

Taiwan Cement Corporation

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Taiwan Cement Corporation

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

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

Revenue Recognition of Cement Sales

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

collection information of the samples before the end of the reporting period in order to verify the validity of revenue recognition of cement sales.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

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

Hui-Min Huang

Deloitte & Touche
Taipei, Taiwan
Republic of China

Cheng-Hung Kuo

February 25, 2022

Notice to Readers

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

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

TAIWAN CEMENT CORPORATION

BALANCE SHEETS

DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 26,919,655	8	\$ 12,008,414	4
Financial assets at fair value through profit or loss (Notes 4, 7 and 27)	306,075	-	290,636	-
Financial assets at fair value through other comprehensive income (Notes 4, 8, 27 and 28)	3,832,706	1	3,404,597	1
Financial assets at amortized cost (Notes 4 and 6)	-	-	4,900,000	2
Accounts and notes receivable (Notes 4 and 9)	5,165,862	1	4,784,095	2
Accounts and notes receivable from related parties (Notes 4 and 28)	646,808	-	506,081	-
Inventories (Notes 4 and 11)	1,640,537	1	1,229,744	-
Other current assets (Notes 22 and 28)	218,871	-	179,653	-
Total current assets	38,730,514	11	27,303,220	9
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Notes 4, 8, 27 and 28)	8,459,255	2	5,653,008	2
Investments accounted for using the equity method (Notes 4, 5 and 12)	267,535,378	75	248,463,221	78
Property, plant and equipment (Notes 4, 13, 21, 28 and 29)	33,820,654	9	30,590,559	10
Right-of-use assets (Notes 4, 14, 21 and 28)	2,092,105	1	1,314,191	-
Investment properties (Notes 4, 15 and 21)	2,495,151	1	2,503,349	1
Intangible assets (Notes 4 and 21)	10,709	-	10,710	-
Prepayments for property, plant and equipment (Note 13)	374,127	-	738,580	-
Net defined benefit asset (Notes 4 and 19)	1,823,268	1	1,549,048	-
Other non-current assets (Notes 4, 6, 22 and 29)	937,185	-	768,947	-
Total non-current assets	317,547,832	89	291,591,613	91
TOTAL	\$ 356,278,346	100	\$ 318,894,833	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term loans (Notes 16 and 25)	\$ 25,426,775	7	\$ 23,351,729	7
Short-term bills payable (Note 16)	1,897,708	1	-	-
Financial liabilities at fair value through profit or loss (Notes 4, 7 and 27)	213,062	-	-	-
Accounts payable	1,162,329	-	773,399	-
Accounts payable to related parties (Note 28)	1,326,965	-	793,211	-
Other payables (Notes 13 and 18)	2,553,645	1	2,199,950	1
Current income tax liabilities (Notes 4 and 22)	423,152	-	197,468	-
Lease liabilities (Notes 4, 14 and 28)	314,565	-	259,111	-
Long-term loans - current portion (Notes 16 and 25)	6,450,000	2	4,300,000	2
Other current liabilities (Note 28)	196,598	-	138,189	-
Total current liabilities	39,964,799	11	32,013,057	10
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 17)	81,526,445	23	53,897,370	17
Long-term loans (Notes 16 and 25)	10,724,917	3	17,153,417	5
Lease liabilities (Notes 4, 14 and 28)	1,806,283	1	1,071,273	-
Notes payable (Note 16)	11,982,079	3	4,991,327	2
Deferred income tax liabilities (Notes 4 and 22)	5,434,006	2	5,368,524	2
Other non-current liabilities (Note 12)	362,484	-	328,048	-
Total non-current liabilities	111,836,214	32	82,809,959	26
Total liabilities	151,801,013	43	114,823,016	36
EQUITY (Notes 4, 20 and 23)				
Share capital	63,252,340	18	59,414,007	19
Certificate of entitlement to new shares from convertible bonds	-	-	688,542	-
Capital surplus	56,757,470	16	49,122,450	15
Retained earnings	73,939,852	20	74,199,518	23
Other equity	10,920,014	3	21,146,991	7
Treasury shares	(392,343)	-	(499,691)	-
Total equity	204,477,333	57	204,071,817	64
TOTAL	\$ 356,278,346	100	\$ 318,894,833	100

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

TAIWAN CEMENT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 28)	\$ 23,878,294	100	\$ 21,578,428	100
LESS: SALES RETURNS AND ALLOWANCES	<u>78,789</u>	<u>-</u>	<u>82,998</u>	<u>-</u>
OPERATING REVENUE, NET	23,799,505	100	21,495,430	100
OPERATING COSTS (Notes 11, 21 and 28)	<u>18,867,285</u>	<u>79</u>	<u>17,671,017</u>	<u>82</u>
GROSS PROFIT	4,932,220	21	3,824,413	18
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	<u>1,228</u>	<u>-</u>	<u>1,228</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>4,933,448</u>	<u>21</u>	<u>3,825,641</u>	<u>18</u>
OPERATING EXPENSES (Notes 21 and 28)				
Marketing	273,441	1	282,027	1
General and administrative	<u>1,734,425</u>	<u>7</u>	<u>1,367,403</u>	<u>7</u>
Total operating expenses	<u>2,007,866</u>	<u>8</u>	<u>1,649,430</u>	<u>8</u>
INCOME FROM OPERATIONS	<u>2,925,582</u>	<u>13</u>	<u>2,176,211</u>	<u>10</u>
NON-OPERATING INCOME AND EXPENSES				
Share of profit of subsidiaries and associates (Notes 4 and 12)	17,819,863	75	24,468,349	114
Dividend income (Note 4)	418,689	2	348,138	2
Other income (Note 21)	168,476	1	190,283	1
Finance costs (Notes 4, 21 and 28)	(1,351,009)	(6)	(1,508,446)	(7)
Other expenses (Note 21)	<u>(327,639)</u>	<u>(2)</u>	<u>(162,495)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>16,728,380</u>	<u>70</u>	<u>23,335,829</u>	<u>109</u>
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	19,653,962	83	25,512,040	119
INCOME TAX EXPENSE (Notes 4 and 22)	<u>471,535</u>	<u>2</u>	<u>232,244</u>	<u>1</u>
NET INCOME FROM CONTINUING OPERATIONS	19,182,427	81	25,279,796	118
PROFIT (LOSS) FROM DISCONTINUED OPERATIONS (Notes 10 and 28)	<u>1,073,939</u>	<u>4</u>	<u>(180,487)</u>	<u>(1)</u>
NET INCOME	<u>20,256,366</u>	<u>85</u>	<u>25,099,309</u>	<u>117</u>

(Continued)

TAIWAN CEMENT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
(Note 4)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plan (Note 19)	\$ 270,496	1	\$ 123,920	1
Unrealized gain on investments in equity instruments at fair value through other comprehensive income (Note 20)	1,723,801	7	111,999	-
Share of other comprehensive loss of subsidiaries and associates (Note 20)	(4,369,926)	(18)	(4,738,521)	(22)
Income tax expense related to items that will not be reclassified subsequently to profit or loss (Note 22)	(54,099)	-	(24,784)	-
	<u>(2,429,728)</u>	<u>(10)</u>	<u>(4,527,386)</u>	<u>(21)</u>
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income (loss) of subsidiaries and associates (Note 20)	(6,545,319)	(28)	2,136,685	10
	<u>(6,545,319)</u>	<u>(28)</u>	<u>2,136,685</u>	<u>10</u>
Other comprehensive loss for the year, net of income tax	<u>(8,975,047)</u>	<u>(38)</u>	<u>(2,390,701)</u>	<u>(11)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 11,281,319</u>	<u>47</u>	<u>\$ 22,708,608</u>	<u>106</u>
EARNINGS PER SHARE (Note 23)				
From continuing and discontinued operations				
Basic earnings per share	<u>\$ 3.30</u>		<u>\$ 4.32</u>	
Diluted earnings per share	<u>\$ 3.27</u>		<u>\$ 4.09</u>	
From continuing operations				
Basic earnings per share	<u>\$ 3.12</u>		<u>\$ 4.35</u>	
Diluted earnings per share	<u>\$ 3.09</u>		<u>\$ 4.12</u>	

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

(Concluded)

TAIWAN CEMENT CORPORATION

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

	Share Capital				Retained Earnings				Others				
	Ordinary Shares	Preferred Shares	Certificate of Entitlement to New Shares from Convertible Bonds	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Difference on Translating Foreign Operations	Unrealized Gain/Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedges Instruments	Treasury Shares	Total Equity
BALANCE AT JANUARY 1, 2020	\$ 54,656,192	\$ 2,000,000	\$ -	\$ 48,015,947	\$ 16,902,616	\$ 13,049,062	\$ 35,674,355	\$ 65,626,033	\$ (11,660,261)	\$ 35,395,116	\$ -	\$ (348,959)	\$ 193,684,068
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)
Preferred share dividends distributed by the Corporation	-	-	-	-	-	-	(350,000)	(350,000)	-	-	-	-	(350,000)
Share dividends distributed by the Corporation	2,728,810	-	-	-	-	-	(2,728,810)	(2,728,810)	-	-	-	-	-
Net income for the year ended December 31, 2020	-	-	-	-	-	-	25,099,309	25,099,309	-	-	-	-	25,099,309
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	-	95,736	95,736	2,136,685	(4,623,001)	(121)	-	(2,390,701)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	-	25,195,045	25,195,045	2,136,685	(4,623,001)	(121)	-	22,708,608
Difference between consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	-	-	-	(444,384)	-	-	-	-	-	-	-	-	(444,384)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	-	136,699	-	-	-	-	-	-	-	-	136,699
Dividends from subsidiaries over claims extinguished by prescription	-	-	-	349	-	-	-	-	-	-	-	-	349
Basis adjustment for loss on hedging instruments	-	-	-	-	-	-	-	-	-	-	(129)	-	(129)
Compensation costs of treasury shares transferred to employees	-	-	-	4,808	-	-	-	-	-	-	-	-	4,808
Treasury shares transfer to employees	-	-	-	(1,397)	-	-	-	-	-	-	-	20,868	19,471
Buy-back of treasury shares	-	-	-	-	-	-	-	-	-	-	-	(171,600)	(171,600)
Disposals of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	101,298	101,298	-	(101,298)	-	-	-
Convertible bonds converted to ordinary shares	29,005	-	688,542	1,410,428	-	-	-	-	-	-	-	-	2,127,975
Reversal of special reserve recognized from asset disposals	-	-	-	-	-	(9,202)	9,202	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2020	57,414,007	2,000,000	688,542	49,122,450	19,351,361	13,039,860	41,808,297	74,199,518	(9,523,576)	30,670,817	(250)	(499,691)	204,071,817
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)
Preferred share dividends distributed by the Corporation	-	-	-	-	-	-	(350,000)	(350,000)	-	-	-	-	(350,000)
Net income for the year ended December 31, 2021	-	-	-	-	-	-	20,256,366	20,256,366	-	-	-	-	20,256,366
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	-	222,050	222,050	(6,545,319)	(2,652,028)	250	-	(8,975,047)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	-	20,478,416	20,478,416	(6,545,319)	(2,652,028)	250	-	11,281,319
Difference between consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	-	-	-	(22,400)	-	-	(732,293)	(732,293)	-	-	-	-	(754,693)
Changes in ownership interests of subsidiaries	-	-	-	(1,404)	-	-	(91,235)	(91,235)	-	-	-	-	(92,639)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	-	9,304	-	-	-	-	-	-	-	-	9,304
Compensation costs of treasury shares transferred to employees	-	-	-	24,325	-	-	-	-	-	-	-	-	24,325
Treasury shares transfer to employees	-	-	-	(14,323)	-	-	-	-	-	-	-	107,348	93,025
Disposals of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	1,029,880	1,029,880	-	(1,029,880)	-	-	-
Convertible bonds converted to ordinary shares	3,838,333	-	(688,542)	6,301,695	-	-	-	-	-	-	-	-	9,451,486
Equity component of issuance of convertible bonds	-	-	-	1,337,823	-	-	-	-	-	-	-	-	1,337,823
BALANCE AT DECEMBER 31, 2021	<u>\$ 61,252,340</u>	<u>\$ 2,000,000</u>	<u>\$ -</u>	<u>\$ 56,757,470</u>	<u>\$ 21,881,915</u>	<u>\$ 13,039,860</u>	<u>\$ 39,018,077</u>	<u>\$ 73,939,852</u>	<u>\$ (16,068,895)</u>	<u>\$ 26,988,909</u>	<u>\$ -</u>	<u>\$ (392,343)</u>	<u>\$ 204,477,333</u>

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

TAIWAN CEMENT CORPORATION

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

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax from continuing operations	\$ 19,653,962	\$ 25,512,040
Profit (loss) before income tax from discontinued operations	<u>1,073,939</u>	<u>(180,487)</u>
Income before income tax	20,727,901	25,331,553
Adjustments for:		
Depreciation expense	989,349	927,476
Amortization expense	1	1
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	(24,637)	(35,879)
Finance costs	1,351,009	1,508,446
Interest income	(36,258)	(74,136)
Dividend income	(418,689)	(348,138)
Share-based compensation	24,325	4,808
Share of profit of subsidiaries and associates	(17,757,136)	(24,287,862)
Loss (gain) on disposal of property, plant and equipment, net	11,670	(1,656)
Loss on disposal of investment properties	4,298	-
Gain on disposal of investments, net	(1,092,894)	-
Reversal of write-downs of inventory	(26,213)	-
Unrealized loss (gain) on foreign exchange, net	3,425	(7,914)
Changes in operating assets and liabilities:		
Notes receivable and accounts receivable	(381,956)	(189,192)
Notes receivable and accounts receivable from related parties	(141,088)	8,897
Inventories	(384,580)	185,478
Other current assets	(65,073)	387,933
Net defined benefit asset	(3,724)	(6,438)
Accounts payable	389,241	(51,448)
Accounts payable to related parties	533,757	83,740
Other payables	116,511	(205,753)
Other current liabilities	<u>74,965</u>	<u>1,710</u>
Cash generated from operations	3,894,204	3,231,626
Income tax received (paid)	<u>(228,906)</u>	<u>31,639</u>
Net cash generated from operating activities	<u>3,665,298</u>	<u>3,263,265</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(1,510,555)	(19,621)
Disposal of financial assets at fair value through other comprehensive income	-	53,969
Purchase of financial assets at amortized cost	-	(5,078,712)
Disposal of financial assets at amortized cost	4,892,170	-
Net cash out flow on acquisition of subsidiaries	(17,628,894)	(966,648)
Disposal of subsidiary	2,400,208	-
Payments for property, plant and equipment	(3,368,582)	(3,044,906)
Proceeds from disposal of property, plant and equipment	12,128	21,304

(Continued)

TAIWAN CEMENT CORPORATION

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

	2021	2020
Increase in other non-current assets	\$ (194,235)	\$ (19,808)
Interest received	62,311	59,806
Dividends received	<u>4,355,448</u>	<u>5,285,226</u>
Net cash used in investing activities	<u>(10,980,001)</u>	<u>(3,709,390)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	2,071,411	7,025,551
Increase in short-term bills payable	1,897,708	-
Issuance of bonds	38,567,539	19,960,000
Repayment of long-term loans	(4,300,000)	-
Increase in long-term bills payable	33,905,553	35,828,000
Decrease in long-term bills payable	(26,914,800)	(41,656,000)
Repayment of the principal portion of lease liabilities	(363,467)	(328,713)
Increase in other non-current liabilities	36,741	55,717
Cash dividends paid	(20,944,434)	(13,994,048)
Treasury shares transferred to employees	93,025	19,471
Payment for buy-back of treasury shares	-	(171,600)
Acquisitions of subsidiaries	(685,985)	-
Interest paid	<u>(1,137,347)</u>	<u>(950,086)</u>
Net cash generated from financing activities	<u>22,225,944</u>	<u>5,788,292</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	14,911,241	5,342,167
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>12,008,414</u>	<u>6,666,247</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 26,919,655</u>	<u>\$ 12,008,414</u>

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

(Concluded)

TAIWAN CEMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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

1. GENERAL INFORMATION

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

The financial statements are presented in New Taiwan dollars, the functional currency of the Corporation.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Corporation’s board of directors on February 25, 2022.

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

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

The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Corporation’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 financial statements were authorized for issuance, the Corporation is continuously assessing the possible impact that the application of other standards and interpretations will have on the Corporation'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 Standards Board (IASB) but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 4)

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

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit asset 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.

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

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

Current assets include:

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

Current liabilities include:

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

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

d. Foreign currencies

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

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period.

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

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

On the disposal of a foreign operation (i.e., a disposal of the Corporation's entire interest in a foreign operation or a disposal involving the loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Corporation losing control over the subsidiary, the proportionate share of accumulated exchange differences is included in the calculations involved in the equity-method transaction but is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

e. Inventories

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

f. Investments in subsidiaries

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

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

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

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

When the Corporation's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Corporation's net investment in the subsidiary), the Corporation continues recognizing its share of further losses.

Any excess of the cost of an acquisition over the Corporation's share of the net fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation's share of the net fair value of the identifiable assets and liabilities over the cost of the acquisition is recognized immediately in profit or loss. When the Company acquires a subsidiary that does not constitute a business, the Company appropriately allocates the cost of acquisition to the Company's share of the amounts of the identifiable assets acquired (including intangible assets) and liabilities assumed, and the transaction does not give rise to goodwill nor gains.

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

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

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

g. Investments in associates

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

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

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

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

When the Corporation's share of losses of an associate equals or exceeds its interest in that associate, the Corporation discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Corporation has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

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

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

When the Corporation transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Corporation's financial statements only to the extent that interests in the associate are related to the Corporation.

h. Property, plant and equipment

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

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

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

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

i. Investment properties

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

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

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

j. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

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

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

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

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

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

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

1. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, and dividends, interest earned and remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 27.

ii. Financial assets at amortized cost

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

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

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

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

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

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

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

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

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

The Corporation recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

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

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

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

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

c) Derecognition of financial assets

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

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

2) Equity instruments

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

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

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

3) Financial liabilities

a) Subsequent measurement

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

Financial liabilities are classified as at fair value through profit or loss when any such financial liability is held for trading. Financial liabilities held for trading are stated at fair value, with any gains or losses arising on remeasurement recognized in other gains or losses. Fair value is determined in the manner described in Note 27.

b) Derecognition of financial liabilities

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

4) Convertible bonds

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

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

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

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

5) Derivative financial instruments

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

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

m. Revenue recognition

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

- 1) Revenue from the sale of goods is recognized when the goods are delivered to customer's specific location and the ownership of the goods is transferred to customer.
- 2) Service income is recognized by reference to the stage of completion of the contract or when services are provided.

n. Leases

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

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

1) The Corporation as lessor

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

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

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

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

2) The Corporation as lessee

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

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

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

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

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

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

o. Borrowing costs

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

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

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

p. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

3) Other long-term employee benefits

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

q. Share-based payment arrangements

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

r. Taxation

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

1) Current tax

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

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred taxes for the year

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The Corporation 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.

Investments Accounted for Using the Equity Method

The Corporation immediately recognizes impairment loss on its net investments in subsidiaries and associates when there is any indication that an investment may be impaired and the carrying amount may not be recoverable. The Corporation's management evaluates such impairment based on the estimated future cash flow expected to be generated by the investments accounted for using the equity method. The Corporation also takes into consideration the market conditions and industry developments to evaluate the appropriateness of the relevant assumptions.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2021	2020
Cash on hand	\$ 1,256	\$ 1,286
Checking accounts and demand deposits	12,884,624	5,478,962
Cash equivalents		
Time deposits with original maturities of less than 3 months	13,923,040	6,000,000
Bonds issued under repurchase agreements	<u>110,735</u>	<u>528,166</u>
	<u>\$ 26,919,655</u>	<u>\$ 12,008,414</u>

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

	December 31	
	2021	2020
Cash in banks	0.01%-0.25%	0.01%-0.39%
Bonds with repurchase agreements	0.30%	0.21%-0.40%

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

	December 31	
	2021	2020
Current	\$ -	\$ 4,900,000
Non-current (included in other non-current assets)	<u>515,375</u>	<u>507,545</u>
	<u>\$ 515,375</u>	<u>\$ 5,407,545</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:

	December 31	
	2021	2020
	0.10%-0.84%	0.10%-0.84%

Refer to Note 29 for information relating to pledged financial assets at amortized cost.

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2021	2020
<u>Financial assets at FVTPL - current</u>		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Redemption options and put options of convertible bonds	\$ -	\$ 17,092
Non-derivative financial assets		
Domestic listed shares	198,850	171,613
Domestic emerging market shares	<u>107,225</u>	<u>101,931</u>
	<u>\$ 306,075</u>	<u>\$ 290,636</u>
<u>Financial liabilities at FVTPL - current</u>		
Held for trading		
Derivative instruments (not under hedge accounting)		
Redemption options and put options of convertible bonds	<u>\$ 213,062</u>	<u>\$ -</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2021	2020
<u>Current</u>		
Domestic investments		
Listed shares	\$ 3,802,852	\$ 3,374,595
Convertible preference shares	<u>29,854</u>	<u>30,002</u>
	<u>\$ 3,832,706</u>	<u>\$ 3,404,597</u>
<u>Non-current</u>		
Domestic investments		
Unlisted shares	\$ 7,203,461	\$ 5,653,008
Privately placed listed shares	<u>1,255,794</u>	<u>-</u>
	<u>\$ 8,459,255</u>	<u>\$ 5,653,008</u>

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

The Corporation recognized subsidiary's disposal of foreign listed shares of China Conch Venture Holdings Limited in the year of 2021. The gain on disposal in the amount of \$1,029,880 thousand was reclassified from unrealized gain on financial assets at FVTOCI to retained earnings.

9. NOTES AND ACCOUNTS RECEIVABLE

	December 31	
	2021	2020
Notes receivable	\$ 1,131,803	\$ 1,171,973
Less: Allowance for impairment loss	<u>(10,938)</u>	<u>(10,938)</u>
	<u>1,120,865</u>	<u>1,161,035</u>
Accounts receivable	4,079,649	3,658,852
Less: Allowance for impairment loss	<u>(34,652)</u>	<u>(35,792)</u>
	<u>4,044,997</u>	<u>3,623,060</u>
	<u>\$ 5,165,862</u>	<u>\$ 4,784,095</u>

The Corporation recognizes allowance for impairment loss on account receivable on the basis of individual customers for which credit losses have actually taken place. Moreover, the Corporation 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 Corporation recognizes an allowance for impairment loss of 100% against past due receivables which have an indication of impairment.

The Corporation 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 receivable. For accounts receivable that have been written off, the Corporation continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

The aging analysis of receivables was as follows:

	December 31	
	2021	2020
Up to 90 days	\$ 5,108,039	\$ 4,682,113
91-180 days	35,521	78,266
181-365 days	11,077	4,410
Over 365 days	<u>11,225</u>	<u>19,306</u>
	<u>\$ 5,165,862</u>	<u>\$ 4,784,095</u>

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

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

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ 46,730	\$ 47,573
Add: Net remeasurement of loss allowance	-	1,754
Less: Amounts written off	<u>(1,140)</u>	<u>(2,597)</u>
Balance at December 31	<u>\$ 45,590</u>	<u>\$ 46,730</u>

10. 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, the date the control of Taiwan Prosperity Chemical Corporation passed to the acquirer.

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 income statement for the year ended December 31, 2021, the Corporation reclassified the income/loss of discontinued operations for the year ended December 31, 2020 and made the related period information of income statement more relevant. The profit (loss) from discontinued operations for the years ended December 31, 2021 and 2020 were \$1,073,939 thousand and \$(180,487) thousand, respectively.

The carrying amounts of assets and liabilities and information relating to the disposal of Taiwan Prosperity Chemical Corporation at the date of disposal are disclosed in consolidated financial statements for the year ended December 31, 2021.

11. INVENTORIES

	December 31	
	2021	2020
Finished goods	\$ 288,019	\$ 416,899
Work in process	379,555	307,655
Raw materials	610,786	250,702
Supplies	<u>362,177</u>	<u>254,488</u>
	<u>\$ 1,640,537</u>	<u>\$ 1,229,744</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2021 and 2020 was \$18,823,716 thousand and \$17,628,959 thousand, respectively. The cost of goods sold included reversal of write-downs of inventory \$26,213 thousand and \$0 thousand for 2021 and 2020, respectively.

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

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2021	2020
Investments in subsidiaries	\$ 258,933,969	\$ 239,635,156
Investments in associates	<u>8,601,409</u>	<u>8,828,065</u>
	<u>\$ 267,535,378</u>	<u>\$ 248,463,221</u>

a. Investments in subsidiaries

	December 31	
	2021	2020
Listed company		
Taiwan Prosperity Chemical Corporation	\$ -	\$ 734,888
Unlisted companies		
TCC International Ltd. ("TCCI")	114,241,779	111,330,984
TCC International Holdings Ltd. ("TCCIH")	60,257,962	56,398,941
Taiwan Cement (Dutch) Holdings B.V. (TCC Dutch)	24,496,751	29,075,184
Ho-Ping Power Company	16,403,671	18,279,509
TCC Recycle Energy Technology Company	10,333,631	-
TCC Green Energy Corporation	9,379,579	3,149,254
Hoping Industrial Port Corporation	5,865,242	5,733,662
TCC Investment Corporation	4,976,399	4,624,367
Ta-Ho Maritime Corporation	2,831,185	2,684,377
Taiwan Transport & Storage Corporation	2,093,912	2,002,162
TCC Energy Storage Technology Corporation	1,979,067	984
Ho Sheng Mining Co., Ltd.	1,326,807	1,319,558
TCC Chemical Corporation	1,246,575	1,384,605
Taiwan Cement Engineering Corporation	719,091	720,745
Kuan-Ho Refractories Industry Corporation	599,906	513,065
Ta-Ho Onyx RSEA Environment Co., Ltd.	599,889	187,876

(Continued)

	December 31	
	2021	2020
Hong Kong Cement Manufacturing Co., Ltd. (“HKCMCL”)	\$ 459,780	\$ 419,033
Feng Sheng Enterprise Company	432,661	401,193
TCC Information Systems Corporation	265,911	251,518
Jin Chang Minerals Corporation	175,885	183,553
E.G.C. Cement Corporation	124,088	118,558
HPC Power Service Corporation	121,105	118,401
Tung Chen Mineral Corporation	1,226	1,269
Tuo Shan Recycle Technology Company	955	-
TCC Sustainable Energy Investment Corporation	912	975
TCCMOLI Holdings (Singapore) Pte. Ltd. (“TCCMOLI”)	-	495
	<u>\$ 258,933,969</u>	<u>\$ 239,635,156</u>
		(Concluded)

	Proportion of Ownership and Voting Rights	
	December 31	
	2021	2020
Listed company		
Taiwan Prosperity Chemical Corporation (Notes 1)	-	71.1%
Unlisted companies		
TCCI	100.0%	100.0%
TCCIH	38.3%	38.3%
TCC Dutch (Note 2)	100.0%	100.0%
Ho-Ping Power Company	59.5%	59.5%
TCC Recycle Energy Technology Company (Note 4)	63.3%	18.2%
TCC Green Energy Corporation (Note 2)	100.0%	100.0%
Hoping Industrial Port Corporation	100.0%	100.0%
TCC Investment Corporation	100.0%	100.0%
Ta-Ho Maritime Corporation	64.8%	64.8%
Taiwan Transport & Storage Corporation	83.9%	83.9%
TCC Energy Storage Technology Corporation (Note 3)	100.0%	100.0%
Ho Sheng Mining Co., Ltd.	100.0%	100.0%
TCC Chemical Corporation	100.0%	100.0%
Taiwan Cement Engineering Corporation (Note 1)	99.2%	99.2%
Kuan-Ho Refractories Industry Corporation	95.3%	95.3%
Ta-Ho Onyx RSEA Environment Co., Ltd.	66.6%	66.6%
HKCMCL	84.7%	84.7%
Feng Sheng Enterprise Company (Note 5)	45.4%	45.4%
TCC Information Systems Corporation	99.4%	99.4%
Jin Chang Minerals Corporation (Note 2)	100.0%	100.0%
E.G.C. Cement Corporation	50.6%	50.6%
HPC Power Service Corporation	60.0%	60.0%
Tung Chen Mineral Corporation	99.5%	99.5%
Tuo Shan Recycle Technology Company (Note 3)	100.0%	-
TCC Sustainable Energy Investment Corporation (Note 3)	100.0%	100.0%
TCCMOLI (Note 3)	100.0%	100.0%
TMC (Note 6)	72.7%	72.7%
TPMC (Notes 5 and 6)	40.0%	40.0%

- Note 1: The Corporation conducted a tender offer of 31.1% of the ordinary shares of Taiwan Prosperity Chemical Corporation and the total amount was \$738,955 thousand 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 for \$5,335 thousand from TCC Investment Corporation and 2.3% of the ordinary shares for \$54,165 thousand 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 paid \$141 thousand and \$934 thousand to acquire the shares of Taiwan Cement Engineering Corporation in 2021 and 2020, respectively.
- Note 2: The Corporation invested \$90,000 thousand in the capital of Jin Chang Minerals Corporation and 6,300,000 thousand in the capital of TCC Green Energy Corporation in 2021. The Corporation invested \$224,758 thousand in the capital of Taiwan Cement Dutch in 2020.
- Note 3: The Corporation invested \$1,000 thousand in the establishments of Tuo Shan Recycle Technology Company and invested \$2,005,000 thousand in the capital of TCC Energy Storage Technology Corporation in 2021. The Corporation invested \$1,000 thousand in the establishments of TCC Energy Storage Technology Corporation and TCC Sustainable Energy Investment Corporation in 2020, respectively. TCCMOLI was in the process of liquidation at the end of December 2021.
- Note 4: TCC Recycle Energy Technology Company increased its capital by \$10,000,000 thousand by cash in August 2021. The Corporation invested \$9,232,894 thousand in TCC Recycle Energy Technology Company. Due to the non-subscription by other shareholders, the shares held by the Corporation increased from 18.2% to 63.3% and the Corporation 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 and the Corporation recognized loss on disposal of investments. Please refer to the notes of the consolidated financial statements for the year ended December 31, 2021.
- Note 5: Although the Corporation's percentages of ownership in Feng Sheng Enterprise Company and TPMC were all less than 50%, the Corporation still has control over those entities. Thus, Taiwan Prosperity Chemical Corporation, Feng Sheng Enterprise Company and TPMC are considered as subsidiaries of the Corporation.
- Note 6: Due to the recognition of investment losses in TMC and TPMC, credit balances of \$18,251 thousand and \$20,556 thousand were generated, which were recorded in other non-current liabilities as of December 31, 2021 and 2020, respectively.

The investments accounted for using the equity method and the Corporation's share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2021 and 2020 were based on the subsidiaries' audited financial statements for the same years except for the financial statements of TMC and TPMC, which were based on financial statements which were not audited. The Corporation considered that there would be no significant adjustments if such financial statements were to be audited.

b. Investments in associates

	December 31	
	2021	2020
Associates that are not individually material		
International CSRC Investment Holdings Co., Ltd.	\$ 5,642,349	\$ 5,082,574
CCC USA Corporation	1,731,743	1,679,436
ONYX Ta-Ho Environmental Services Co., Ltd.	1,220,989	815,179
Synpac Ltd.	6,328	6,539
TCC Recycle Energy Technology Company	<u>-</u>	<u>1,244,337</u>
	<u>\$ 8,601,409</u>	<u>\$ 8,828,065</u>

c. Aggregate information of associates that are not individually material

	December 31	
Corporation Name	2021	2020
International CSRC Investment Holdings Co., Ltd. (Note 2)	15.6%	15.6%
CCC USA Corporation	33.3%	33.3%
ONYX Ta-Ho Environmental Services Co., Ltd.	50.0%	50.0%
Synpac Ltd.	25.0%	25.0%
TCC Recycle Energy Technology Company (Note 1)	-	18.2%

	December 31	
	2021	2020
The Corporation's share of:		
Net income for the period	\$ 1,034,362	\$ 485,019
Other comprehensive loss	<u>(847)</u>	<u>(226,606)</u>
Total comprehensive income for the period	<u>\$ 1,033,515</u>	<u>\$ 258,413</u>

Note 1: 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 63.3% 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 consolidated financial statements for the year ended December 31, 2021 for details.

Note 2: The Corporation's ownership percentage in International CSRC Investment Holdings Co., Ltd. is less than 20%; however, the Corporation has significant influence and therefore accounts for the investment by using the equity method.

The aforementioned investments in associates accounted for using the equity method and the share of profit or loss and other comprehensive income of these associates for the years ended December 31, 2021 and 2020 were based on the associates' audited financial statements for the same periods.

13. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Miscellaneous Equipment	Property in Construction	Total
<u>Cost</u>						
Balance at January 1, 2021	\$ 21,560,146	\$ 16,100,926	\$ 20,722,946	\$ 3,891,120	\$ 280,243	\$ 62,555,381
Additions	1,861,979	77,760	256,889	180,255	1,499,045	3,875,928
Disposals	-	(67,301)	(1,141,603)	(113,567)	-	(1,322,471)
Reclassification	<u>336,621</u>	<u>259,646</u>	<u>112,582</u>	<u>73,782</u>	<u>(753,974)</u>	<u>28,657</u>
Balance at December 31, 2021	<u>\$ 23,758,746</u>	<u>\$ 16,371,031</u>	<u>\$ 19,950,814</u>	<u>\$ 4,031,590</u>	<u>\$ 1,025,314</u>	<u>\$ 65,137,495</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2021	\$ 808,904	\$ 8,452,463	\$ 19,327,195	\$ 3,376,260	\$ -	\$ 31,964,822
Depreciation expenses	-	316,693	234,227	103,603	-	654,523
Disposals	-	(51,823)	(1,133,771)	(113,079)	-	(1,298,673)
Reclassification	<u>-</u>	<u>8,466</u>	<u>(4,098)</u>	<u>(8,199)</u>	<u>-</u>	<u>(3,831)</u>
Balance at December 31, 2021	<u>\$ 808,904</u>	<u>\$ 8,725,799</u>	<u>\$ 18,423,553</u>	<u>\$ 3,358,585</u>	<u>\$ -</u>	<u>\$ 31,316,841</u>
Carrying amount at December 31, 2021	<u>\$ 22,949,842</u>	<u>\$ 7,645,232</u>	<u>\$ 1,527,261</u>	<u>\$ 673,005</u>	<u>\$ 1,025,314</u>	<u>\$ 33,820,654</u>
<u>Cost</u>						
Balance at January 1, 2020	\$ 18,128,832	\$ 15,878,193	\$ 20,115,917	\$ 3,776,904	\$ -	\$ 57,899,846
Additions	2,066,887	180,094	213,164	170,297	314,378	2,944,820
Disposals	(18,843)	(14,587)	(96,230)	(82,263)	-	(211,923)
Reclassification	<u>1,383,270</u>	<u>57,226</u>	<u>490,095</u>	<u>26,182</u>	<u>(34,135)</u>	<u>1,922,638</u>
Balance at December 31, 2020	<u>\$ 21,560,146</u>	<u>\$ 16,100,926</u>	<u>\$ 20,722,946</u>	<u>\$ 3,891,120</u>	<u>\$ 280,243</u>	<u>\$ 62,555,381</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2020	\$ 274,188	\$ 8,147,780	\$ 19,229,570	\$ 3,383,500	\$ -	\$ 31,035,038
Depreciation expenses	-	319,270	193,855	74,218	-	587,343
Disposals	-	(14,587)	(96,230)	(81,458)	-	(192,275)
Reclassification	<u>534,716</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>534,716</u>
Balance at December 31, 2020	<u>\$ 808,904</u>	<u>\$ 8,452,463</u>	<u>\$ 19,327,195</u>	<u>\$ 3,376,260</u>	<u>\$ -</u>	<u>\$ 31,964,822</u>
Carrying amount at December 31, 2020	<u>\$ 20,751,242</u>	<u>\$ 7,648,463</u>	<u>\$ 1,395,751</u>	<u>\$ 514,860</u>	<u>\$ 280,243</u>	<u>\$ 30,590,559</u>

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	50 years
Main plants	15-50 years
Storage units	35-50 years
Others	20-50 years
Machinery and equipment	
Machinery and equipment	8-28 years
Miscellaneous equipment	
Miscellaneous equipment	2-20 years

Property, plant and equipment pledged as collateral for performance bonds are set out in Note 29.

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

	For the Year Ended December 31	
	2021	2020
Acquisitions of property, plant and equipment	\$ 3,875,928	\$ 2,944,820
Increase (decrease) in prepayments for equipment	(364,453)	123,460
Increase in payables for equipment	<u>(142,893)</u>	<u>(23,374)</u>
	<u>\$ 3,368,582</u>	<u>\$ 3,044,906</u>

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2021	2020
<u>Carrying amount</u>		
Land	\$ 328,930	\$ 200,458
Buildings	1,271,720	854,454
Machinery	450,559	224,582
Others	<u>40,896</u>	<u>34,697</u>
	<u>\$ 2,092,105</u>	<u>\$ 1,314,191</u>

	For the Year Ended December 31	
	2021	2020
Additions to right-of-use assets	<u>\$ 1,230,626</u>	<u>\$ 157,052</u>
Depreciation charge for right-of-use assets		
Land	\$ 83,449	\$ 75,222
Buildings	138,225	148,373
Machinery	96,435	103,293
Others	<u>16,595</u>	<u>13,157</u>
	<u>\$ 334,704</u>	<u>\$ 340,045</u>

b. Lease liabilities

	December 31	
	2021	2020
<u>Carrying amount</u>		
Current	<u>\$ 314,565</u>	<u>\$ 259,111</u>
Non-current	<u>\$ 1,806,283</u>	<u>\$ 1,071,273</u>

Range of discount rate for lease liabilities was as follows:

	December 31	
	2021	2020
Land	1.79%-1.85%	1.79%-1.85%
Buildings	1.79%-1.85%	1.85%
Machinery	1.85%-1.90%	1.85%-1.90%
Others	1.85%-1.90%	1.85%-1.90%

c. Important tenancy activities and terms

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

d. Other lease information

	For the Year Ended December 31	
	2021	2020
Expenses relating to short-term leases	<u>\$ 17,081</u>	<u>\$ 24,952</u>
Expenses relating to low-value asset leases	<u>\$ 1,375</u>	<u>\$ 56</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 36,298</u>	<u>\$ 37,018</u>
Total cash outflow for leases	<u>\$ (417,958)</u>	<u>\$ (390,657)</u>

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

15. INVESTMENT PROPERTIES

	December 31	
	2021	2020
Land	\$ 2,494,241	\$ 2,494,241
Buildings	<u>910</u>	<u>9,108</u>
	<u>\$ 2,495,151</u>	<u>\$ 2,503,349</u>

The buildings of the investment properties are depreciated using the straight-line method over their estimated useful lives of 50 years. The Corporation transfers land used by the Corporation of \$848,554 thousand to property, plant and equipment in 2020.

The fair values of the investment properties were determined by independent qualified professional valuers or the Corporation's management using market prices of similar properties. As of December 31, 2021 and 2020, the fair values of investment properties were \$6,268,832 thousand and \$6,072,600 thousand, respectively.

16. BORROWINGS

a. Short-term loans

	December 31	
	2021	2020
Unsecured borrowings		
Bank loans - unsecured	\$ 24,748,000	\$ 23,048,000
Bank loans - letters of credit	<u>678,775</u>	<u>303,729</u>
	<u>\$ 25,426,775</u>	<u>\$ 23,351,729</u>
Interest rate	0.56%-0.95%	0.62%-0.98%

b. Short-term bills payable

	December 31	
	2021	2020
Commercial paper	\$ 1,900,000	\$ -
Less: Unamortized discount on bills payable	<u>2,292</u>	<u>-</u>
	<u>\$ 1,897,708</u>	<u>\$ -</u>
Interest rate	0.88%-0.93%	-

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

	December 31	
	2021	2020
Syndicated loans	\$ 17,174,917	\$ 21,453,417
Less: Current portions	<u>6,450,000</u>	<u>4,300,000</u>
	<u>\$ 10,724,917</u>	<u>\$ 17,153,417</u>
Long-term bills payable	\$ 12,000,000	\$ 5,000,000
Less: Discount of bills payable	<u>17,921</u>	<u>8,673</u>
	<u>\$ 11,982,079</u>	<u>\$ 4,991,327</u>
Interest rate		
Syndicated loan	1.80%	1.79%
Long-term bills payable	1.19%	1.19%

The Corporation entered into a 5-year syndicated loan agreement with a bank consortium with a credit line of \$43 billion in March 2018, which was divided into two tranches, A and B. The key terms and conditions are set forth below:

- 1) The credit facility of Tranche A is \$21.5 billion non-revolving credit line. The Corporation has fully utilized in 2019, respectively. Starting from March 2021, its principal shall be repaid equally in 5 semi-annual installments and shall mature in March 2023; interest shall be paid quarterly. As of December 31, 2021, the credit line was adjusted to \$17.2 billion, due to the amortization of the principal.

- 2) The credit facility of Tranche B which is the nature of long-term bills payable is \$21.5 billion and shall be fully drawn down on a revolving basis. The period of each actual drawdown can be at least 30 but not over 180 days, and the maturity date of each drawdown period shall not exceed the credit period. The final maturity date shall be in March 2023.

There were several financial limited terms of long-term loans and long-term bills payables as mentioned above. The Corporation had not violated them for the year ended December 31, 2021.

17. BONDS PAYABLE

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

On July 15, 2021, the Board of Directors of the Corporation resolved to issue domestic sustainable bond or normal unsecured bonds at the price not exceeding NT\$20,000,000 thousand (or its equivalent in US dollars) denominated in NTD or USD; issue overseas green bonds or social responsibility bonds or normal unsecured bonds denominated in USD. The above plans can be executed alternatively or all at the same time. As of December 31, 2021, the Corporation has issued a portion of the abovementioned bonds.

a. Domestic unsecured bonds

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

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

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

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

b. Overseas unsecured convertible bonds

1) Overseas unsecured convertible bonds 1st issued in 2018

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

Bondholders may request the Corporation to convert the bonds into the Corporation's ordinary shares at the price of NT\$41 per share at any time within the period from the following day after three months from the issuance date to 10 days prior to maturity date. The conversion price after the issuance of convertible corporate bonds will be adjusted according to the anti-dilution clause of the 2018 First Overseas Unsecured Convertible Bonds Issuance and Conversion Rules of the Corporation. The conversion price have been adjusted from NT\$41 per share to NT\$29.87 per share since August 18, 2021, i.e. the ex-dividend date. Bondholders can request the Corporation to convert the bonds at the fixed exchange rate of US\$1= NT\$30.878, which is to be divided by the conversion price per share on the conversion date. As of December 31, 2021, a total of 386,734 thousand shares had been converted.

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

2) Overseas unsecured convertible bonds 1st issued in 2021

In September 2021, the Corporation's board of directors resolved to issue overseas unsecured convertible bonds for the first time. This proposal was approved and became effective under the letter issued by the Financial Supervisory Commission ("FSC") dated November 26, 2021 (Ref. No. Jin-Guan-Zheng-Fa-Zi 1100373764). The bonds which have durations of 5 years were listed on the Singapore Stock Exchange on December 7, 2021. This zero-coupon overseas convertible bonds have a face value of US\$800,000 thousand.

Bondholders may request the Corporation to convert the bonds into the Corporation's ordinary shares at the price of NT\$59.8 per share at any time within the period from the following day after three months from the issuance date to 10 days prior to maturity date. The conversion price after the issuance of convertible corporate bonds will be adjusted according to the anti-dilution clause of the 2018 First Overseas Unsecured Convertible Bonds Issuance and Conversion Rules of the Corporation. Bondholders can request the Corporation to convert the bonds at the fixed exchange rate of US\$1= NT\$27.75, which is to be divided by the conversion price per share on the conversion date. As of December 31, 2021, no conversion had been requested.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 1.69% per annum on initial recognition.

	Convertible Bonds
Proceeds from issuance at October 2018 (less transaction costs of \$103,353 thousand)	\$ 12,247,847
Redemption of option derivatives (accounting for financial liabilities measured at FVTPL) and transaction costs	(159,222)
Equity component (less transaction costs allocated to the equity component of \$11,038 thousand)	<u>(1,308,070)</u>
Liability component at the date of issue (less transaction costs allocated to the liability component of \$90,971 thousand)	10,780,555
Interest charged at an effective interest rate	<u>374,463</u>
Liability component at December 31, 2019	11,155,018
Interest charged at an effective interest rate	358,292
Convertible bonds converted to ordinary shares (71,755 thousand shares has been converted)	<u>(2,132,320)</u>
Liability component at December 31, 2020	<u>9,380,990</u>
Interest charged at an effective interest rate	77,474
Convertible bonds converted to ordinary shares (314,979 thousand shares has been converted)	(9,458,464)
Proceeds from issuance at December 2021 (less transaction costs of \$232,461 thousand)	21,967,539
Redemption of option derivatives (accounting for financial liabilities measured at FVTPL) and transaction costs	(215,282)
Equity component at the data of issue (less transaction costs component of \$14,157 thousand)	<u>(1,337,823)</u>
Liability component at the date of issue (less transaction costs allocated to the liability component of \$216,026 thousand)	20,414,434
Interest charged at an effective interest rate	<u>22,701</u>
Liability component at December 31, 2021	<u>\$ 20,437,135</u>

18. OTHER PAYABLES

	December 31	
	2021	2020
Salaries and bonuses payable	\$ 704,276	\$ 772,405
Payables for repairs	396,926	306,331
Interest payable	373,961	329,422
Payables for equipment	318,323	174,985
Freight payables	126,578	61,436
Taxes payable	111,633	149,629
Payables for electricity	87,330	76,059
Payables for rentals	28,128	34,541
Others	<u>406,490</u>	<u>295,142</u>
	<u>\$ 2,553,645</u>	<u>\$ 2,199,950</u>

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

b. Defined benefit plan

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

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

	December 31	
	2021	2020
Present value of defined benefit obligation	\$ (650,977)	\$ (679,318)
Fair value of plan assets	<u>2,474,245</u>	<u>2,228,366</u>
Net defined benefit assets	<u>\$ 1,823,268</u>	<u>\$ 1,549,048</u>

Movements in net defined benefit assets were as follows:

	Present Value of Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Assets
Balance at January 1, 2021	<u>\$ (679,318)</u>	<u>\$ 2,228,366</u>	<u>\$ 1,549,048</u>
Service costs			
Current service costs	(2,085)	-	(2,085)
Net interest income (expense)	<u>(2,547)</u>	<u>8,356</u>	<u>5,809</u>
Recognized in profit or loss	<u>(4,632)</u>	<u>8,356</u>	<u>3,724</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	279,263	279,263
Actuarial loss - changes in demographic assumptions	(16,466)	-	(16,466)
Actuarial gain - changes in financial assumptions	5,616	-	5,616
Actuarial gain - experience adjustments	<u>2,083</u>	<u>-</u>	<u>2,083</u>
Recognized in other comprehensive income	<u>(8,767)</u>	<u>279,263</u>	<u>270,496</u>
Benefits paid	<u>41,740</u>	<u>(41,740)</u>	<u>-</u>
Balance at December 31, 2021	<u>\$ (650,977)</u>	<u>\$ 2,474,245</u>	<u>\$ 1,823,268</u>

(Continued)

	Present Value of Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Assets
Balance at January 1, 2020	<u>\$ (688,627)</u>	<u>\$ 2,107,317</u>	<u>\$ 1,418,690</u>
Service costs			
Current service costs	(2,428)	-	(2,428)
Net interest income (expense)	<u>(4,304)</u>	<u>13,170</u>	<u>8,866</u>
Recognized in profit or loss	<u>(6,732)</u>	<u>13,170</u>	<u>6,438</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	145,435	145,435
Actuarial loss - changes in financial assumptions	(12,474)	-	(12,474)
Actuarial loss - experience adjustments	<u>(9,041)</u>	<u>-</u>	<u>(9,041)</u>
Recognized in other comprehensive income	<u>(21,515)</u>	<u>145,435</u>	<u>123,920</u>
Benefits paid	<u>37,556</u>	<u>(37,556)</u>	<u>-</u>
Balance at December 31, 2020	<u>\$ (679,318)</u>	<u>\$ 2,228,366</u>	<u>\$ 1,549,048</u> (Concluded)

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

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

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

	December 31	
	2021	2020
Discount rates	0.50%	0.38%
Expected rates of salary increase	2.25%	2.25%

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

	December 31	
	2021	2020
Discount rates		
0.25% increase	<u>\$ (11,281)</u>	<u>\$ (12,475)</u>
0.25% decrease	<u>\$ 11,592</u>	<u>\$ 12,839</u>
Expected rates of salary increase		
0.25% increase	<u>\$ 11,200</u>	<u>\$ 12,388</u>
0.25% decrease	<u>\$ (10,958)</u>	<u>\$ (12,102)</u>

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

	December 31	
	2021	2020
The expected contributions to the plan for the next year	<u>\$ -</u>	<u>\$ -</u>
The average duration of the defined benefit obligation	7.3 years	7.8 years

20. EQUITY

a. Share capital

1) Ordinary shares

	December 31	
	2021	2020
Number of shares authorized (in thousands)	<u>7,000,000</u>	<u>7,000,000</u>
Shares authorized	<u>\$ 70,000,000</u>	<u>\$ 70,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>6,125,234</u>	<u>5,741,401</u>
Shares issued	<u>\$ 61,252,340</u>	<u>\$ 57,414,007</u>

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

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

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

2) Preference shares

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

3) Certificate of entitlement to new shares form convertible bonds

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

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

b. Capital surplus

	December 31	
	2021	2020
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
Conversion of bonds	10,540,825	3,174,361
Difference between the consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	-	22,400
Treasury share transactions	204,127	204,127
Donations	31,537	31,537
Forfeited share options	16,456	13,542
Exercised employee share options	7,652	564

(Continued)

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

- 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).
- 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 21(c): Net profit from continuing operations - employees' compensation and remuneration of directors.

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

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

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

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For the Year Ended December 31		For the Year Ended December 31	
	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> (Note 1)	<u>\$ 2.50</u> (Note 2)
Share dividends on ordinary shares	-	2,728,810	<u>\$ -</u>	<u>\$ 0.50</u> (Note 2)

Note 1: The number of ordinary shares outstanding was affected by the Corporation's purchase of treasury shares which has not been transferred to employees. Therefore, the cash dividend was adjusted to \$3.36811984 per ordinary share.

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

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

d. Special reserve

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

The special reserve appropriated at the first-time adoption of IFRSs relating to investment in properties other than land may be reversed according to the period of use. The special reserve relating to land may be reversed upon disposal or reclassification, and such special reserve of \$0 thousand and \$9,202 thousand was reversed for the years ended December 31, 2021 and 2020, respectively. The special reserve appropriated, due to currency translation adjustments for financial statements of foreign operations (including subsidiaries), shall be reversed based on the Corporation's disposal percentage, and all of the special reserve shall be reversed when the Corporation loses significant influence.

e. Other equity items

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

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ (9,523,576)	\$ (11,660,261)
Share of profit (loss) exchange differences of subsidiaries and associates accounted for using the equity method	<u>(6,545,319)</u>	<u>2,136,685</u>
Balance at December 31	<u>\$ (16,068,895)</u>	<u>\$ (9,523,576)</u>

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

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ 30,670,817	\$ 35,395,116
Recognized during the year		
Unrealized gain - equity instruments	1,723,801	111,999
Share from associates accounted for using the equity method	<u>(4,375,829)</u>	<u>(4,735,000)</u>
Other comprehensive loss recognized in the year	(2,652,028)	(4,623,001)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	<u>(1,029,880)</u>	<u>(101,298)</u>
Balance at December 31	<u>\$ 26,988,909</u>	<u>\$ 30,670,817</u>

3) Cash flow hedges

	For the Year Ended December 31	
	2021	2020
Balance at January 1	\$ (250)	\$ -
Recognized for the year		
Share from subsidiaries and associates accounted for using the equity method	250	(121)
Transferred to the initial carrying amount of hedged items	<u>-</u>	<u>(129)</u>
Balance at December 31	<u>\$ -</u>	<u>\$ (250)</u>

f. Treasury shares

(In Thousands of Shares)

	For the Year Ended December 31	
	2021	2020
Number of shares at January 1	11,522	8,000
Increase during the period	-	4,000
Transferred to employees	<u>(2,461)</u>	<u>(478)</u>
Number of shares at December 31	<u>9,061</u>	<u>11,522</u>

The Corporation's Board of Directors resolved to buy back treasury shares mainly for transferring to employees. The compensation costs recognized for transferring treasury shares to employees were \$24,325 thousand and \$4,808 thousand for the years ended December 31, 2021 and 2020, respectively.

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

21. NET PROFIT FROM CONTINUING OPERATIONS

a. Depreciation and amortization

	For the Year Ended December 31	
	2021	2020
An analysis of depreciation by account		
Property, plant and equipment	\$ 654,523	\$ 587,343
Right-of-use assets	334,704	340,045
Investment properties	<u>122</u>	<u>88</u>
	<u>\$ 989,349</u>	<u>\$ 927,476</u>
An analysis of depreciation by function		
Operating costs	\$ 857,953	\$ 814,486
Operating expenses	129,331	112,397
Non-operating expenses	<u>2,065</u>	<u>593</u>
	<u>\$ 989,349</u>	<u>\$ 927,476</u>
An analysis of amortization by function		
Operating costs	<u>\$ 1</u>	<u>\$ 1</u>

b. Employee benefits expense

	For the Year Ended December 31	
	2021	2020
Retirement benefit plans		
Defined contribution plan	\$ 35,467	\$ 33,311
Defined benefit plan	<u>(3,724)</u>	<u>(6,438)</u>
	<u>31,743</u>	<u>26,873</u>
Share-based payment		
Equity-settled	24,325	4,808
Other employee benefits	<u>1,488,170</u>	<u>1,413,104</u>
Total employee benefits expense	<u>\$ 1,544,238</u>	<u>\$ 1,444,785</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 632,667	\$ 633,365
Operating expenses	<u>911,571</u>	<u>811,420</u>
	<u>\$ 1,544,238</u>	<u>\$ 1,444,785</u>

c. Compensation of employees and remuneration of directors

The Corporation accrued compensation of employees and remuneration of directors at the rates of 0.01%-3% and no higher than 1%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The total amount of compensation of employees and remuneration of directors were \$106,914 thousand and \$210,453 thousand for the year ended December 31, 2021. The Corporation may settle compensation of employees and remuneration of directors in cash were \$107,954 thousand and \$256,965 thousand for the year ended December 31, 2020 which was approved by the Corporation's board of directors in March 2021.

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

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the 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. Other income

	For the Year Ended December 31	
	2021	2020
Net gain on fair value changes of financial assets at FVTPL	\$ 24,637	\$ 35,879
Interest income	36,258	74,136
Financial income	14,735	21,490
Others	<u>92,846</u>	<u>58,778</u>
	<u>\$ 168,476</u>	<u>\$ 190,283</u>

e. Finance costs

	For the Year Ended December 31	
	2021	2020
Interest on corporate bonds	\$ 627,393	\$ 793,471
Interest on bank borrowings	588,969	603,951
Interest on lease liabilities	33,015	25,553
Other finance costs	<u>101,632</u>	<u>85,471</u>
	<u>\$ 1,351,009</u>	<u>\$ 1,508,446</u>

f. Other expenses

	For the Year Ended December 31	
	2021	2020
Loss on work stoppage	\$ 130,285	\$ 131,011
Loss on foreign exchange	64,293	30,055
Loss on disposal of investment (Note 12)	43,772	-
Others	<u>89,289</u>	<u>1,429</u>
	<u>\$ 327,639</u>	<u>\$ 162,495</u>

22. INCOME TAX

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

	For the Year Ended December 31	
	2021	2020
Current tax		
In respect of the current year	\$ 337,647	\$ 3,571
Income tax on unappropriated earnings	91,068	201,675
Adjustments for prior years	<u>25,875</u>	<u>(9,579)</u>
	<u>454,590</u>	<u>195,667</u>
Deferred tax		
In respect of the current year	<u>16,945</u>	<u>36,577</u>
Income tax expense recognized in profit or loss	<u>\$ 471,535</u>	<u>\$ 232,244</u>

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

	For the Year Ended December 31	
	2021	2020
Income before income tax	<u>\$ 20,727,901</u>	<u>\$ 25,331,553</u>
Income tax expense at the statutory rate	\$ 4,145,580	\$ 5,066,311
Tax-exempt income	(878,808)	(1,388,776)
Unrecognized deductible temporary differences	(2,944,490)	(3,494,499)
Adjustments for prior years	25,875	(9,579)
Income tax on unappropriated earnings	91,068	201,675
Others	<u>32,310</u>	<u>(142,888)</u>
Income tax expense recognized in profit or loss	<u>\$ 471,535</u>	<u>\$ 232,244</u>

- b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2021	2020
Recognized during the year		
Remeasurement on defined benefit plan	<u>\$ 54,099</u>	<u>\$ 24,784</u>

- c. Current tax assets and liabilities

	December 31	
	2021	2020
Current income tax assets (included in other current assets)	<u>\$ 16,310</u>	<u>\$ 16,310</u>
Current income tax liabilities	<u>\$ 423,152</u>	<u>\$ 197,468</u>

d. Deferred income tax assets and liabilities

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

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen- sive Income	Closing Balance
<u>Deferred income tax assets</u>				
Inventories	\$ 48,088	\$ (5,242)	\$ -	\$ 42,846
Property, plant and equipment	19,694	(2,944)	-	16,750
Long-term employee benefits plan	15,145	(2,938)	-	12,207
Deferred revenue	4,406	(246)	-	4,160
Others	<u>5,568</u>	<u>5,808</u>	<u>-</u>	<u>11,376</u>
	<u>\$ 92,901</u>	<u>\$ (5,562)</u>	<u>\$ -</u>	<u>\$ 87,339</u>
<u>Deferred income tax liabilities</u>				
Land value increment tax	\$ 4,883,412	\$ -	\$ -	\$ 4,883,412
Defined benefit plan	288,331	745	54,099	343,175
Unappropriated earnings from foreign subsidiaries	195,732	11,687	-	207,419
Others	<u>1,049</u>	<u>(1,049)</u>	<u>-</u>	<u>-</u>
	<u>\$ 5,368,524</u>	<u>\$ 11,383</u>	<u>\$ 54,099</u>	<u>\$ 5,434,006</u>

For the year ended December 31, 2020

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen- sive Income	Closing Balance
<u>Deferred income tax assets</u>				
Inventories	\$ 48,088	\$ -	\$ -	\$ 48,088
Property, plant and equipment	21,062	(1,368)	-	19,694
Long-term employee benefits plan	13,045	2,100	-	15,145
Deferred revenue	4,652	(246)	-	4,406
Others	<u>36,852</u>	<u>(31,284)</u>	<u>-</u>	<u>5,568</u>
	<u>\$ 123,699</u>	<u>\$ (30,798)</u>	<u>\$ -</u>	<u>\$ 92,901</u>
<u>Deferred income tax liabilities</u>				
Land value increment tax	\$ 4,893,010	\$ (9,598)	\$ -	\$ 4,883,412
Defined benefit plan	262,260	1,287	24,784	288,331
Unappropriated earnings from foreign subsidiaries	182,691	13,041	-	195,732
Others	<u>-</u>	<u>1,049</u>	<u>-</u>	<u>1,049</u>
	<u>\$ 5,337,961</u>	<u>\$ 5,779</u>	<u>\$ 24,784</u>	<u>\$ 5,368,524</u>

- e. Aggregate temporary differences associated with investments for which deferred income tax liabilities have not been recognized

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

- f. Income tax assessments

The tax returns of the Corporation through 2018 have been assessed by the tax authorities.

23. EARNINGS PER SHARE

Unit: NT\$ Per Share

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

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

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

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

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

24. ACQUISITION OR DISPOSAL OF SUBSIDIARIES

Refer to the notes of the consolidated financial statements for the year ended December 31, 2021 for the following disclosures of equity movements of subsidiaries.

Partial acquisition or disposal of subsidiaries without change of control

In 2021, the Corporation had acquired a portion of the shares of Taiwan Prosperity Chemical Corporation, and increased its proportionate ownership interests from 71.1% to 100.0% and its proportionate ownership interests in Taiwan Cement Engineering Corporation was still 99.2%.

In 2020, the Corporation acquired a portion of the shares of Taiwan Prosperity Chemical Corporation and Taiwan Cement Engineering Corporation and increased its proportionate ownership interests from 40.0% to 71.1% and from 99.0% to 99.2%, respectively.

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

Disposal of subsidiary

On March 19, 2021, the Board of Directors of the Corporation approved to sell all its 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 shall assist in the termination of Equipment Lease Agreement between Taiwan Prosperity Chemical Corporation and TCC Chemical Corporation before the closing date. Under the termination agreement, Taiwan Prosperity Chemical Corporation shall pay \$400,000 thousand to TCC Chemical Corporation as the consideration for the termination of the lease. The Corporation completed the share transaction on August 17, 2021 and recognized as gain on disposal of \$521,414 thousand.

Acquisition of subsidiary

The Corporation invested \$9,232,894 thousand in TCC Recycle Energy Technology Company. Due to the non-subscription of other shareholders, the shares held by the Corporation increased from 18.2% to 63.3% and the Corporation obtained the right to control TCC Recycle Energy Technology Company and its subsidiaries.

25. CASH FLOWS INFORMATION

Changes in liabilities arising from financing activities:

For the year ended December 31, 2021

	Opening Balance	Cash Flows	Effect of Exchange Rate and Others	Closing Balance
Short-term borrowings	\$ 23,351,729	\$ 2,071,411	\$ 3,635	\$ 25,426,775
Long-term borrowings (including expiring within a year)	<u>21,453,417</u>	<u>(4,300,000)</u>	<u>21,500</u>	<u>17,174,917</u>
	<u>\$ 44,805,146</u>	<u>\$ (2,228,589)</u>	<u>\$ 25,135</u>	<u>\$ 42,601,692</u>

For the year ended December 31, 2020

	Opening Balance	Cash Flows	Effect of Exchange Rate and Others	Closing Balance
Short-term borrowings	\$ 16,325,928	\$ 7,025,551	\$ 250	\$ 23,351,729
Long-term borrowings (including expiring within a year)	<u>21,431,917</u>	<u>-</u>	<u>21,500</u>	<u>21,453,417</u>
	<u>\$ 37,757,845</u>	<u>\$ 7,025,551</u>	<u>\$ 21,750</u>	<u>\$ 44,805,146</u>

26. CAPITAL MANAGEMENT

The Corporation needs to maintain sufficient capital to fulfill the Corporation's requirements of business expansion and construction. Therefore, the capital management of the Corporation 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.

27. FINANCIAL INSTRUMENTS

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

December 31, 2021

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

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

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

1) Fair value hierarchy

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets mandatorily classified as at FVTPL				
Domestic listed shares	\$ 198,850	\$ -	\$ -	\$ 198,850
Domestic emerging market shares	107,225	-	-	107,225
	<u>\$ 306,075</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 306,075</u>
Financial assets at FVTOCI				
Equity instrument investment				
Domestic listed shares	\$ 3,802,852	\$ -	\$ -	\$ 3,802,852
Domestic privately placed listed shares	-	1,255,794	-	1,255,794
Domestic unlisted shares	-	-	7,203,461	7,203,461
Domestic convertible preference shares	29,854	-	-	29,854
	<u>\$ 3,832,706</u>	<u>\$ 1,255,794</u>	<u>\$ 7,203,461</u>	<u>\$ 12,291,961</u>
Financial liabilities at FVTOCI				
Derivatives - put options and redemption options of convertible bond payables	\$ -	\$ -	\$ 213,062	\$ 213,062

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	171,613	-	-	171,613
Domestic emerging market shares	101,931	-	-	101,931
	<u>\$ 273,544</u>	<u>\$ -</u>	<u>\$ 17,092</u>	<u>\$ 290,636</u>
Financial assets at FVTOCI				
Equity instrument investment				
Domestic listed shares	\$ 3,374,595	\$ -	\$ -	\$ 3,374,595
Domestic unlisted shares	-	-	5,653,008	5,653,008
Domestic convertible preference shares	30,002	-	-	30,002
	<u>\$ 3,404,597</u>	<u>\$ -</u>	<u>\$ 5,653,008</u>	<u>\$ 9,057,605</u>

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

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

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

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

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

	For the Year Ended December 31, 2021
Financial assets at FVTOCI	
Equity instrument investment	
Balance at January 1, 2021	\$ 5,653,008
Recognized in other comprehensive income	<u>1,550,453</u>
Balance at December 31, 2021	<u>\$ 7,203,461</u>
Financial assets at FVTPL	
Derivative instrument investment	
Balance at January 1, 2021	\$ 17,092
Recognized in loss	(10,114)
Convertible bonds converted into ordinary shares	<u>(6,978)</u>
Balance at December 31, 2021	<u>\$ -</u>
Financial liabilities at FVTPL	
Derivative instrument investment	
Balance at January 1, 2021	\$ -
Additions	215,282
Recognized in loss	<u>(2,220)</u>
Balance at December 31, 2021	<u>\$ 213,062</u>
	For the Year Ended December 31, 2020
Financial assets at FVTOCI	
Equity instrument investment	
Balance at January 1, 2020	\$ 5,334,757
Additions	1
Recognized in other comprehensive income	372,219
Disposals	<u>(53,969)</u>
Balance at December 31, 2020	<u>\$ 5,653,008</u>

(Continued)

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

Financial assets at FVTPL

Derivative instrument investment

Balance at January 1, 2020	\$ 1,235
Recognized in income	20,202
Convertible bonds converted into ordinary shares	<u>(4,345)</u>

Balance at December 31, 2020	<u>\$ 17,092</u> (Concluded)
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4) Valuation techniques and inputs applied for Level 3 fair value measurement

- a) There were no quoted prices in active markets for put options and redemption options of ECB issued by the Corporation. Hence, the fair values of options are determined using the binomial option pricing model where the unobservable input is historical volatility. An increase in historical volatility used in isolation would result in an increase in the fair value. As of December 31, 2021 and 2020, the historical volatility used were 21.37% and 23.69%, respectively.
- b) The Corporation measures the fair value of its investments on domestic unlisted shares by using the asset-based approach, and the dividend discount model.

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

	<u>December 31</u>	
	2021	2020
Comprehensive discount for lack of marketability and non-controlling interests	10%	10%

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

	<u>December 31</u>	
	2021	2020
Comprehensive discount for lack of marketability and non-controlling interests		
1% increase	<u>\$ (13,003)</u>	<u>\$ (13,004)</u>
1% decrease	<u>\$ 13,003</u>	<u>\$ 13,004</u>

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

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

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

	December 31	
	2021	2020
Discount for lack of marketability		
1% increase	<u>\$ (66,623)</u>	<u>\$ (49,730)</u>
1% decrease	<u>\$ 66,623</u>	<u>\$ 49,730</u>

c. Categories of financial instruments

	December 31	
	2021	2020
<u>Financial assets</u>		
FVTPL		
Mandatorily classified as at FVTPL	\$ 306,075	\$ 290,636
Financial assets measured at amortized cost (1)	33,316,519	22,782,684
Financial assets at FVTOCI		
Equity instrument investment	12,291,961	9,057,605
<u>Financial liabilities</u>		
Held for trading	213,062	-
Financial liabilities at amortized cost (2)	143,126,355	107,521,067

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 (included in other current assets).

2) The balances include financial liabilities measured at amortized cost, which comprise short-term loans, short-term bills payable, accounts payable (including related parties transactions), other payables, other payable to related parties (included in other current liabilities), bonds payable, 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 Corporation were affected by operation environments, and the Corporation 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.

1) Market risk

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

a) Foreign currency risk

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

The carrying amounts of the significant monetary assets and liabilities not denominated in functional currency at the end of the reporting period are set out in Note 31.

The Corporation was mainly exposed to the USD. Regarding outstanding foreign monetary items, if there is a 1% increase or decrease in the NTD against the USD net income and equity for the years ended December 31, 2021 and 2020 would increase/decrease by \$173,661 thousand and \$2,965 thousand, respectively.

b) Interest rate risk

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

	December 31	
	2021	2020
Cash flow interest rate risk		
Financial assets	\$ 12,884,624	\$ 5,478,962
Financial liabilities	42,601,692	44,805,146

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

For the Corporation's floating interest rate financial assets, if interest rates had been 50 basis points higher/lower, the cash inflows from floating interest rate financial assets for the years ended December 31, 2021 and 2020 would have increased/decreased by \$51,538 thousand and \$21,916 thousand, respectively.

For the Corporation's floating interest rate financial liabilities, if interest rates had been 50 basis points higher/lower, the cash outflows from floating interest rate financial liabilities for the years ended December 31, 2021 and 2020 would have increased/decreased by \$170,407 thousand and \$179,221 thousand, respectively.

c) Other price risk

The Corporation was exposed to equity instruments and commodities price risk through its investments in equity securities. Equity investments are held for strategic rather than trading purposes. The Corporation does not actively trade these investments. Sensitivity analyses were used for evaluating the exposure to equity price risks.

The sensitivity analyses below were based on the exposure of equity instruments/commodity price risk on the balance sheet date.

The sensitivity analyses were based on the exposure of equity instruments/commodities at the end of the reporting period. If equity instruments/commodities prices of financial assets at FVTPL had been 5% higher/lower, profit or loss for the years ended December 31, 2021 and 2020 would increase/decrease by \$15,304 thousand and \$13,677 thousand, respectively. If equity instruments/commodity prices of financial assets at FVTOCI had been 5% higher/lower, other comprehensive income (loss) for the nine months ended December 31, 2021 and 2020 would increase/decrease by \$614,598 thousand and \$452,880 thousand, respectively.

2) Credit risk

Potential impacts on financial assets would occur if the 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 Corporation's maximum exposure to credit risk, which would cause a financial loss to the Corporation due to the failure of counterparties to discharge an obligation, could arise from the carrying amounts of the respective recognized financial assets as stated in the balance sheets.

The Corporation transacted with a large number of customers from various industries and geographical locations. The Corporation continuously assesses the operations and financial positions of customers and monitors the collectability of accounts receivable. The Corporation required credit enhancements by bank guarantees or collateral for certain customers.

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

3) Liquidity risk

The Corporation manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Corporation's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank facilities and ensures compliance with loan covenants. As of December 31, 2021 and 2020, the amount of unused financing facilities was \$25,469,332 thousand and \$30,490,501 thousand, respectively.

The following table details the Corporation'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 Corporation can be required to pay. The table included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

December 31, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 693,664	\$ 3,553,583	\$ 1,136,510	\$ 70,321	\$ 3,475
Lease liabilities	80,466	30,587	238,765	1,043,434	912,241
Variable interest rate liabilities	12,203,446	13,859,912	8,272,105	10,798,295	-
Fixed interest rate liabilities	<u>600,000</u>	<u>1,300,000</u>	<u>12,576,844</u>	<u>40,716,112</u>	<u>46,209,100</u>
	<u>\$ 13,577,576</u>	<u>\$ 18,744,082</u>	<u>\$ 22,224,224</u>	<u>\$ 52,628,162</u>	<u>\$ 47,124,816</u>

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

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Non-interest bearing	\$ 5,383,757	\$ 70,321	\$ 3,475	\$ -	\$ -	\$ -
Lease liabilities	349,818	1,043,434	626,041	286,200	-	-
Fixed interest rate liabilities	<u>14,476,844</u>	<u>40,716,112</u>	<u>11,641,790</u>	<u>34,567,310</u>	<u>-</u>	<u>-</u>
	<u>\$ 20,210,419</u>	<u>\$ 41,829,867</u>	<u>\$ 12,271,306</u>	<u>\$ 34,853,510</u>	<u>\$ -</u>	<u>\$ -</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	\$ 185,583	\$ 2,349,396	\$ 1,471,121	\$ 56,373	\$ 1,613
Lease liabilities	72,181	30,457	177,973	736,869	405,381
Variable interest rate liabilities	5,618,460	18,324,462	4,025,602	17,584,743	-
Fixed interest rate liabilities	<u>-</u>	<u>-</u>	<u>484,620</u>	<u>29,739,450</u>	<u>35,080,160</u>
	<u>\$ 5,876,224</u>	<u>\$ 20,704,315</u>	<u>\$ 6,159,316</u>	<u>\$ 48,117,435</u>	<u>\$ 35,487,154</u>

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

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Non-interest bearing	\$ 4,006,100	\$ 56,373	\$ 1,613	\$ -	\$ -	\$ -
Lease liabilities	280,611	736,869	303,748	101,633	-	-
Fixed interest rate liabilities	<u>484,620</u>	<u>29,739,450</u>	<u>6,979,960</u>	<u>28,100,200</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,771,331</u>	<u>\$ 30,532,692</u>	<u>\$ 7,285,321</u>	<u>\$ 28,201,833</u>	<u>\$ -</u>	<u>\$ -</u>

28. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in other notes, details of transactions between the Corporation and other related parties are disclosed below.

a. Name of the related parties and relationship

Related Party	Relationship with the Corporation
Ta-Ho Maritime Corporation (Ta-Ho Maritime)	Subsidiary
Taiwan Transport & Storage Corporation (Taiwan Transport & Storage)	Subsidiary
Taiwan Cement Engineering Corporation	Subsidiary
Kuan-Ho Refractories Industry Corporation (Kuan-Ho Refractories Industry)	Subsidiary
TCC Investment Corporation (TCC Investment)	Subsidiary
TCC Chemical Corporation (TCC Chemical)	Subsidiary
TCC Information Systems Corporation (TCC Information Systems)	Subsidiary
Taiwan Prosperity Chemical Corporation	Subsidiary (became non-related party in August 2021 after disposal)
Tung Chen Mineral Corporation	Subsidiary
Jin Chang Minerals Corporation (Jin Chang Minerals)	Subsidiary
Hoping Industrial Port Corporation	Subsidiary
Ho-Ping Power Company	Subsidiary
HPC Power Services Corporation	Subsidiary
Feng Sheng Enterprise Company (Feng Sheng Enterprise)	Subsidiary
E.G.C. Cement Corporation (E.G.C. Cement)	Subsidiary
Union Cement Traders Inc. (Union Cement Traders)	Subsidiary
Hong Kong Cement Company Ltd. ("HKCCL")	Subsidiary
TCC International Ltd. ("TCCI")	Subsidiary
TCC International Holdings Ltd.	Subsidiary
TCC Green Energy Corporation	Subsidiary
Ho Sheng Mining Co., Ltd.	Subsidiary
Taiwan Cement (Dutch) Holdings B.V.	Subsidiary
TCCMOLI Holdings (Singapore) Pte. Ltd.	Subsidiary (in the process of liquidation in 2021)
TCC Sustainable Energy Investment Corporation	Subsidiary
TCC Energy Storage Technology Corporation	Subsidiary
Tuo Shan Recycle Technology Company	Subsidiary
TCC Recycle Energy Technology Company	Subsidiary (classified as associate until August 2021 and has been reported as subsidiary ever since)
TJ Transport Corporation	Subsidiary
E-One Moli Energy Corp.	Subsidiary (classified as associate until August 2021 and has been reported as subsidiary ever since)
Molie Quantum Energy Corporation	Subsidiary (classified as associate until August 2021 and has been reported as subsidiary ever since)
Dr. Cecilia Koo Botanic Conservation and Environmental Protection Foundation	Same key management personnel
Chienten Temple	Same key management personnel

(Continued)

Related Party	Relationship with the Corporation
Chinatrust Investment Co., Ltd.	Same key management personnel
Linyuan Advanced Materials Technology Co., Ltd.	Same key management personnel
Circular Commitment Company	Same key management personnel
Hualien County Ho-Ping Culture and Art Foundation	Same key management personnel
Sing Cheng Investment Co., Ltd.	Same key management personnel
Pan Asia Corporation	The Corporation acts as key management personnel
China Hi-Ment Corporation (China Hi-Ment)	The Corporation acts as key management personnel
O-Bank Co., Ltd. (O-Bank)	The Corporation acts as key management personnel
Rong Gong Enterprise Co. (Rong Gong)	The Corporation acts as key management personnel
CTCI Corporation	The Corporation acts as key management personnel (became related parties since May 2020)
CTCI Resources Engineering Inc.	The Corporation acts as key management of its parent company
Goldsun Development & Construction Co., Ltd.	Investor with significant influence over the Corporation
Chia Hsin Cement Corporation (Chia Hsin Cement)	Management personnel in substance
Chia Hsin R.M.C. Corp. (Chia Hsin R.M.C.)	Management personnel in substance
The Koo Foundation	Management personnel in substance
L'Hotel de Chine Corporation	Management personnel in substance
FDC International Hotels Corporation	Management personnel in substance
Fortune Quality investment Limited	Management personnel in substance
Chia Hsin Property Management and Development Corp. (Chia Hsin Property)	Management personnel in substance
International CSRC Investment Holdings Co., Ltd.	Associate
Onyx Ta-Ho Environmental Services Co., Ltd.	Associate
Onyx Ta-Ho Waste Clearance Co., Ltd.	Subsidiary of associates
Onyx Ta-Ho Lu-Tsao Environment Co., Ltd.	Subsidiary of associates
ULPU International Co., Ltd.	Subsidiary of associates
	(Concluded)

b. Operating revenue

Continuing operations

	For the Year Ended December 31	
	2021	2020
Subsidiaries	\$ 2,158,708	\$ 1,948,092
Management personnel in substance	698,337	458,162
The Corporation acts as key management personnel	187,016	159,607
Associates	18,724	20,512
Investors with significant influence over the Corporation	-	33,515
Others	<u>4,302</u>	<u>4,264</u>
	<u>\$ 3,067,087</u>	<u>\$ 2,624,152</u>

Discontinued operations

	For the Year Ended December 31	
	2021	2020
Subsidiaries	\$ 2,753	\$ 5,539
c. Operating costs and expenses		
	For the Year Ended December 31	
	2021	2020
Subsidiaries	\$ 4,609,659	\$ 4,096,552
The Corporation acts as key management personnel	788,938	760,215
Management personnel in substance	69,636	69,842
Others	5,591	6,636
	<u>\$ 5,473,824</u>	<u>\$ 4,933,245</u>
d. Receivables from related parties		
	December 31	
	2021	2020
Subsidiaries		
E.G.C. Cement	\$ 166,785	\$ 138,432
Feng Sheng Enterprise	153,226	117,249
HKCCL	75,968	99,810
Others	51,966	42,876
	<u>447,945</u>	<u>398,367</u>
Management personnel in substance		
Chia Hsin Cement	123,932	73,133
Others	2,571	1,831
	<u>126,503</u>	<u>74,964</u>
The Corporation acts as key management personnel	70,358	30,925
Others	2,002	1,825
	<u>\$ 646,808</u>	<u>\$ 506,081</u>
e. Payables to related parties		
	December 31	
	2021	2020
Subsidiaries		
Ta-Ho Maritime	\$ 541,421	\$ 355,118
Taiwan Transport & Storage	144,048	71,965
Jin Chang Minerals	126,091	-
Kuan-Ho Refractories Industry	104,104	89,959
Others	159,182	125,770
	<u>1,074,846</u>	<u>642,812</u>
The Corporation acts as key management personnel		
China Hi-Ment	242,055	147,713
Others	10,064	2,686
	<u>\$ 1,326,965</u>	<u>\$ 793,211</u>

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

f. Other receivables from related parties (included in other current assets)

	December 31	
	2021	2020
Subsidiaries	\$ 28,566	\$ 19,761
Others	<u>999</u>	<u>2,044</u>
	<u>\$ 29,565</u>	<u>\$ 21,805</u>

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

g. Other payables to related parties (included in other current liabilities)

	December 31	
	2021	2020
Subsidiaries		
TCC Information Systems	\$ 10,158	\$ 55,920
Others	<u>530</u>	<u>449</u>
	<u>10,688</u>	<u>56,369</u>
The Corporation acts as key management of its parent company		
CTCI Resources Engineering Inc.	<u>61,398</u>	<u>-</u>
Others	<u>3,406</u>	<u>4,295</u>
	<u>\$ 75,492</u>	<u>\$ 60,664</u>

h. Acquisitions of property, plant and equipment

	December 31	
	2021	2020
The Corporation acts as key management of its parent company		
CTCI Resources Engineering Inc.	\$ 559,777	\$ -
Management personnel in substance		
Chia Hsin Property	<u>-</u>	<u>1,686,428</u>
	<u>\$ 559,777</u>	<u>\$ 1,686,428</u>

i. Endorsements and guarantees

	December 31	
	2021	2020
Subsidiaries		
TCC Investment	\$ 1,580,000	\$ 1,540,000
Union Cement Traders	750,000	1,020,000
TCCI	469,800	
TCC Chemical	366,117	829,117
Others	<u>131,141</u>	<u>139,698</u>
	<u>\$ 3,297,058</u>	<u>\$ 3,528,815</u>

j. Lease arrangements

Related Party Category/Name	For the Year Ended December 31	
	2021	2020
<u>Acquisition of right-of-use assets</u>		
Management personnel in substance		
Chia Hsin R.M.C.	\$ 23,313	\$ -
Chia Hsin Property	<u>-</u>	<u>39</u>
	<u>\$ 23,313</u>	<u>\$ 39</u>

Line Item	Related Party Category/Name	December 31	
		2021	2020
Lease liabilities	Subsidiaries		
	E.G.C. Cement	\$ 253,553	\$ 269,388
	Others	<u>4,992</u>	<u>7,230</u>
		<u>258,545</u>	<u>276,618</u>
	Management personnel in substance		
	Chia Hsin R.M.C.	20,699	2,085
	Chia Hsin Cement	<u>-</u>	<u>10,593</u>
		<u>20,699</u>	<u>12,678</u>
		<u>\$ 279,244</u>	<u>\$ 289,296</u>

Related Party Category	For the Year Ended December 31	
	2021	2020
<u>Interest expense</u>		
Subsidiaries		
E.G.C. Cement	\$ 4,836	\$ 5,125
Others	<u>114</u>	<u>155</u>
	<u>4,950</u>	<u>5,280</u>
Management personnel in substance	<u>308</u>	<u>501</u>
	<u>\$ 5,258</u>	<u>\$ 5,781</u>

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

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

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

k. Acquisition of financial assets

For the year ended December 31, 2020

Related Party Category/Name	Line Item	Number of Shares	Underlying Assets	Purchase Price
The Corporation acts as key management personnel O-Bank	Financial assets at FVTOCI	3,089,744	Shares	<u>\$ 19,620</u>

l. Disposal of financial assets

For the year ended December 31, 2020

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

m. Compensation of key management personnel

	For the Year Ended December 31	
	2021	2020
Short-term employee benefits	\$ 343,048	\$ 398,579
Post-employment benefits	2,261	2,040
Share-based payment	<u>8,187</u>	<u>2,867</u>
	<u>\$ 353,496</u>	<u>\$ 403,486</u>

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were pledged or mortgaged as collateral for performance bonds and other credit accommodations:

	December 31	
	2021	2020
Property, plant and equipment	\$ 148,896	\$ 157,453
Pledged bank deposits (included in other non-current assets)	<u>515,375</u>	<u>507,545</u>
	<u>\$ 664,271</u>	<u>\$ 664,998</u>

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

- a. As of December 31, 2021 and 2020, the balances of letters of credit for the purchase of raw materials were \$437,292 thousand and \$145,571 thousand, respectively.
- b. As of December 31, 2021 and 2020, the amounts of letters of guarantee issued by banks for the Corporation were both \$22,120 thousand.
- c. 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.
- d. 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 Corporation and Corporation's energy policy investment plan, planning to participate in various energy storage development projects.

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

- e. On September 27, 2021, the Board of Directors of the Corporation resolved the expansion of the DAKA Regeneration Resource Utilization Center, the original factory of the Corporation's local Commission, and entered into a contract with CTCI Resources Engineering Inc. to use the cement kiln heat to jointly dispose of waste living in Hualien County, with a total amount not exceeding \$3,450,000 thousand. As of the date the financial statements were authorized and issued, 17.4% construction has been completed.

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than the Corporation's functional currency and the exchange rates between such foreign currencies and the Corporation's functional currency were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2021

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 809,431	27.68 (USD:NTD)	\$ 22,405,050
Non-monetary items			
USD	62,792	27.68 (USD:NTD)	1,738,071
HKD	49,298,259	3.549 (HKD:NTD)	174,959,521
EUR	775,062	31.32 (EUR:NTD)	24,496,751
<u>Financial liabilities</u>			
Monetary items			
USD	25,195	27.68 (USD:NTD)	697,406

December 31, 2020

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 25,419	28.48 (USD:NTD)	\$ 723,933
Non-monetary items			
USD	59,216	28.48 (USD:NTD)	1,686,470
HKD	45,779,733	3.673 (HKD:NTD)	168,148,958
EUR	823,912	35.02 (EUR:NTD)	28,853,381

Financial liabilities

Monetary items			
USD	12,405	28.48 (USD:NTD)	353,286

The realized and unrealized foreign exchange losses were \$64,293 thousand and \$30,055 thousand for the years ended December 31, 2021 and 2020, respectively. It is impractical to disclose net foreign exchange losses by each significant foreign currency due to the variety of foreign currency transactions and functional currencies of the Corporation.

32. 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) Acquisitions of individual real estate at costs of at least NT\$300 million or 20% of the share capital (Table 5)
- 6) Disposals of individual real estate at prices of at least NT\$300 million or 20% of the share capital (Table 6)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the share capital (Table 7)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the share capital (Table 8)
- 9) Trading in derivative instruments (Notes 7, 17 and 27)
- 10) Information on investees (Table 9)

b. Information on investments in mainland China (Table 10)

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

33. OTHER EVENTS

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

34. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

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

TABLE 1

TAIWAN CEMENT CORPORATION

FINANCINGS PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Note
													Item	Value			
1	Taiwan Transport & Storage Corporation	Tai-Jie Transport & Storage Corporation	Other receivables from related parties	Yes	\$ 100,000	\$ 100,000	\$ 70,000	1.44	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 998,932	\$ 998,932	
2.	TCC Investment Corporation	Jin Chang Minerals Corporation	Other receivables from related parties	Yes	130,000	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	1,911,398	1,911,398	
3	Taiwan Green Energy Corporation	Chang-Wang Wind Power Co., Ltd.	Other receivables from related parties	Yes	30,000	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	3,731,370	3,731,370	
4	TCC Development Ltd.	TCC International Holdings Ltd.	Other receivables from related parties	Yes	268,129	259,077	259,077	0.28	The need for short-term financing	-	Operating capital	-	-	-	861,872	861,872	
5	TCCI	TCCIH	Other receivables from related parties	Yes	3,424,200	3,321,600	-	-	The need for short-term financing	-	Operating capital	-	-	-	114,241,779	228,483,558	
		TCC Dutch	Other receivables from related parties	Yes	1,663,000	1,566,000	1,049,220	0.83	The need for short-term financing	-	Operating capital	-	-	-	114,241,779	228,483,558	
		TCEH	Other receivables from related parties	Yes	665,200	626,400	-	-	The need for short-term financing	-	Operating capital	-	-	-	114,241,779	228,483,558	
6	Yingde Dragon Mountain Cement Co., Ltd.	TCC Yingde Cement Co., Ltd.	Other receivables from related parties	Yes	874,174	865,956	865,956	3.05	The need for short-term financing	-	Operating capital	-	-	-	17,231,540	34,463,080	
		TCC Liaoning Cement Company Limited	Other receivables from related parties	Yes	996,558	987,190	779,360	3.05	The need for short-term financing	-	Operating capital	-	-	-	17,231,540	34,463,080	
		TCC (Guigang) Cement Ltd.	Other receivables from related parties	Yes	7,430,479	7,360,626	7,360,626	3.05	The need for short-term financing	-	Operating capital	-	-	-	17,231,540	34,463,080	
7	TCC (Guigang) Cement Ltd.	TCC (Hangzhou) Recycle Resource Technology Limited	Other receivables from related parties	Yes	43,709	43,298	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		Guigang TCC DongYuan Environmental Technology Company Limited	Other receivables from related parties	Yes	131,126	129,893	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		TCC Huaying Cement Company Limited	Other receivables from related parties	Yes	1,258,811	1,246,977	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		TCC Anshun Cement Company Limited	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	874,174	865,956	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		TCC Jingzhou Cement Company Limited	Other receivables from related parties	Yes	655,631	649,467	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		TCC Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	284,107	281,436	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	1,223,844	1,212,338	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		TCC Yingde Cement Co., Ltd.	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	
		Scitus Luzhou Concrete Co., Ltd.	Other receivables from related parties	Yes	87,417	86,596	-	-	The need for short-term financing	-	Operating capital	-	-	-	28,176,279	56,352,558	

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Note
													Item	Value			
8	TCC Yingde Cement Co., Ltd.	Beijing TCC Environment Technology Co., Ltd.	Other receivables from related parties	Yes	\$ 87,417	\$ 86,596	\$ 69,276	3.48	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 33,473,137	\$ 66,946,274	
		TCC (Hangzhou) Environmental Protection Technology Limited	Other receivables from related parties	Yes	2,989,675	2,961,570	2,831,676	3.48	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		TCC Shaoguan Cement Co., Limited	Other receivables from related parties	Yes	4,001,108	4,001,108	3,999,831	3.48	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		TCC (Dong Guan) Cement Co., Limited	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		TCC Anshun Cement Co., Limited	Other receivables from related parties	Yes	874,174	865,956	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		Guangan Changxing Cement Co., Ltd.	Other receivables from related parties	Yes	874,174	865,956	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	874,174	865,956	519,574	3.48	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		TCC Jingzhou Cement Company Limited	Other receivables from related parties	Yes	218,544	216,489	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		TCC Chongqing Cement Company Limited	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	655,631	649,467	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	786,757	779,360	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	218,544	216,489	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		TCC Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	437,087	432,978	43,298	3.48	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
		TCC Liaoning Cement Company Limited	Other receivables from related parties	Yes	218,544	216,489	-	-	The need for short-term financing	-	Operating capital	-	-	-	33,473,137	66,946,274	
9	TCC Fuzhou Cement Co., Ltd.	TCC Liaoning Cement Company Limited	Other receivables from related parties	Yes	305,961	303,085	-	-	The need for short-term financing	-	Operating capital	-	-	-	1,003,138	3,009,414	
		TCC New (Hangzhou) Management Company Limited	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	1,003,138	3,009,414	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	218,544	216,489	-	-	The need for short-term financing	-	Operating capital	-	-	-	1,003,138	3,009,414	
10	TCC International Holdings Ltd.	TCC Yingde Cement Co., Ltd.	Other receivables from related parties	Yes	212,793	210,793	208,886	-	The need for short-term financing	-	Operating capital	-	-	-	157,413,695	314,827,390	
11	Prime York Ltd.	Upper Value Investment Limited	Other receivables from related parties	Yes	187,323	180,999	180,999	-	The need for short-term financing	-	Operating capital	-	-	-	3,313,389	6,626,778	
12	Jurong TCC Cement Co., Ltd.	TCC Anshun Cement Company Limited	Other receivables from related parties	Yes	874,174	865,956	-	-	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		TCC Chongqing Cement Co., Ltd.	Other receivables from related parties	Yes	874,174	865,956	-	-	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		TCC Guangan Changxing Cement Company Ltd.	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		TCC Liaoning Cement Company Limited	Other receivables from related parties	Yes	305,961	303,085	-	-	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		TCC Yingde Cement Co., Ltd.	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	655,631	649,467	43,298	3.48	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	1,311,261	1,298,934	337,723	3.48	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		TCC Huaihua Concrete Company Limited	Other receivables from related parties	Yes	131,126	129,893	43,298	3.48	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	305,961	303,085	216,489	3.48	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	
		Kaili TCC Environment Technology Co., Ltd.	Other receivables from related parties	Yes	218,365	216,489	164,532	3.48	The need for short-term financing	-	Operating capital	-	-	-	17,526,439	35,052,878	

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Note
													Item	Value			
13	TCC Anshun Cement Company Limited	Anshun Xin Tai Construction Materials Company Limited	Other receivables from related parties	Yes	\$ 87,417	\$ 86,596	\$ -	-	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 7,224,247	\$ 14,448,494	
		Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	262,252	259,787	259,787	3.48	The need for short-term financing	-	Operating capital	-	-	-	7,224,247	14,448,494	
		Scitus Luzhou Concrete Co., Ltd.	Other receivables from related parties	Yes	131,126	129,893	-	-	The need for short-term financing	-	Operating capital	-	-	-	7,224,247	14,448,494	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	131,126	129,893	8,660	3.48	The need for short-term financing	-	Operating capital	-	-	-	7,224,247	14,448,494	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	131,126	129,893	-	-	The need for short-term financing	-	Operating capital	-	-	-	7,224,247	14,448,494	
		TCC Chongqing Cement Company Limited	Other receivables from related parties	Yes	874,174	865,956	-	-	The need for short-term financing	-	Operating capital	-	-	-	7,224,247	14,448,494	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	655,631	649,467	173,191	3.48	The need for short-term financing	-	Operating capital	-	-	-	7,224,247	14,448,494	
14	Guangan Changxing Cement Co., Ltd.	TCC Huaying Cement Company Limited	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	5,953,441	11,906,882	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	131,126	129,893	-	-	The need for short-term financing	-	Operating capital	-	-	-	5,953,441	11,906,882	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	87,417	86,596	-	-	The need for short-term financing	-	Operating capital	-	-	-	5,953,441	11,906,882	
15	Wayly Holdings Ltd.	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	57,600	55,655	55,655	-	The need for short-term financing	-	Operating capital	-	-	-	1,727,043	3,454,086	
16	TCC Chongqing Cement Company Limited	Guangan Changxing Cement Co., Ltd.	Other receivables from related parties	Yes	437,087	432,978	-	-	The need for short-term financing	-	Operating capital	-	-	-	9,366,636	18,733,272	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	218,544	216,489	138,553	3.48	The need for short-term financing	-	Operating capital	-	-	-	9,366,636	18,733,272	
		Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	131,126	129,893	43,298	3.48	The need for short-term financing	-	Operating capital	-	-	-	9,366,636	18,733,272	
		Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	218,544	216,489	-	-	The need for short-term financing	-	Operating capital	-	-	-	9,366,636	18,733,272	
		TCC Huaying Cement Company Limited	Other receivables from related parties	Yes	109,272	108,245	-	-	The need for short-term financing	-	Operating capital	-	-	-	9,366,636	18,733,272	
		TCC Huaihua Cement Company Limited	Other receivables from related parties	Yes	655,631	649,467	532,130	3.48	The need for short-term financing	-	Operating capital	-	-	-	9,366,636	18,733,272	
		TCC Jingzhou Cement Company Limited	Other receivables from related parties	Yes	87,417	86,596	-	-	The need for short-term financing	-	Operating capital	-	-	-	9,366,636	18,733,272	
		Guizhou Kong On Cement Company Limited	Other receivables from related parties	Yes	131,126	129,893	86,596	3.48	The need for short-term financing	-	Operating capital	-	-	-	9,366,636	18,733,272	
17	TCC New (Hangzhou) Management Company Limited	Scitus Luzhou Cement Co., Ltd.	Other receivables from related parties	Yes	270,994	268,446	86,596	3.48	The need for short-term financing	-	Operating capital	-	-	-	406,407	812,814	
		Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	240,398	238,138	190,510	3.48	The need for short-term financing	-	Operating capital	-	-	-	406,407	812,814	
		Scitus Luzhou Concrete Co., Ltd.	Other receivables from related parties	Yes	34,967	34,638	-	-	The need for short-term financing	-	Operating capital	-	-	-	406,407	812,814	
18	Prosperity Minerals (China) Ltd.	TCC New (Hangzhou) Management Company Limited	Other receivables from related parties	Yes	348,563	345,286	342,053	-	The need for short-term financing	-	Operating capital	-	-	-	857,352	1,714,704	
19	Da Tong (Guigang) International Logistics Co., Ltd.	Guigang Da-Ho Shipping Co., Ltd.	Other receivables from related parties	Yes	131,126	129,893	-	-	The need for short-term financing	-	Operating capital	-	-	-	932,345	1,864,691	
20	Hong Kong Cement Co., Ltd.	TCC International Holdings Ltd.	Other receivables from related parties	Yes	472,711	458,547	458,547	0.34	The need for short-term financing	-	Operating capital	-	-	-	1,031,993	2,063,986	
21	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Scitus Naxi Cement Co., Ltd.	Other receivables from related parties	Yes	131,126	129,893	-	-	The need for short-term financing	-	Operating capital	-	-	-	3,710,029	7,420,058	
		Kaili TCC Environment Technology Co., Ltd.	Other receivables from related parties	Yes	174,835	173,191	173,191	3.48	The need for short-term financing	-	Operating capital	-	-	-	3,710,029	7,420,058	

(Continued)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Note
													Item	Value			
22	Union Cement Traders Inc.	Jin Chang Minerals Corporation	Other receivables from related parties	Yes	\$ 300,000	\$ -	\$ -	-	The need for short-term financing	\$ -	Operating capital	\$ -	-	\$ -	\$ 450,642	\$ 450,642	
		Tai-Jie Transport & Storage Corporation	Other receivables from related parties	Yes	50,000	-	-	-	The need for short-term financing	-	Operating capital	-	-	-	450,642	450,642	
23	TCC Huaihua Cement Company Limited	TCC Jingzhou Cement Company Limited	Other receivables from related parties	Yes	87,417	86,596	-	-	The need for short-term financing	-	Operating capital	-	-	-	4,855,411	9,710,822	
24	Scitus Luzhou Cement Co., Ltd.	Guizhou Kaili Rui An Jian Cai Co., Ltd.	Other receivables from related parties	Yes	87,417	86,596	8,660	3.48	The need for short-term financing	-	Operating capital	-	-	-	3,391,476	6,782,952	
25	E-One Moli Energy Corp.	E-one Moli Energy (Canada) Ltd.	Other receivables from related parties	Yes	835,500	400,468	-	-	The need for short-term financing	-	Operating capital	-	-	-	2,952,939	5,905,878	
26	E-one Moli Energy (Canada) Ltd	E-One Moli Energy Corp.	Other receivables from related parties	Yes	563,500	183,092	98,612	0.70	The need for short-term financing	-	Operating capital	-	-	-	1,323,144	2,646,288	

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

- A. For Taiwan Cement Corporation, financing limits are as follows:
- 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 1,200% and 600%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for Prosperity Minerals (China) Ltd. were 400% and 200%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for TCC Development Ltd. were 200% and 200%, respectively, of its net equity as stated in its latest financial statements. The aggregate and individual financing limits for E-One Moli Energy (Canada) Ltd. were 600% and 300%, respectively, of its net equity as stated in its latest financial statements.

(Concluded)

TABLE 2

TAIWAN CEMENT CORPORATION

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 3)											
0	Taiwan Cement Corporation	Union Cement Traders Inc.	b	\$ 102,238,667	\$ 1,420,000	\$ 1,420,000	\$ 750,000	\$ -	0.69	\$ 204,477,333	Y	N	N	
		TCC Investment Corporation	b	102,238,667	2,570,000	2,570,000	1,580,000	-	1.26	204,477,333	Y	N	N	
		TCC Chemical Corporation	b	102,238,667	1,499,117	1,499,117	366,117	-	0.73	204,477,333	Y	N	N	
		Jin Chang Minerals Corporation	b	102,238,667	68,848	31,257	31,257	31,257	0.02	204,477,333	Y	N	N	
		Ho Sheng Mining Co., Ltd.	b	102,238,667	99,884	99,884	99,884	99,884	0.05	204,477,333	Y	N	N	
		TCCI	b	102,238,667	6,294,080	5,840,480	469,800	-	2.86	204,477,333	Y	N	N	
1	Ho Sheng Mining Co., Ltd.	Taiwan Cement Corporation	c	1,147,519	137,462	137,462	137,462	-	35.94	1,147,519	N	Y	N	
2	TCC Green Energy Corporation	TCC Chemical Corporation	a	9,328,426	6,117	6,117	6,117	-	0.07	9,328,426	N	N	N	
3	TCCIH	TCC Yingde Cement Co., Ltd.	b	78,706,847	2,273,407	1,814,799	-	-	1.15	157,413,695	Y	N	Y	
		Jurong TCC Cement Co., Ltd.	b	78,706,847	2,020,490	1,966,297	-	-	1.25	157,413,695	Y	N	Y	
		TCC Fuzhou Cement Co., Ltd.	b	78,706,847	1,147,977	1,132,395	-	-	0.72	157,413,695	Y	N	Y	
		TCC Liaoning Cement Company Limited	b	78,706,847	869,231	857,067	-	-	0.54	157,413,695	Y	N	Y	
		TCC (Guigang) Cement Ltd.	b	78,706,847	7,417,299	4,510,560	-	-	2.87	157,413,695	Y	N	Y	
		TCC Chongqing Cement Co., Limited	b	78,706,847	1,753,088	1,180,338	-	-	0.75	157,413,695	Y	N	Y	
		Guizhou Kong On Cement Company Limited	b	78,706,847	288,204	279,568	-	-	0.18	157,413,695	Y	N	Y	
		Guizhou Kaili Rui An Jian Cai Co., Ltd.	b	78,706,847	285,350	276,800	-	-	0.18	157,413,695	Y	N	Y	
		Guangan Changxing Cement Company Ltd.	b	78,706,847	305,961	303,085	-	-	0.19	157,413,695	Y	N	Y	
		TCC Anshun Cement Company Limited	b	78,706,847	655,631	649,467	-	-	0.41	157,413,695	Y	N	Y	
		TCC Huaihua Cement Company Limited	b	78,706,847	830,465	822,658	-	-	0.52	157,413,695	Y	N	Y	
		TCC Jingzhou Cement Company Limited	b	78,706,847	262,252	259,787	-	-	0.17	157,413,695	Y	N	Y	
4	TCC (Guigang) Cement Ltd.	Guigang Conch - TCC New Material Technology Co., Ltd.	f	14,088,140	129,893	129,893	86,596	-	0.46	28,176,279	N	N	Y	
5	TCC Dutch	NHOA S. A.	b	13,343,834	1,098,599	1,034,520	1,034,520	1,034,520	3.88	26,687,668	Y	N	N	
		NHOA AUSTRALIA PTY LTD.	b	13,343,834	2,510,232	2,510,232	2,510,232	-	9.41	26,687,668	Y	N	N	

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

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

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

(Continued)

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

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

(Concluded)

TABLE 3

TAIWAN CEMENT CORPORATION

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Taiwan Cement Corporation	<u>Ordinary shares</u>							
	Chien Kuo Construction Co., Ltd.	-	FVTPL - current	7,522	\$ 106,063	-	\$ 106,063	
	Taiwan Television Enterprise, Ltd.	The Corporation serves as supervisor	FVTPL - current	13,573	107,225	-	107,225	
	Chinatrust Financial Holding Co., Ltd.	-	FVTPL - current	3,576	92,787	-	92,787	
	China Hi-Ment Corporation	The Corporation serves as director	FVTOCI - current	30,196	1,369,396	-	1,369,396	
	Taishin Financial Holding Co., Ltd.	-	FVTOCI - current	66,766	1,265,211	-	1,265,211	
	CTCI Corporation	The Corporation serves as director	FVTOCI - current	9,054	336,822	-	336,822	
	Chia Hsin Cement Corporation	Directors	FVTOCI - current	27,419	568,953	-	568,953	
	O-Bank	The Corporation serves as director	FVTOCI - current	32,809	262,470	-	262,470	
	IBT II Venture Capital Corporation	-	FVTOCI - non-current	2,626	14,509	8.3	14,509	
	Chinatrust Investment Co., Ltd.	The Corporation serves as director	FVTOCI - non-current	29,553	1,177,376	9.4	1,177,376	
	Pan Asia Corporation	The Corporation serves as supervisor	FVTOCI - non-current	6,204	8,996	5.4	8,996	
	Taiwan Stock Exchange Corporation	The Corporation serves as director	FVTOCI - non-current	55,698	6,002,580	6.6	6,002,580	
	Excel Corporation	-	FVTOCI - non-current	600	-	9.5	-	
	Privately placed shares - Phihong Technology Co., Ltd.	-	FVTOCI - non-current	37,520	1,255,794	9.998	1,255,794	
	<u>Convertible preference shares</u>							
	O-Bank	The Corporation serves as director	FVTOCI - current	2,956	29,854	-	29,854	
Taiwan Transport & Storage Corporation	<u>Ordinary shares</u>							
	Chia Hsin Cement Corporation	Director of parent company	FVTOCI - current	8,632	179,104	-	179,104	
TCC Investment Corporation	<u>Ordinary shares</u>							
	O-Bank	The Corporation serves as director	FVTOCI - current	24,214	193,714	-	193,714	21,000 thousand shares were pledged
	Taishin Financial Holding Co., Ltd.	-	FVTOCI - current	12,772	242,025	-	242,025	
	Chia Hsin Cement Corporation	Director of parent company	FVTOCI - current	8,334	172,929	-	172,929	7,000 thousand shares were pledged
	China Conch Venture Holdings Limited	-	FVTOCI - non-current	11,110	1,502,260	-	1,502,260	
	Chinatrust Investment Co., Ltd.	The Corporation serves as director	FVTOCI - non-current	10,884	433,613	3.5	433,613	
	Pan Asia Corporation	The Corporation serves as supervisor	FVTOCI - non-current	1	14	-	14	
	<u>Convertible preference shares</u>							
	O-Bank	The Corporation serves as director	FVTOCI -current	2,182	22,034	-	22,034	
Ta-Ho Maritime Corporation	<u>Ordinary shares</u>							
	Prosperity Dielectrics Co., Ltd.	-	FVTPL - current	951	57,738	-	57,738	
	Chia Hsin Cement Corporation	Director of parent company	FVTOCI - current	25,761	534,546	-	534,546	
	Chinatrust Investment Co., Ltd.	The Corporation serves as director	FVTOCI - non-current	6,612	263,409	2.1	263,409	
TCC Chemical Corporation	<u>Ordinary shares</u>							
	Taiwan Stock Exchange Corporation	The Corporation serves as director	FVTOCI - non-current	3,180	342,750	-	342,750	
Hoping Industrial Port Corporation	<u>Ordinary shares</u>							
	Chinatrust Investment Co., Ltd.	The Corporation serves as director	FVTOCI - non-current	10,444	416,077	3.3	416,077	
E.G.C. Cement Corporation	<u>Ordinary shares</u>							
	Feng Yu United Engineering Company	-	FVTPL - current	119	-	0.1	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Union Cement Traders Inc.	<u>Ordinary shares</u>							
	Taishin Financial Holding Co., Ltd.	-	FVTOCI - current	29,493	\$ 558,895	-	\$ 558,895	
	CTCI Corporation	The Corporation serve as director	FVTOCI - current	13,365	497,190	-	497,190	
	Chia Hsin Cement Corporation	Director of parent company	FVTOCI - current	7,441	154,400	-	154,400	
TCCI (Group)	<u>Ordinary shares</u>							
	Videoland Inc.	-	FVTOCI - non-current	6,437	304,878	5.6	304,878	
	Anhui Conch Cement Co., Ltd.	-	FVTOCI - non-current	116,568	16,113,608	-	16,113,608	
	Yargoan Co., Ltd.	-	FVTOCI - non-current	19	-	12.5	-	

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

Note 2: See Tables 9 and 10 for the information on investments in subsidiaries, associates and joint ventures.

(Concluded)

TABLE 4

TAIWAN CEMENT CORPORATION

MARKETABLE SECURITIES ACQUIRED AND DISPOSED AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE SHARE CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Other Adjustment	Ending Balance	
					Shares/Units (In Thousands)	Amount	Shares/Units (In Thousands)	Amount	Shares/Units (In Thousands)	Amount	Carrying Amount	Gain on Disposal		Shares/Units (In Thousands)	Amount
Taiwan Cement Corporation	^{Shares} Taiwan Prosperity Chemical Corporation	Investments accounted for using the equity method	Note 1	Subsidiary	93,857	\$ 734,888	38,103 (Note 1)	\$ 685,845 (Note 1)	131,960	\$ 2,800,000 (Note 2)	\$ 2,278,586 (Note 2)	\$ 521,414 (Note 2)	\$ 857,853 (Note 3)	-	\$ -
Taiwan Cement Corporation	TCC Energy Storage Technology Corporation	Investments accounted for using the equity method	-	Subsidiary	100	984	200,500	2,005,000	-	-	-	-	(26,917) (Note 3)	200,600	1,979,067
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	-	-	-	-	(143,600) (Note 3)	1,040,653	10,333,631
Taiwan Cement Corporation	TCC Green Energy Corporation	Investments accounted for using the equity method	-	Subsidiary	320,899	3,149,254	630,000	6,300,000	-	-	-	-	(69,675) (Note 3)	950,899	9,379,579
Taiwan Cement Corporation	Phihong Technology Co., Ltd.	FVTOCI - non-current	-	-	-	-	37,520 (Note 7)	1,510,555 (Note 7)	-	-	-	-	(254,761) (Note 5)	37,520	1,255,794
TCC Investment Corporation	China Conch Venture Holdings Limited	FVTOCI - non-current	-	-	28,000	3,877,219	-	-	16,890	2,182,067	2,182,067 (Note 4)	-	(192,892) (Note 5)	11,110	1,502,260
Ta-Ho Maritime Corporation	Ta-Ho Maritime Holdings Ltd.	Investments accounted for using the equity method	-	Subsidiary	19,300	4,665,395	25,000	695,250	-	-	-	-	90,747 (Note 3)	44,300	5,451,392
TCC Green Energy Corporation	TCC Chia-Chien Green Energy Corporation	Investments accounted for using the equity method	-	Subsidiary	100,200	930,205	130,000	1,300,000	-	-	-	-	(48,901) (Note 3)	230,200	2,181,304
TCC Green Energy Corporation	TCC Lien-Hsin Green Energy Corporation	Investments accounted for using the equity method	-	Subsidiary	1,200	9,051	400,000	4,000,000	-	-	-	-	(1,707) (Note 3)	401,200	4,007,344
Ta-Ho Maritime Holdings Ltd.	THC International S.A.	Investments accounted for using the equity method	-	Subsidiary	39,310	3,725,099	25,000	695,250	-	-	-	-	8,423 (Note 3)	64,310	4,428,772
TCC Dutch	TCEH	Investments accounted for using the equity method	-	Subsidiary	-	-	75,001	10,627,883	-	-	-	-	(1,131,425) (Note 3)	75,001	9,496,458
TCEH	NHOA S.A.	Investments accounted for using the equity method	Note 6	Subsidiary	-	-	16,635	7,595,278	-	-	-	-	(920,917) (Note 3)	16,635	6,674,361
TCC Yingde Cement Co., Ltd.	Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd.	Investments accounted for using the equity method	-	Associates	-	-	-	699,477	-	-	-	-	(28,743) (Note 3)	-	670,734
TCC (Gui Gang) Cement Ltd.	Guigang TCC Dong Yuan Environmental Technology Company Limited	Investments accounted for using the equity method	-	Subsidiary	-	570,171	-	355,276	-	-	-	-	(17,164) (Note 3)	-	908,283
NHOA S.A.	NHOA ENERGY S.R.L.	Investments accounted for using the equity method	-	Subsidiary	-	-	-	1,002,240	-	-	-	-	1,326,589 (Note 3)	1,000	2,328,829
NHOA ENERGY S.R.L.	NHOA AUSTRALIA PTY LTD	Investments accounted for using the equity method	-	Subsidiary	-	-	25,200	505,225	-	-	-	-	428 (Note 3)	25,210	505,653
TCC Recycle Energy Technology Company	E-One Moli Energy Corp.	Investments accounted for using the equity method	-	Subsidiary	566,311	5,105,395	1,000,000	10,000,000	-	-	-	-	(340,700) (Note 3)	1,566,311	14,764,695
E-One Moli Energy Corp.	Molie Quantum Energy Corporation	Investments accounted for using the equity method	-	Subsidiary	-	-	1,000,100	10,001,000	-	-	-	-	(79,844) (Note 3)	1,000,100	9,921,156

Note 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.

(Continued)

- Note 3: Including the profit and loss parts of subsidiaries recognized under the equity method and adjustments to shareholder’s equity.
- Note 4: Including accumulated gain from retained earnings in the amount of NT\$1,029,880 thousand which is reclassified from unrealized gain on financial assets at FVTOCI due to disposal.
- Note 5: Unrealized loss on financial assets at FVTOCI in this period.
- Note 6: Purchase 7,722 thousand shares for NT\$4,391,545 thousand from Engie SA Group, acquire 596 thousand shares for NT\$329,447 thousand from open market and acquire 8,317 thousand shares for NT\$2,874,286 from NHOA S.A. issuance of ordinary shares for cash.
- Note 7: The subscription of 37,520 thousand shares of Phihong Technology Co., Ltd. was via private placement for consideration of \$1,510,555 thousand. After the private placement, the Corporation owns 9.9998% of shares of Phihong Technology Co., Ltd. The private placement of ordinary shares may not be transferred to others within 3 years under the relevant laws and regulations.

(Concluded)

TABLE 5

TAIWAN CEMENT CORPORATION

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

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

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

TABLE 6

TAIWAN CEMENT CORPORATION

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

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

TABLE 7

TAIWAN CEMENT CORPORATION

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE SHARE CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total (Note 1)	
Taiwan Cement Corporation	Feng Sheng Enterprise Company Limited	Subsidiary	Sales	\$ (510,840)	(2)	30 days	\$ -	-	\$ 153,226	24	
	HKCCL	Subsidiary	Purchases	205,556	1	30 days	-	-	(26,178)	(2)	
			Sales	(514,564)	(2)	65 days counting from the completion of shipment	-	-	75,968	12	
	TCCIH	Subsidiary	Service revenue	(442,400)	(2)	By contract	-	-	37,491	6	
	E.G.C. Cement Corporation	Subsidiary	Sales	(584,966)	(2)	50 days counting from the completion of shipment	-	-	166,785	26	
	Ta-Ho Maritime Corporation	Subsidiary	Purchases	1,789,482	9	30 days	-	-	(541,421)	(41)	
	Jin Chang Minerals Corporation	Subsidiary	Purchases	685,546	4	30 days	-	-	(126,091)	(10)	
	Taiwan Transport & Storage Corporation	Subsidiary	Purchases	667,116	4	30 days	-	-	(144,048)	(11)	
	Hoping Industrial Port Corporation	Subsidiary	Purchases	584,056	3	20 days	-	-	(51,639)	(4)	
	Ho Sheng Mining Co., Ltd.	Subsidiary	Purchases	323,826	2	30 days	-	-	(59,956)	(5)	
	Kuan-Ho Refractories Industry Corporation	Subsidiary	Purchases	201,457	1	By contract	-	-	(104,104)	(8)	
	Chia Hsin Cement Corporation	Director of the Corporation	Sales	(692,930)	(3)	65 days counting from the completion of shipment	-	-	123,932	19	
Ho-Ping Power Company	China Hi-Ment Corporation	The Corporation serves as director	Sales	(156,187)	(1)	60 days	-	-	41,592	6	
			Purchases	788,935	4	60 days	-	-	(242,055)	(18)	
	Hoping Industrial Port Corporation	The same parent company	Purchases	1,072,459	14	20 days	-	-	(27,457)	(23)	
	HPC Power Service Corporation	The same parent company	Purchases	493,623	6	By contract	-	-	(88,671)	(74)	
Hoping Industrial Port Corporation	Taiwan Cement Corporation	Parent company	Sales	(584,056)	(34)	20 days	-	-	51,639	62	
	Ho-Ping Power Company	The same parent company	Sales	(1,072,459)	(62)	20 days	-	-	27,457	33	
	Taiwan Transport & Storage Corporation	The same parent company	Purchases	232,404	79	30 days	-	-	(20,991)	(84)	
E.G.C. Cement Corporation	Taiwan Cement Corporation	Parent company	Purchases	584,966	100	50 days counting from the completion of shipment	-	-	(166,785)	(100)	
Feng Sheng Enterprise Company Limited	Taiwan Cement Corporation	Parent company	Purchases	510,840	17	30 days	-	-	(153,226)	(100)	
			Sales	(205,556)	(6)	30 days	-	-	26,178	100	
Taiwan Transport & Storage Corporation	Taiwan Cement Corporation	Parent company	Sales	(667,116)	(38)	30 days	-	-	144,048	77	
	Hoping Industrial Port Corporation	The same parent company	Sales	(232,404)	(13)	30 days	-	-	20,991	11	
	Taiwan Prosperity Chemical Corporation (Note 2)	The same parent company	Sales	(205,653)	(16)	30 days	-	-	-	-	
	Linyuan Advanced Materials Technology Co., Ltd.	The same chairman	Sales	(161,258)	(9)	30 days	-	-	21,354	11	
Ta-Ho Maritime Corporation	Taiwan Cement Corporation	Parent company	Sales	(1,789,482)	(59)	30 days	-	-	541,421	99	
TCCIH	Taiwan Cement Corporation	Parent company	Service expense	442,400	100	By contract	-	-	(37,491)	(100)	
Ho Sheng Mining Co., Ltd.	Taiwan Cement Corporation	Parent company	Sales	(323,826)	(73)	30 days	-	-	59,956	73	
	Jin Chang Minerals Corporation	The same parent company	Sales	(119,973)	(27)	30 days	-	-	21,917	27	
HPC Power Service Corporation	Ho-Ping Power Company	The same parent company	Sales	(493,623)	(100)	By contract	-	-	88,671	100	

(Continued)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total (Note 1)	
Jin Chang Minerals Corporation	Taiwan Cement Corporation Ho Sheng Mining Co., Ltd.	Parent company	Sales	\$ (685,546)	(100)	30 days	\$ -	-	\$ 126,091	100	
		The same parent company	Purchases	119,973	15	30 days	-	-	(21,917)	100	
Kuan-Ho Refractories Industry Corporation	Taiwan Cement Corporation	Parent company	Sales	(201,457)	(21)	By contract	-	-	104,104	90	
Da Tong (Guigang) International Logistics Co., Ltd.	TCC (Gui Gang) Cement Ltd.	The same ultimate parent company	Freight revenue	(527,350)	(94)	By negotiation	-	-	69,437	100	
Guigang Da-Ho Shipping Co., Ltd.	TCC (Gui Gang) Cement Ltd. TCC Yingde Cement Co., Ltd.	The same ultimate parent company	Freight revenue	(457,778)	(39)	By negotiation	-	-	115,597	72	
		The same ultimate parent company	Freight revenue	(297,765)	(26)	By negotiation	-	-	34,027	21	
TCC (Gui Gang) Cement Ltd.	Da Tong (Guigang) International Logistics Co., Ltd.	The same ultimate parent company	Purchases	527,350	7	By negotiation	-	-	(69,437)	(1)	
	Guigang Da-Ho Shipping Co., Ltd.	The same ultimate parent company	Purchases	457,778	6	By negotiation	-	-	(115,597)	(1)	
TCC Yingde Cement Co., Ltd.	Guigang Da-Ho Shipping Co., Ltd.	The same ultimate parent company	Purchases	297,765	3	By negotiation	-	-	(34,027)	(1)	
HKCCL	Taiwan Cement Corporation	Parent company	Purchases	514,564	76	65 days counting from the completion of shipment By negotiation	-	-	(75,968)	(52)	
	Quon Hing Concrete Co., Ltd.	Associates	Sales	(324,947)	(35)		-	-	126,567	44	
TCC Liaoning Cement Company Limited	Yantai Jinyu Jidong Cement Co., Ltd.	Related party in substance	Sales	(317,291)	(17)	By negotiation	-	-	-	-	
E-One Moli Energy Corp.	E-One Moli Energy (Canada) Ltd.	The same ultimate parent company	Sales	(829,981)	(19)	90 days	-	-	647,917	61	
E-One Moli Energy (Canada) Ltd.	E-One Moli Energy Corp.	The same ultimate parent company	Purchases	829,981	82	90 days	-	-	(647,917)	(64)	

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

Note 2: The Company has disposed of the ordinary shares of Taiwan Prosperity Chemical Corporation in August 2021. Refer to Note 28.

(Concluded)

TABLE 8**TAIWAN CEMENT CORPORATION****RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE SHARE CAPITAL****DECEMBER 31, 2021****(In Thousands of New Taiwan Dollars)**

Related Party	Company Name	Relationship	Ending Balance	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Taiwan Cement Corporation	Feng Sheng Enterprise Company	Subsidiary	\$ 153,226	3.8	\$ -	-	\$ 145,666	\$ -
	E.G.C. Cement Corporation	Subsidiary	166,785	3.8	-	-	166,785	-
	Chia Hsin Cement Corporation	Directors	123,932	7.0	-	-	123,932	-
Ta-Ho Maritime Corporation	Taiwan Cement Corporation	Parent company	541,421	4.0	-	-	366,755	-
Taiwan Transport & Storage Corporation	Taiwan Cement Corporation	Parent company	144,048	6.2	-	-	68,287	-
Jin Chang Minerals Corporation	Taiwan Cement Corporation	Parent company	126,091	10.3	-	-	126,091	-
Kuan-Ho Refractories Industry Corporation	Taiwan Cement Corporation	Parent company	104,104	2.1	-	-	76,516	-
Guigang Da-Ho Shipping Co., Ltd.	TCC (Gui Gang) Cement Ltd.	The same ultimate parent company	115,597	2.7	-	-	106,093	-
HKCCL	Quon Hing Concrete Co., Ltd.	Associates	126,567	2.7	-	-	25,965	-
E-One Moli Energy Corp.	E-One Moli Energy (Canada) Ltd.	The same ultimate parent company	647,917	1.3	-	-	221,440	-

TABLE 9

TAIWAN CEMENT CORPORATION

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2021	December 31, 2020	Shares/Units (In Thousands)	%	Carrying Amount			
Taiwan Cement Corporation	TCCI	British Virgin Islands	Investment holding	\$ 33,774,761	\$ 33,774,761	1,100,875,900	100.00	\$ 114,241,779	\$ 8,390,869	\$ 8,390,869	
	Ho-Ping Power Company	Taiwan	Thermal power generation	6,037,720	6,037,720	805,940,306	59.50	16,403,671	1,492,151	887,830	
	Hoping Industrial Port Corporation	Taiwan	Hoping Industrial Port management	3,198,500	3,198,500	319,990,000	100.00	5,865,242	817,162	829,082	
	Ta-Ho Maritime Corporation	Taiwan	Marine transportation	528,506	528,506	161,511,550	64.79	2,831,185	371,172	240,472	
	Taiwan Prosperity Chemical Corporation	Taiwan	Processing and sale of chemical material	-	1,731,127	-	-	-	532,145	554,464	
	Taiwan Transport & Storage Corporation	Taiwan	Warehousing, transportation and sale of sand and gravel	90,863	90,863	48,689,888	83.85	2,093,912	210,996	176,911	
	TCC Investment Corporation	Taiwan	Investment	190,000	190,000	131,488,000	100.00	4,976,399	175,738	409,247	
	Ho Sheng Mining Co., Ltd.	Taiwan	Mining excavation	1,414,358	1,414,358	30,100,000	100.00	1,326,807	62,329	62,329	
	CCC USA Corp.	U.S.A.	Rubber raw materials	1,284,421	1,284,421	79,166	33.33	1,731,743	279,366	93,122	
	Taiwan Cement Engineering Corporation	Taiwan	Engineering services	320,514	320,373	59,681,501	99.20	719,091	88	1,468	
	ONYX Ta-Ho Environmental Services Co., Ltd.	Taiwan	Waste collection and treatment	72,000	72,000	58,828,112	50.00	1,220,989	891,422	445,711	
	Kuan-Ho Refractories Industry Corporation	Taiwan	Production and sale of refractory materials	181,050	181,050	38,925,750	95.29	599,906	90,974	86,688	
	Feng Sheng Enterprise Company	Taiwan	Sale of ready-mixed concrete	250,000	250,000	27,260,611	45.43	432,661	197,308	89,646	
	TCC Chemical Corporation	Taiwan	Leasing property and energy technology services	1,510,842	1,510,842	240,000,000	100.00	1,246,575	(527,110)	(527,110)	
	TCC Information Systems Corporation	Taiwan	Information software design	71,000	71,000	14,904,000	99.36	265,911	14,207	14,116	
	Ta-Ho RSEA Environment Co., Ltd.	Taiwan	Waste collection and treatment	666,000	666,000	39,960,000	66.60	599,889	618,638	412,013	
	HKCMCL	Hong Kong	Investment holding	72,005	72,005	38,094	84.65	459,780	65,831	55,729	
	TCC Green Energy Corporation	Taiwan	Renewable energy generation	9,446,046	3,146,046	950,898,696	100.00	9,379,579	(69,675)	(69,675)	
	Jin Chang Minerals Corporation	Taiwan	Afforestation and sale of limestone	108,042	18,042	9,100,000	100.00	175,885	(93,224)	(93,224)	
	HPC Power Service Corporation	Taiwan	Business consulting	1,861	1,861	6,000	60.00	121,105	202,000	121,200	
	E.G.C. Cement Corporation	Taiwan	Sale of cement	184,359	184,359	8,062,600	50.64	124,088	42,317	21,431	
	Synpac Ltd.	British Virgin Islands	Investment	70,367	70,367	2,700,000	25.00	6,328	(109)	(27)	
	Tung Chen Mineral Corporation	Taiwan	Afforestation and sale of limestone	1,989	1,989	19,890	99.45	1,226	(43)	(43)	
	TMC	Philippines	Mining excavation	11,880	11,880	119,997	72.70	-	-	-	
	TPMC	Philippines	Mining excavation	2,105	2,105	19,996	40.00	-	-	-	
	TCCIH	Cayman Islands	Investment holding	40,701,671	40,701,671	2,581,832,362	38.28	60,257,962	11,452,942	4,384,186	
	International CSRC Investment Holdings Co., Ltd.	Taiwan	Investment	3,563,397	3,563,397	153,476,855	15.59	5,642,349	3,383,221	527,296	
	TCC Dutch	Netherlands	Investment holding	29,695,730	29,695,730	838,370	100.00	24,496,751	761,420	761,420	
	TCC Recycle Energy Technology Company	Taiwan	Manufacturing and sale of batteries, power generation machinery, electronic components, etc.	10,423,119	1,190,225	1,040,652,886	63.26	10,333,631	(325,693)	(90,911)	
	TCCMOLI	Singapore	Investment holding	1,239	1,239	30,000	100.00	-	(79)	(79)	Liquidation process was in progress
	TCC Sustainable Energy Investment Corporation	Taiwan	Investment holding	1,000	1,000	100,000	100.00	912	(63)	(63)	
	TCC Energy Storage Technology Corporation	Taiwan	Energy storage equipment manufacturing production and sales	2,006,000	1,000	200,600,000	100.00	1,979,067	(26,917)	(26,917)	
	Tuo Shan Recycle Technology Company	Taiwan	Waste collection and treatment	1,000	-	100,000	100.00	955	(45)	(45)	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2021	December 31, 2020	Shares/Units (In Thousands)	%	Carrying Amount			
Taiwan Transport & Storage Corporation	Ta-Ho Maritime Corporation	Taiwan	Marine transportation	\$ 303,432	\$ 301,524	72,925	29.25	\$ 1,278,320	\$ 371,172	\$ 108,558	
	E.G.C. Cement Corporation	Taiwan	Sale of cement	136,476	136,476	7,857	49.36	150,312	42,317	20,886	
	Tai-Jie Transport & Storage Corporation	Taiwan	Transportation	25,000	25,000	2,500	100.00	39,290	12,140	12,140	
TCC Investment Corporation	Union Cement Traders Inc.	Taiwan	Import and export trading	219,450	219,450	27,783,000	100.00	1,126,605	72,218	72,218	
	Ho-Ping Power Company	Taiwan	Thermal power generation	68,911	68,911	6,772,608	0.50	134,379	1,492,151	7,461	
	Taiwan Prosperity Chemical Corporation	Taiwan	Processing and sale of chemical material	-	10,528	-	-	-	532,145	(174)	
	Ta-Ho Maritime Corporation	Taiwan	Marine transportation	343	343	46,711	0.02	819	371,172	69	
	International CSRC Investment Holdings Co., Ltd.	Taiwan	Investment	388,079	388,079	22,008,505	2.23	802,736	3,383,221	75,614	
	TCC Recycle Energy Technology Company	Taiwan	Manufacturing and sale of batteries, power generation machinery, electronic components, etc.	312,833	312,833	31,859,829	1.94	215,527	(325,693)	(11,437)	
Ta-Ho Maritime Corporation	Ta-Ho Maritime Holdings Ltd.	Samoa	Investment	1,244,914	549,664	44,300,000	100.00	5,451,392	205,911	205,911	
TCC Information Systems Corporation	Taicem Information (Samoa) Pte., Ltd.	Samoa	Investment	3,042	3,042	100,000	100.00	51,557	2,670	2,670	
	International CSRC Investment Holdings Co., Ltd.	Taiwan	Investment	49,882	49,882	2,055,473	0.21	75,012	3,383,221	7,062	
Hoping Industrial Port Corporation	Taiwan Prosperity Chemical Corporation	Taiwan	Processing and sale of chemical material	-	104,929	-	-	-	532,145	(1,765)	
	TCC Recycle Energy Technology Company	Taiwan	Manufacturing and sale of batteries, power generation machinery, electronic components, etc.	112,898	112,898	11,695,699	0.71	79,120	(325,693)	(4,233)	
Union Cement Traders Inc.	Taiwan Transport & Storage Corporation	Taiwan	Warehousing, transportation and sale of sand and gravel	2,612	2,612	389,418	0.67	16,747	210,996	1,415	
	International CSRC Investment Holdings Co., Ltd.	Taiwan	Investment	281,806	281,806	11,463,551	1.16	418,351	3,383,221	39,385	
	TCC Recycle Energy Technology Company	Taiwan	Manufacturing and sale of batteries, power generation machinery, electronic components, etc.	298,046	298,046	30,702,994	1.87	207,702	(325,693)	(11,021)	
TCC Recycle Energy Technology Company	E-One Moli Energy Corp.	Taiwan	Manufacturing and sales of Lithium battery	15,683,427	5,683,427	1,566,310,703	100.00	14,764,695	(321,476)	(321,476)	
E-One Moli Energy Corp.	E-One Holdings Ltd.	British Virgin Islands	Investment holding	2,050,040	2,050,040	65,344,940	100.00	441,098	68,811	68,811	
	Molie Quantum Energy Corporation	Taiwan	Manufacturing and sales of batteries, power generation machinery and electronic components	10,001,000	-	1,000,100,000	100.00	9,921,156	(79,844)	(79,844)	
E-One Holdings Ltd.	E-One Moli Holdings (Canada) Ltd.	Canada	Investment holding	2,430,170	2,430,170	23,800	100.00	441,081	68,818	68,818	
E-One Moli Holdings (Canada) Ltd.	E-One Moli Energy (Canada) Ltd.	Canada	Battery research and development and sales	1,917,161	1,917,161	6,649,200	100.00	441,048	68,816	68,816	
Ho-Ping Power Company	Ho-Ping Renewable Energy Company	Taiwan	Renewable energy generation	1,000	1,000	100,000	100.00	994	(3)	(3)	

(Continued)

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

(Concluded)

TABLE 10

TAIWAN CEMENT CORPORATION

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

A.

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

(Continued)

Investee Company	Main Businesses and Products	Share Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021 (Note 2)	Investment Flow (Note 2)		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021 (Note 2)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount as of December 31, 2021 (Note 3)	Accumulated Repatriation of Investment Income as of December 31, 2021	Note
					Outflow	Inflow							
Guangan TCC Jiuyuan Environmental Protection Technology Co., Ltd.	Technology development, enterprise management consulting	\$ 38,010	(b)	\$ -	\$ -	\$ -	\$ -	\$ (9)	45.00	\$ (4)	\$ 33,114	\$ -	
TCC (Hangzhou) Recycle Resource Technology Environmental Limited	Resource recycling technology development, business management and sales	2,432,640	(b)	-	-	-	-	28,911	100.00	28,911	2,457,688	-	
Guigang Conch-TCC New Material Technology Co., Ltd	Technology development and service, Manufacturing and sale of dedicated chemical production	104,256	(b)	-	-	-	-	(12,585)	40.00	(5,034)	35,376	-	
Jurong TCC Environmental Co., Ltd.	Dangerous waste treatment	651,600	(b)	-	-	-	-	6,375	100.00	6,375	655,825	-	
Jin Yu TCC (Dai Xian) Environmental Protection Technology Co., Ltd.	Manufacturing and sale of cement, technology development, enterprise management and sales	1,737,600	(b)	-	-	-	-	(55,222)	40.00	(22,089)	670,734	-	
TCC Yongren (Hangzhou) Environmental Protection Technology Company Limited	Resource recycling technology consultation, biomass energy technology and fuel sales, solid waste treatment	4,344	(b)	-	-	-	-	-	100.00	-	4,329	-	
TCC Yongren (Hangzhou) Environmental Technology Company Limited	Resource recycling technology consultation, solid waste treatment, biomass fuel sales	4,344	(b)	-	-	-	-	-	100.00	-	4,329	-	
TCC Yongren (Hangzhou) Renewable Resources Technology Company Limited	Resource reusing technology and development, solid waste treatment, biomass fuel processing and sales	4,344	(b)	-	-	-	-	-	100.00	-	4,329	-	
TCC Yongren (Hangzhou) Renewable Resources Development Company Limited	Resource regeneration technology research and development, solid waste treatment, biomass fuel processing and sales	4,344	(b)	-	-	-	-	-	100.00	-	4,329	-	
TCC (Shaoguan) Environment Technology Co., Ltd.	Biomass fuel processing and sales, solid waste treatment, urban and kitchen waste treatment	4,344	(b)	-	-	-	-	-	100.00	-	4,330	-	

Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$68,201,885	\$70,403,550	(Note 6)

Note 1: The method of investments were as follows:

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

Note 2: Including outward remittance from offshore subsidiaries.

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

Note 4: As of December 31, 2021, the accumulated outward remittance for investments was a total of those from TCC Huaihua Cement Company Limited, TCC Jingzhou Cement Company Limited and TCC Huaihua Concrete Company Limited.

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

Note 6: The Corporation received a confirmation letter of Operation Headquarter from the Industrial Development Bureau of the MOEA in March 2020 stating that the Corporation is not limited by the restriction on the accumulated percentage or amount of investment in mainland China.

B. Refer to Tables 1, 2, 4, 7, 8 and 11 for the information about significant transactions with investees in the mainland China either directly or indirectly through a third area.

(Concluded)

TAIWAN CEMENT CORPORATION

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STATEMENT 1**TAIWAN CEMENT CORPORATION****STATEMENT OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2021****(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

Item	Period	Annual Rate of Return	Amount
Cash			
Cash on hand			\$ 1,256
Checking accounts and demand deposits (Note)			<u>12,884,624</u>
			<u>12,885,880</u>
Cash equivalents			
Time deposits with original maturity dates within 3 months (Note)	2021.12.09-2022.01.10	0.10%-0.18%	13,923,040
Bonds issued under repurchase agreements (Note)		0.30%	<u>110,735</u>
			<u>14,033,775</u>
			<u>\$ 26,919,655</u>

Note: Including US\$804,822 thousand, the rate of exchange US\$1=\$27.68.

TAIWAN CEMENT CORPORATION**STATEMENT OF FINANCIAL ASSETS AT FVTOCI - CURRENT****DECEMBER 31, 2021****(In Thousands of New Taiwan Dollars, Unless Unit Price is New Taiwan Dollars)**

Name of Financial Instruments	Number of Shares (In Thousands)	Cost of Acquisition	Fair Value (Note)	
			Unit Price	Total Amount
Taishin Financial Holding Co., Ltd.	66,766	\$ 646,575	18.95	\$ 1,265,211
CTCI Corporation	9,054	200,438	37.20	336,822
Chia Hsin Cement Corporation	27,419	305,388	20.75	568,953
China Hi-Ment Corporation	30,196	261,546	45.35	1,369,396
O-Bank				
Ordinary shares	32,809	305,799	8.00	262,470
Convertible preference shares	2,956	<u>29,559</u>	10.10	<u>29,854</u>
		<u>\$ 1,749,305</u>		<u>\$ 3,832,706</u>

Note: Calculated based on the closing price and the last strike price on December 31, 2021.

TAIWAN CEMENT CORPORATION**STATEMENT OF NOTES AND ACCOUNTS RECEIVABLE****DECEMBER 31, 2021****(In Thousands of New Taiwan Dollars)**

Client Name (Note)	Amount
Client A	\$ 260,310
Client B	259,749
Others	<u>4,691,393</u>
	5,211,452
Less: Allowance for doubtful accounts	<u>45,590</u>
	<u>\$ 5,165,862</u>

Note: The amount of individual client does not exceed 5% of the account balance.

TAIWAN CEMENT CORPORATION**STATEMENT OF INVENTORIES****DECEMBER 31, 2021****(In Thousands of New Taiwan Dollars)**

Item	Amount	
	Cost	Net Realizable Value
Finished goods	\$ 318,074	\$ 447,872
Work in process	393,010	430,445
Raw materials	<u>1,143,684</u>	<u>960,017</u>
	1,854,768	<u>\$ 1,838,334</u>
Less: Allowance for write-downs (Note)	<u>214,231</u>	
	<u>\$ 1,640,537</u>	

Note: Included provision for obsolete inventory loss.

TAIWAN CEMENT CORPORATION

STATEMENT OF FINANCIAL ASSETS AT FVTOCI - NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2021

(In Thousands of New Taiwan Dollars, Unless Unit Price is New Taiwan Dollars)

Name of Securities	Balance at January 1, 2021		Addition		Unrealized Gain (Loss) on Financial Instruments	Fair Value on December 31, 2021		
	Number of Shares (In Thousands)	Amount	Number of Shares (In Thousands)	Amount		Number of Shares (In Thousands)	Unit Price	Balance, December 31, 2021
Privately placed listed shares								
Phihong Technology Co., Ltd.	-	\$ -	37,520	\$ 1,510,555	\$ (254,761)	37,520	\$33.47	\$ 1,255,794
Unlisted shares								
Taiwan Stock Exchange Corporation	49,731	4,469,268	5,967	-	1,533,312	55,698	107.77	6,002,580
Chinatrust Investment Co., Ltd.	29,553	1,160,235	-	-	17,141	29,553	39.84	1,177,376
IBT II Venture Capital Corporation	2,626	14,509	-	-	-	2,626	5.53	14,509
Pan Asia Corporation	6,204	8,996	-	-	-	6,204	1.45	8,996
Excel Corporation	600	-	-	-	-	600	-	-
		<u>\$ 5,653,008</u>		<u>\$ 1,510,555</u>	<u>\$ 1,295,692</u>			<u>\$ 8,459,255</u>

TAIWAN CEMENT CORPORATION

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Unit Price is New Taiwan Dollars)

Name	Balance, January 1, 2021		Changes for the Year		Investee Company Distributed as	Investment Income or Loss for Using the Equity Method (Note 6)	Equity Adjustments (Note 1)	Balance, December 31, 2021			Market Price (Note 5)	
	Shares (In Thousands)	Amount	Shares (In Thousands)	Amount				Shares (In Thousands)	Ownership	Amount	Unit Price	Total Amount
Listed company												
International CSRC Investment Holdings Co., Ltd.	153,477	\$ 5,082,574	-	\$ -	\$ (15,348)	\$ 527,296	\$ 47,827	153,477	15.6	\$ 5,642,349	\$ 28.2	\$ 4,328,051
Taiwan Prosperity Chemical Corporation (Note 24)	93,857	<u>734,888</u>	(93,587)	<u>(1,592,741)</u>	<u>-</u>	<u>554,464</u>	<u>303,389</u>	-	-	<u>-</u>		
		<u>5,817,462</u>		<u>(1,592,741)</u>	<u>(15,348)</u>	<u>1,081,760</u>	<u>351,216</u>			<u>5,642,349</u>		
Unlisted company												
TCCI	1,100,876	111,330,984	-	-	-	8,390,869	(5,480,074)	1,100,876	100.0	114,241,779		
TCCIH	2,581,832	56,398,941	-	-	-	4,384,186	(525,165)	2,581,832	38.3	60,257,962		
Taiwan Cement Dutch	838	29,075,184	-	-	-	761,420	(5,339,853)	838	100.0	24,496,751		
Ho-Ping Power Company	805,940	18,279,509	-	-	(2,762,913)	887,830	(755)	805,940	59.5	16,403,671		
Hoping Industrial Port Corporation	319,990	5,733,662	-	-	(735,977)	829,082	38,475	319,990	100.0	5,865,242		
TCC Investment Corporation (Note 3)	117,400	4,624,367	14,088	-	(3,778)	409,247	(53,437)	131,488	100.0	4,976,399		
TCC Green Energy Corporation (Note 2)	320,899	3,149,254	630,000	6,300,000	-	(69,675)	-	950,899	100.0	9,379,579		
Ta-Ho Maritime Corporation (Note 3)	143,566	2,684,377	17,946	-	(50,248)	240,472	(43,416)	161,512	64.8	2,831,185		
Taiwan Transport & Storage Corporation (Note 3)	40,541	2,002,162	8,149	-	(81,488)	176,911	(3,673)	48,690	83.9	2,093,912		
CCC USA Corp.	79	1,679,436	-	-	-	93,122	(40,815)	79	33.3	1,731,743		
TCC Chemical Corporation	240,000	1,384,605	-	-	-	(527,110)	389,080	240,000	100.0	1,246,575		
Ho Sheng Mining Co., Ltd.	30,100	1,319,558	-	-	(55,080)	62,329	-	30,100	100.0	1,326,807		
TCC Recycle Energy Technology Company (Note 2)	117,364	1,244,337	923,289	9,232,894	-	(90,911)	(52,689)	1,040,653	63.3	10,333,631		
ONYX Ta-Ho Environmental Services Co., Ltd. (Note 3)	30,176	815,179	28,652	-	(31,836)	445,711	(8,065)	58,828	50.0	1,220,989		
Taiwan Cement Engineering Corporation (Note 2)	59,670	720,745	12	141	(3,263)	1,468	-	59,682	99.2	719,091		
Kuan-Ho Refractories Industry Corporation (Note 3)	18,105	513,065	20,821	-	-	86,688	153	38,926	95.3	599,906		
HKCMCL	38	419,033	-	-	-	55,729	(14,982)	38	84.7	459,780		
Feng Sheng Enterprise Company	27,261	401,193	-	-	(59,973)	89,646	1,795	27,261	45.4	432,661		
TCC Information Systems Corporation	14,904	251,518	-	-	-	14,116	277	14,904	99.4	265,911		
Ta-Ho Onyx RSEA Environment Co., Ltd.	39,960	187,876	-	-	-	412,013	-	39,960	66.6	599,889		
Jin Chang Minerals Corporation (Note 2)	5,400	183,553	3,700	90,000	(4,444)	(93,224)	-	9,100	100.0	175,885		
E.G.C. Cement Corporation	8,063	118,558	-	-	(15,874)	21,431	(27)	8,063	50.6	124,088		
HPC Power Service Corporation	6	118,401	-	-	(116,537)	121,200	(1,959)	6	60.0	121,105		
Synpac Ltd.	2,700	6,539	-	-	-	(27)	(184)	2,700	25.0	6,328		
Tung Chen Mineral Corporation	20	1,269	-	-	-	(43)	-	20	99.5	1,226		
TCC Energy Storage Technology Corporation (Note 2)	100	984	200,500	2,005,000	-	(26,917)	-	200,600	100.0	1,979,067		
TCC Sustainable Energy Investment Corporation	100	975	-	-	-	(63)	-	100	100.0	912		
Tuo Shan Recycle Technology Company (Note 2)	-	-	100	1,000	-	(45)	-	100	100.0	955		
TCCMOLI (Note 2)	30	495	(30)	(415)	-	(79)	(1)	-	100.0	-		
TMC (Note 4)	120	-	-	-	-	-	-	120	72.7	-		
TPMC (Note 4)	20	-	-	-	-	-	-	20	40.0	-		
		<u>242,645,759</u>		<u>17,682,620</u>	<u>(3,921,411)</u>	<u>16,675,376</u>	<u>(11,135,315)</u>			<u>261,893,029</u>		
		<u>\$ 248,463,221</u>		<u>\$ 16,035,879</u>	<u>\$ (3,936,759)</u>	<u>\$ 17,757,136</u>	<u>\$ (10,784,099)</u>			<u>\$ 267,535,378</u>		

Note 1: Including exchange differences on translating foreign operations and investee company changes in equity.

Note 2: TCC Green Energy Corporation increased its capital by \$6,300,000 thousand (630,000 thousand shares); TCC Recycle Energy Technology Company increased its capital by \$9,232,894 thousand (923,289 thousand shares); Taiwan Cement Engineering Corporation increased its capital by \$141 thousand (12 thousand shares); Jin Chang Minerals Corporation reduced its capital by 5,300 thousand shares to offset a deficit and increased its capital by \$90,000 thousand (9,000 thousand shares); TCC Energy Storage Technology Corporation increased its capital by \$2,005,000 thousand (200,500 thousand shares); liquidation process of TCCMOLI was in process; Tuo Shan Recycle Technology Company increased its capital by \$1,000 thousand (100 thousand shares).

Note 3: The increase in the number of shares in the current year is due to the transfer of retained earnings to common stock and purchase of fractional shares.

Note 4: Due to the recognition of investment losses in TMC and TPMC, credit balances of \$18,251 thousand and \$20,556 thousand were generated, which were recorded in other non-current liabilities as of December 31, 2021 and 2020, respectively.

Note 5: It was calculated based on the closing price on December 31, 2021.

Note 6: Including profit from discontinued operations.

TAIWAN CEMENT CORPORATION

STATEMENT OF CHANGE IN RIGHT-OF-USE ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (In Thousands of New Taiwan Dollars)

Item	Land	Buildings	Machinery and Equipment	Others	Total
Cost					
Balance at January 1, 2021	\$ 316,118	\$ 1,146,623	\$ 383,547	\$ 55,221	\$ 1,901,509
Additions	199,365	555,486	452,949	22,826	1,230,626
Reclassification	12,556	5	(130,537)	(32)	(118,008)
Disposals	<u>(25,720)</u>	<u>(92,326)</u>	<u>(67,543)</u>	<u>(725)</u>	<u>(188,114)</u>
Balance at December 31, 2021	<u>\$ 500,519</u>	<u>\$ 1,609,788</u>	<u>\$ 638,416</u>	<u>\$ 77,290</u>	<u>\$ 2,826,013</u>
Accumulated depreciation					
Balance at January 1, 2021	\$ 115,660	\$ 292,169	\$ 158,965	\$ 20,524	\$ 587,318
Depreciation expenses	83,449	138,225	96,435	16,595	334,704
Disposals	<u>(25,720)</u>	<u>(92,326)</u>	<u>(67,543)</u>	<u>(725)</u>	<u>(188,114)</u>
Balance at December 31, 2021	<u>\$ 171,589</u>	<u>\$ 338,068</u>	<u>\$ 187,857</u>	<u>\$ 36,394</u>	<u>\$ 733,908</u>
Carrying amount at December 31, 2021	<u>\$ 328,930</u>	<u>\$ 1,271,720</u>	<u>\$ 450,559</u>	<u>\$ 40,896</u>	<u>\$ 2,092,105</u>

TAIWAN CEMENT CORPORATION

STATEMENT OF CHANGES IN INVESTMENT PROPERTIES
 FOR THE YEAR ENDED DECEMBER 31, 2021
 (In Thousands of New Taiwan Dollars)

Item	Balance at January 1, 2021	Addition	Disposal	Reclassification	Balance at December 31, 2021
Cost					
Land	\$ 2,612,902	\$ -	\$ -	\$ -	\$ 2,612,902
Buildings	<u>261,132</u>	<u>-</u>	<u>(93,565)</u>	<u>13</u>	<u>167,580</u>
	<u>2,874,034</u>	<u>-</u>	<u>(93,565)</u>	<u>13</u>	<u>2,780,482</u>
Accumulated depreciation					
Buildings	<u>228,502</u>	<u>122</u>	<u>(87,241)</u>	<u>3,791</u>	<u>145,174</u>
Accumulated impairment					
Land	118,661	-	-	-	118,661
Buildings	<u>23,522</u>	<u>-</u>	<u>(2,026)</u>	<u>-</u>	<u>21,496</u>
	<u>142,183</u>	<u>-</u>	<u>(2,026)</u>	<u>-</u>	<u>140,157</u>
	<u>\$ 2,503,349</u>	<u>\$ (122)</u>	<u>\$ (4,298)</u>	<u>\$ (3,778)</u>	<u>\$ 2,495,151</u>

TAIWAN CEMENT CORPORATION

STATEMENT OF SHORT-TERM LOANS

DECEMBER 31, 2021

(In Thousands of New Taiwan Dollars)

Item (Note 1)	Loan Period	Amount
Bank loans - unsecured		
Export-Import Bank of the Republic of China	2021/06/15-2022/06/14	\$ 400,000
Fubon Commercial Bank Co., Ltd.	2021/12/08-2022/03/08	900,000
Land Bank of Taiwan (Ren Ai)	2021/12/23-2022/03/23	900,000
DBS Bank	2021/12/08-2022/03/23	1,500,000
Taiwan Cooperative Bank (Yuanshan)	2021/12/23-2022/03/23	500,000
Crédit Agricole Corporate and Investment Bank	2021/10/04-2022/01/10	2,000,000
Sumitomo Mitsui Banking Corporation (Taipei)	2021/11/17-2022/02/17	1,610,000
The Bank Of Tokyo-Mitsubishi UFJ, Ltd.	2021/11/23-2022/02/23	2,000,000
First Commercial Bank (Chung -Shan)	2021/12/23-2022/03/29	3,000,000
Oversea-Chinese Banking Corporation Ltd.	2021/10/08-2022/01/26	1,500,000
Citi Bank Taiwan	2021/11/25-2022/02/25	338,000
Mega International Commercial Bank Co., Ltd. (foreign department)	2021/10/07-2022/01/07	1,000,000
Bank of Taiwan (Chung-Shan)	2021/10/07-2022/03/31	1,400,000
Hua Nan Commercial Bank (Yuanshan)	2021/10/08-2022/03/08	2,500,000
Mizuho Corporate Bank Ltd (Taipei)	2021/11/17-2022/03/10	2,700,000
Yuanta Commercial Bank Co., Ltd.	2021/10/08-2022/02/17	1,500,000
Bank of China Limited (Taipei)	2021/10/04-2022/01/04	1,000,000
		<u>24,748,000</u>
Bank loans - letters of credit (Note 2)		
Taiwan Cooperative Bank (Yuanshan)	2021/10/08-2022/03/17	394,782
Land Bank of Taiwan (Ren Ai)	2021/10/19-2022/02/21	240,099
Mega International Commercial Bank Co., Ltd. (foreign department)	2021/11/10-2022/03/22	43,894
		<u>678,775</u>
		<u>\$ 25,426,775</u>

Note 1: The interval of rate is 0.56%-0.95%, and the total loan commitments is \$43,755,520 thousands.

Note 2: Bank loans - letters of credit included US\$24,522 thousand, translated at the exchange rate of US\$1=NT\$27.68.

TAIWAN CEMENT CORPORATION

STATEMENT OF BONDS PAYABLE
DECEMBER 31, 2021

(In Thousands of New Taiwan Dollars, Unless Unit Price is New Taiwan Dollars)

Bonds Name	Trustee	Issuance Date	Interest Payment Date	Coupon Rate (%)	Amount					Unamortized Repayment	Collateral	Remark
					Total Amount	Repayment Paid	Balance, End of Year	Premiums (Discounts)	Carrying Value			
<u>Domestic bonds</u>												
Unsecured bonds-107-1	CTBC Bank Co., Ltd.	2018.06.21	Simple interest payments are made once a year from the date of issue	1.70	\$ 12,000,000	\$ -	\$ 12,000,000	\$ (18,356)	\$ 11,981,644	Bullet repayment	Nil	
Unsecured bonds-108-1	CTBC Bank Co., Ltd.	2019.06.14	Simple interest payments are made once a year from the date of issue	0.85	12,600,000	-	12,600,000	(18,564)	12,581,436	Bullet repayment	Nil	
Unsecured bonds-109-1-A	CTBC Bank Co., Ltd.	2020.04.15	Simple interest payments are made once a year from the date of issue	0.69	5,200,000	-	5,200,000	(7,858)	5,192,142	Bullet repayment	Nil	
Unsecured bonds-109-1-B	CTBC Bank Co., Ltd.	2020.04.15	Simple interest payments are made once a year from the date of issue	0.93	14,800,000	-	14,800,000	(26,223)	14,773,777	Bullet repayment	Nil	
Unsecured bonds-110-1-A	CTBC Bank Co., Ltd.	2021.08.31	Simple interest payments are made once a year from the date of issue	0.59	5,800,000	-	5,800,000	(13,526)	5,786,474	Bullet repayment	Nil	
Unsecured bonds-110-1-B	CTBC Bank Co., Ltd.	2021.08.31	Simple interest payments are made once a year from the date of issue	0.68	3,100,000	-	3,100,000	(7,378)	3,092,622	Bullet repayment	Nil	
Unsecured bonds-110-1-C	CTBC Bank Co., Ltd.	2021.08.31	Simple interest payments are made once a year from the date of issue	0.78	1,200,000	-	1,200,000	(2,899)	1,197,101	Bullet repayment	Nil	
Unsecured bonds-110-1-D	CTBC Bank Co., Ltd.	2021.08.31	Simple interest payments are made once a year from the date of issue	0.95	6,500,000	-	6,500,000	(15,886)	6,484,114	Bullet repayment	Nil	
<u>Overseas bonds</u>												
Unsecured convertible bonds-110-1	Citicorp International Limited	2021.12.07	Maturity is repaid in full according to the par value of the bond	-	<u>22,200,000</u>	<u>-</u>	<u>22,200,000</u>	<u>(1,762,865)</u>	<u>20,437,135</u>	Bullet repayment	Nil	Note
					<u>\$ 83,400,000</u>	<u>\$ -</u>	<u>\$ 83,400,000</u>	<u>\$ (1,873,555)</u>	<u>\$ 81,526,445</u>			

Note: The bonds, which are listed on the Singapore Stock Exchange, have a face value of US \$800,000 thousand. As of December 31, 2021, no conversion had been requested.

TAIWAN CEMENT CORPORATION

STATEMENT OF LONG-TERM LOANS AND LONG-TERM BILLS PAYABLE

DECEMBER 31, 2021

(In Thousands of New Taiwan Dollars)

Type of Loan and Creditor	Contract Period	Annual Interest Rates (%)	Amount	Loan Commitments	Collateral
Syndicated loan agreement with Mega International Commercial Bank and other banks					
Type A (Note 1)	2018.3-2023.3	1.80%	\$ 17,200,000	\$ 17,200,000	-
Type B (Note 2)	2018.3-2023.3	1.19%	<u>12,000,000</u>	<u>21,500,000</u>	-
			29,200,000	<u>\$ 38,700,000</u>	
Less: Issuance costs			(43,004)		
Current portions			<u>(6,450,000)</u>		
			<u>\$ 22,706,996</u>		

Note 1: The non-revolving credit line of Tranche A, which is of the nature of bank loans, is \$21.5 billion and all credit line was drawn in 2019. Starting from March 2021, its principal shall be equally repaid in 5 semi-annual installments and shall mature in March 2023; interest shall be paid quarterly. As of December 31, 2021, the credit line was adjusted to \$17.2 billion due to the amortization of the principal.

Note 2: The revolving credit line of Tranche B, which is the nature of long-term bills payable, is \$21.5 billion. The period of each actual drawdown can be at least 30 but not over 180 days, and the maturity date of each drawdown period shall not exceed the credit period. The final maturity date shall be in March 2023.

TAIWAN CEMENT CORPORATION**STATEMENT OF NET REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)**

Item	Shipments	Amount
Domestic sales		
Cement - related products	5,305 thousand cubic meters	\$ 13,119,539
Cement	3,172 thousand tons	7,190,569
Clinker	820 thousand tons	1,256,253
Others		<u>427,377</u>
		<u>21,993,738</u>
Export sales		
Cement	871 thousand tons	1,109,670
Clinker	249 thousand tons	253,697
Others		<u>442,400</u>
		<u>1,805,767</u>
		<u>\$ 23,799,505</u>

TAIWAN CEMENT CORPORATION
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Amount
Balance at beginning of year	\$ 724,981
Add: Raw materials purchased	9,728,582
Less: Raw materials, end of year	<u>1,143,684</u>
Raw materials used	9,309,879
Direct labor	307,184
Manufacturing expenses	<u>3,603,005</u>
Manufacturing costs	13,220,068
Add: Work in process, beginning of year	310,965
Work in process purchased	1,100,738
Less: Work in process, end of year	393,010
Work in process sold	<u>1,041,961</u>
Cost of finished goods	13,196,800
Add: Finished goods, beginning of year	434,242
Finished goods purchased	376,515
Less: Finished goods, end of year	318,074
Add: Transportation costs	3,136,325
Commodity tax	976,700
Work in process sold	1,041,961
Less: Reversed of write-downs of Inventory	26,213
Retirement loss	5,459
Others	<u>43,570</u>
Operating costs	<u>\$ 18,867,285</u>

TAIWAN CEMENT CORPORATION
STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Item	Selling Expenses	General and Administrative Expenses	Total
Payroll and pension	\$ 95,748	\$ 535,832	\$ 631,580
Professional service fees	2,869	325,808	328,677
Board compensation	-	241,310	241,310
Depreciation expenses	25,097	104,234	129,331
General and administrative expenses	21,296	96,942	118,238
Shipping expenses	95,193	5,332	100,525
Others (Note)	<u>33,238</u>	<u>424,967</u>	<u>458,205</u>
	<u>\$ 273,441</u>	<u>\$ 1,734,425</u>	<u>\$ 2,007,866</u>

Note: The amount of each item in others does not exceed 5% of the amount balance.

TAIWAN CEMENT CORPORATION

STATEMENT OF LABOR, DEPRECIATION AND AMORTIZATION BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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

	2021				2020			
	Classified as Operating Costs	Classified as Operating Expenses	Classified as Non-operating Income and Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Classified as Non-operating Income and Expenses	Total
Labor cost								
Salary and bonus	\$ 555,651	\$ 591,116	\$ -	\$ 1,146,767	\$ 540,542	\$ 464,341	\$ -	\$ 1,004,883
Labor and health insurance	52,532	38,681	-	91,213	48,286	31,376	-	79,662
Pension	19,523	12,220	-	31,743	16,188	10,685	-	26,873
Board compensation	-	241,310	-	241,130	-	287,348	-	287,348
Others	<u>4,961</u>	<u>28,244</u>	<u>-</u>	<u>33,205</u>	<u>28,349</u>	<u>17,670</u>	<u>-</u>	<u>46,019</u>
	<u>\$ 632,667</u>	<u>\$ 911,571</u>	<u>\$ -</u>	<u>\$ 1,544,238</u>	<u>\$ 633,365</u>	<u>\$ 811,420</u>	<u>\$ -</u>	<u>\$ 1,444,785</u>
Depreciation	<u>\$ 857,953</u>	<u>\$ 129,331</u>	<u>\$ 2,065</u>	<u>\$ 989,349</u>	<u>\$ 814,486</u>	<u>\$ 112,397</u>	<u>\$ 593</u>	<u>\$ 927,476</u>
Amortization	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>

Note 1: As of December 31, 2021 and 2020, the Corporation had 1,114 and 1,078 employees, respectively. There were 14 and 16 non-employee directors, respectively.

Note 2: Average labor cost for the years ended December 31, 2021 and 2020 were \$1,184 thousand and \$1,090 thousand, respectively.

Note 3: Average salary and bonus for the years ended December 31, 2021 and 2020 were \$1,043 thousand and \$946 thousand, respectively. The average salary and bonus changed by 10.25% year over year.

Note 4: The Corporation did not have supervisors for the year ended December 31, 2021 and 2020, respectively. Therefore, there was no compensation to the supervisors.

Note 5: The compensation standard of the Corporation's employees is enacted fairly by referring to the industry compensation level, company performance, and internal organization structure, and the annual raise will be granted from time to time taking into account the external industry trends and government regulations. The year-end bonus, quarterly bonus, business performance bonus are granted based on company performance and personal contribution, and the employees' compensation is granted in accordance with the Corporation's Article of Incorporation to reward employees' efforts at work.

Note 6: The compensation policy for the president, vice presidents and executive officers is decided based on the company's operational strategy, company performance, personal performance and the compensation standards of the industry, which is submitted to the Compensation Committee for reasonable comments and then further resolved by the Board of Directors.

Note 7: The performance evaluation and remuneration of the Corporation's directors refer to industry practice, and will evaluate reasonable correlation between individual and the company's performance as well as future risk exposures, based on evaluation results, positions and financial situation of the company. The remuneration contains fixed amount paid on a monthly basis and the attendance fee paid by actual attendance. In addition, according to the Corporation's Articles of Incorporation, less than 1% of annual profits shall be recognized as remuneration of the directors and allocation shall be based on the results of the performance evaluation of the directors.