-	Note 6
Scitus Naxi Cement Co., Ltd.	Manufacturing and sale of cement	629,407	(b)	-	-	-	-	(7,341)	100.00	(7,341)	557,521	-	Note 6
Scitus Luzhou Cement Co., Ltd.	Manufacturing and sale of cement	1,696,920	(b)	-	-	-	-	107,152	100.00	107,152	3,220,057	-	Note 6
Scitus Hejiang Cement Co., Ltd.	Manufacturing and sale of cement	99,882	(b)	-	-	-	-	(477)	100.00	(477)	4,718	-	Note 6
Scitus Luzhou Concrete Co., Ltd.	Sale of ready-mixed concrete	107,400	(b)	-	-	-	-	(10,191)	100.00	(10,191)	103,071	-	Note 6
Anshun Xin Tai Construction Materials Company Limited	Filtering of sand and gravel and sale of ready-mixed concrete	64,440	(b)	85,216	-	-	85,216	1,172	100.00	1,172	64,149	-	Note 6
Fuzhou TCC Information Technology Co., Ltd. (Note 5)	Software product and equipment maintenance	2,785	(b)	2,785	-	-	2,785	2,548	100.00	2,548	15,819	39,372	Note 6
Da Tong (Guigang) International Logistics Co., Ltd. (Note 5)	Logistics and transportation	139,250	(b)	-	-	-	-	75,051	100.00	75,051	906,350	-	Note 6
Da Tong (Ying De) Logistics Co., Ltd. (Note 5)	Logistics and transportation	21,525	(b)	-	-	-	-	8,180	100.00	8,180	129,602	-	Note 6
Guigang Da-Ho Shipping Co., Ltd. (Note 5)	Marine transportation	17,220	(b)	-	-	-	-	47,273	100.00	47,273	512,372	-	Note 6
Prosperity Conch Cement Co., Ltd.	Manufacturing and sale of cement	2,491,680	(b)	2,041,491	-	-	2,041,491	3,419,541	25.00	854,885	7,156,054	-	
Yunnan Kungang & K. Wah Cement Construction Materials Co., Ltd.	Manufacturing and sale of cement	3,544,200	(b)	1,330,963	-	-	1,330,963	347,720	30.00	104,316	1,581,645	-	
Baoshan Kungang & K. Wah Cement Construction Materials Co., Ltd.	Manufacturing and sale of cement	1,772,444	(b)	644,513	-	-	644,513	353,867	30.00	106,160	974,206	-	
Sichuan Taichang Building Material Group Company Limited	Manufacturing and sale of cement	859,200	(b)	322,186	-	-	322,186	147,777	30.00	44,333	521,210	-	
Yingjing Xinan New material Co., Ltd.	Manufacturing and sale of cement	85,920	(b)	-	-	-	-	-	30.00	-	(164,393)	-	
Guangan Xin Tai Construction Materials Company Limited	Manufacturing and sale of concrete aggregate	66,588	(b)	43,985	-	-	43,985	-	50.00	-	-	-	
Guigang TCC Dong Yuan Environmental Technology Company Limited	Dangerous waste treatment	859,200	(b)	502,632	-	-	502,632	12,060	100.00	12,060	935,602	-	Note 6
Beijing TCC Environmental Technology Co., Ltd.	Technology development, enterprise management and sales	25,776	(b)	25,776	-	-	25,776	(28,828)	100.00	(28,828)	(49,539)	-	Note 6
TCC (Hangzhou) Environmental Protection Technology Co., Ltd.	Environment, cement, business management consulting	3,007,200	(b)	3,007,200	-	-	3,007,200	(164,724)	100.00	(164,724)	2,468,154	-	Note 6
Kaili TCC Environment Technology Co., Ltd.	Waste collection and treatment	34,368	(b)	12,888	-	-	12,888	(11,477)	100.00	(11,477)	12,398	-	Note 6
TCC Jiuyuan (Xuyong) Environmental Technology Co., Ltd.	Technology development, enterprise management and sales	17,184	(b)	9,451	-	-	9,451	110	55.00	61	8,715	-	Note 6

(Continued)

Investee Company	Main Businesses and Products	Share Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021 (Note 2)	Investment Flow (Note 2)		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2021 (Note 2)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount as of September 30, 2021 (Note 3)	Accumulated Repatriation of Investment Income as of September 30, 2021	Note
					Outflow	Inflow							
Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd.	Technology development, enterprise management consulting	\$ 37,590	(b)	\$ -	\$ -	\$ -	\$ -	\$ (255)	45.00	\$ (115)	\$ 32,982	\$ -	Note 6
TCC (Hangzhou) Recycle Resource Technology Environmental Limited	Resource recycling technology development, business management and sales	2,405,760	(b)	-	-	-	-	20,929	100.00	20,929	2,448,134	-	
Guigang Conch-TCC New Material Technology Co., Ltd	Technology development and service, Manufacturing and sale of dedicated chemical production	103,104	(b)	-	-	-	-	(9,417)	40.00	(3,767)	36,616	-	
Jurong TCC Environmental Co., Ltd.	Dangerous waste treatment	644,400	(b)	-	-	-	-	3,602	100.00	3,602	652,634	-	Note 6
Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd.	Manufacturing and sale of cement, technology development, enterprise management and sales	1,718,400	(b)	-	-	-	-	-	40.00	-	692,314	-	

Accumulated Investment in Mainland China as of September 30, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$68,620,755	\$69,248,492	(Note 7)

- Note 1: The method of investments were as follows:
- Direct investment in mainland companies.
 - Investments in mainland China companies were through a company invested and established in a third region.
- Note 2: Including outward remittance from offshore subsidiaries.
- Note 3: For TCC Yingde Cement Co., Ltd., TCC (Gui Gang) Cement Ltd., TCC Anshun Cement Company Limited, TCC Chongqing Cement Company Limited, Jurong TCC Cement Co., Ltd., Yingde Dragon Mountain Cement Co., Ltd. and TCC Huaihua Cement Company Limited the carrying amounts and investment gains or losses are based on the reviewed financial statements, while all other entities are not.
- Note 4: As of September 30, 2021, the accumulated outward remittance for investments was a total of those from TCC Huaihua Cement Company Limited, TCC Jingzhou Cement Company Limited and TCC Huaihua Concrete Company Limited.
- Note 5: Including the amounts attributable to non-controlling interests.
- Note 6: All intercompany transactions have been eliminated upon consolidation.
- Note 7: The Corporation received a confirmation letter of Operation Headquarter from the Industrial Development Bureau of the MOEA in March 2020 stating that the Corporation is not limited by the restriction on the accumulated percentage or amount of investment in mainland China.
- B. Refer to Tables 1, 2, 6, 7 and 10 for the information about significant transactions with investees in the mainland China either directly or indirectly through a third area.

(Concluded)

TABLE 10

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

No.	Investee Company	Counterparty	Relationship (Note 1)	Transactions Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets
0	Taiwan Cement Corporation	Feng Sheng Enterprise Company	1	Operating revenue	\$ 360,218	30 days	0.5
				Accounts receivable from related parties	113,486	30 days	-
				Operating costs and expenses	144,126	30 days	0.2
		Taiwan Transport & Storage Corporation	1	Operating costs and expenses	488,992	30 days	0.6
		Hoping Industrial Port Corporation	1	Operating costs and expenses	418,141	20 days	0.5
		Ho Sheng Mining Co., Ltd.	1	Operating costs and expenses	232,548	30 days	0.3
		Jin Chang Minerals Corporation	1	Operating costs and expenses	524,234	30 days	0.7
		Kuan-Ho Refractories Industry Corporation	1	Operating costs and expenses	174,639	By contract	0.2
		Ta-Ho Maritime Corporation	1	Operating costs and expenses	1,236,063	30 days	1.6
				Accounts payable to related parties	251,423	30 days	0.1
		E.G.C. Cement Corporation	1	Operating revenue	371,063	50 days after the end of the day when delivery was made	0.5
				Accounts receivable from related parties	101,870	50 days after the end of the day when delivery was made	-
				Lease liabilities - non-current	241,483	By contract	0.1
		TCCIH	1	Operating revenue	330,500	By contract	0.4
		HKCCL	1	Operating revenue	408,933	65 days after the end of the day when shipment was made	0.5
1	Ho-Ping Power Company	Hoping Industrial Port Corporation	3	Operating costs and expenses	858,624	20 days	1.1
		HPC Power Service Corporation	3	Operating costs and expenses	365,649	By contract	0.5
2	Taiwan Transport & Storage Corporation	Hoping Industrial Port Corporation	3	Operating revenue	167,271	30 days	0.2
		Taiwan Prosperity Chemical Corporation (Note 3)	3	Operating revenue	205,653	By contract	0.3
3	Da Tong (Guigang) International Logistics Co., Ltd.	TCC (Gui Gang) Cement Ltd.	3	Operating revenue	432,811	By negotiation	0.6
				Accounts receivable from related parties	102,626	By negotiation	-
4	Guigang Da-Ho Shipping Co., Ltd.	TCC (Gui Gang) Cement Ltd.	3	Operating revenue	353,256	By negotiation	0.5
				Accounts receivable from related parties	105,455	By negotiation	-
		TCC Yingde Cement Co., Ltd.	3	Operating revenue	262,864	By negotiation	0.3
5	E-One Moli Energy Corp.	E-One Moli Energy (Canada) Ltd.	3	Accounts receivable from related parties	395,315	By negotiation	0.1
				Other payables to related parties	103,632	By negotiation	-

(Continued)

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

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

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

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

(Concluded)