Universal Cement Corporation and Subsidiaries

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

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2021 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

UNIVERSAL CEMENT CORPORATION

By

BO YI HOU

Chairman

March 28, 2022

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Universal Cement Corporation

Opinion

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

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

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

Key Audit Matters

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

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

Occurrence of sales of concrete products

Refer to Note 4(13) and Note 24. The Group mainly manufactures and sells cement, ready mixed concrete and gypsum board panels. The sales amount of some concrete products changed greatly in 2021 and the change can be due to changes in volume or price or both. Sales is the main source of the Group's revenue and has a material impact on the Group's consolidated financial statements. Consequently, occurrence of sales of concrete products is considered as a key audit matter.

Our audit procedures in respect of the above key audit matter are described as follows:

1. We understood the design of the Group's internal controls on accounting for sales. We tested the implementation and operating effectiveness of the internal controls.

2. We selected samples from the sales records, and verified that the products and quantities listed on the delivery orders and the invoices are the same and for the same customers. We noted that the delivery orders are signed by the customers.

Other Matter

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 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 Chi Chen Lee and Chao Chin Yang.

Deloitte & Touche
Taipei, Taiwan

Republic of China

March 28, 2022

<u>Notice to Readers</u>

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

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

Universal Cement Corporation and Subsidiaries

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

	December 31, 2021		December 31, 2020	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 292,032	1	$ 294,665	1
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	90,366	1	478	-
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	2,549,259	10	2,253,316	10
Financial assets at amortized cost - current (Notes 4, 9, 10 and 33)	80,537	-	75,457	-
Contract assets - current (Notes 4 and 24)	2,625	-	5,718	-
Contract assets from related parties - current (Notes 4, 24 and 32)	4,437	-	7,955	-
Notes receivable (Notes 4,11 and 24)	450,089	2	464,831	2
Net Accounts receivable (Notes 4,11 and 24)	1,177,212	5	895,947	4
Accounts receivable from related parties (Notes 4,11,24 and 32)	34,164	-	52,251	-
Other receivables (Notes 4)	2,473	-	1,309	-
Current tax assets (Notes 4 and 26)	-	-	31	-
Inventories (Notes 4 and 12)	297,842	1	283,445	1
Prepayments	18,910	-	48,563	-
Other current assets	4,715	-	7,674	-
Total current assets	5,004,661	20	4,391,640	18
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss – non-current (Notes 4 and 7)	22,022	-	-	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	1,999,074	8	1,499,279	6
Financial assets at amortized cost - non-current (Notes 4, 9, 10 and 33)	17,148	-	41,797	-
Investments accounted for using equity method (Notes 4 and 14)	9,892,845	39	10,077,521	42
Property, plant and equipment (Notes 4 and 15)	6,890,696	28	6,680,071	28
Right - of - use assets (Notes 4 and 16)	281,342	1	308,924	1
Investment properties (Notes 4 and 17)	935,834	4	444,858	2
Other intangible assets (Notes 4 and 18)	8,404	-	8,075	-
Deferred tax assets (Notes 4 and 26)	20,690	-	8,245	-
Prepayments for equipment	24,106	-	642,147	3
Other non-current assets	-	-	379	-
Total non-current assets	20,092,161	80	19,711,296	82
TOTAL	$ 25,096,822	100	$ 24,102,936	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4 and 19)	$ 1,780,000	7	$ 1,467,000	6
Short-term bills payable (Note 19)	1,224,036	5	1,231,875	5
Contract liabilities - current (Notes 4 and 24)	10,275	-	4,457	-
Notes payable (Note 20)	69,270	-	132,997	1
Accounts Payable (Note 20)	638,543	3	494,546	2
Accounts Payable to related parties (Notes 20 and 32)	32,168	-	45,801	-
Other payables (Note 21)	296,404	1	294,528	1
Current tax liabilities (Notes 26)	119,517	1	48,156	-
Lease liabilities - current (Notes 4, 16 and 32)	54,192	-	56,039	1
Other current liabilities (Note 21)	20,638	-	20,025	-
Total current liabilities	4,245,043	17	3,795,424	16
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 26)	1,187,811	5	1,188,219	5
Lease liabilities - non-current (Notes 4, 16 and 32)	233,167	1	259,001	1
Net defined benefit liabilities - non-current (Notes 4 and 22)	35,041	-	64,050	-
Guarantee deposits	11,284	-	10,889	-
Total non-current liabilities	1,467,303	6	1,522,159	6
Total liabilities	5,712,346	23	5,317,583	22
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)				
Capital stock - common stock	6,536,092	26	6,536,092	27
Capital surplus	66,950	-	65,822	-
Retained earnings				
Legal reserve	2,607,075	11	2,491,500	11
Special reserve	3,185,793	13	3,185,793	13
Unappropriated earnings	6,092,023	24	5,838,490	24
Total retained earnings	11,884,891	48	11,515,783	48
Other equity	745,532	3	538,530	2
Total equity attributable to owners of the Company	19,233,465	77	18,656,227	77
NON - CONTROLLING INTERESTS	151,011	-	129,126	1
Total equity	19,384,476	77	18,785,353	78
TOTAL	$ 25,096,822	100	$ 24,102,936	100

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

Universal Cement Corporation and Subsidiaries

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

	2021		2020	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 24 and 32)	$ 6,079,107	100	$ 5,426,217	100
OPERATING COSTS (Notes 12, 22 and 32)	4,947,290	82	4,519,186	83
GROSS PROFIT	1,131,817	18	907,031	17
OPERATING EXPENSES (Notes 22, 25 and 32)				
Selling and marketing expenses	84,347	2	101,731	2
General and administrative expenses	261,793	4	241,974	5
Research and development expenses	78,683	1	69,195	1
Expected credit loss (gain)	(3,208)	-	989	-
Total operating expenses	421,615	7	413,889	8
PROFIT FROM OPERATIONS	710,202	11	493,142	9
NON-OPERATING INCOME AND EXPENSES(Notes 14, 25 and 32)				
Interest income	1,109	-	1,361	-
Other income	207,695	3	226,721	4
Other gains and losses	(22,352)	-	(100,096)	(2)
Interest expenses	(29,292)	-	(31,401)	-
Share of profit or loss of associates	372,900	6	707,787	13
Total non-operating income and expenses	530,060	9	804,372	15
PROFIT BEFORE INCOME TAX	1,240,262	20	1,297,514	24
INCOME TAX EXPENSE (Notes 4 and 26)	126,036	2	37,719	1
NET PROFIT FOR THE YEAR	1,114,226	18	1,259,795	23
OTHER COMPREHENSIVE INCOME (Notes 23 and 26)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	9,967	1	(7,666)	-
Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	243,289	4	(27,180)	-
Share of the other comprehensive income or loss of associates accounted for using the equity method	6,884	-	(1,595)	-

(Continued)

Universal Cement Corporation and Subsidiaries

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

	2021		2020	
	Amount	**%**	**Amount**	**%**
Income tax relating to items that will not be reclassified subsequently to profit or loss	$ 351	-	$ 1,533	-
	260,491	5	(34,908)	-
Items that may be reclassified subsequently to profit or loss:				
Share of the other comprehensive income or loss of associates accounted for using the equity method	(53,545)	(1)	114,138	2
	(53,545)	(1)	114,138	2
Other comprehensive income for the year, net of income tax	206,946	4	79,230	2
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 1,321,172	22	$ 1,339,025	25
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	$ 1,088,078	18	$ 1,247,252	23
Non-controlling interests	26,148	-	12,543	-
	$ 1,114,226	18	$ 1,259,795	23
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	$ 1,295,080	21	$ 1,326,470	25
Non-controlling interests	26,092	1	12,555	-
	$ 1,321,172	22	$ 1,339,025	25
EARNINGS PER SHARE (Note 27)				
Basic	$ 1.66		$ 1.91	
Diluted	$ 1.66		$ 1.90	

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

(Concluded)

Universal Cement Corporation and Subsidiaries

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

	Equity Attributable to Owners of the Company												
			Retained Earnings			Other Equity							
	Capital Stock - Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	other	Total	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2020	$ 6,536,092	$ 41,430	$ 2,377,952	$ 3,185,793	$ 5,449,899	($ 1,006,436)	$ 1,342,691	$ 56,036	$ -	$ 392,291	$ 17,983,457	$ 119,589	$ 18,103,046
Appropriation of 2019 earnings (Note 23)													
Legal reserve	-	-	113,548	-	(113,548)	-	-	-	-	-	-	-	-
Cash dividends distributed by the Company - NT$ 1 per share	-	-	-	-	(653,609)	-	-	-	-	-	(653,609)	-	(653,609)
From differences between equity purchase price and carrying amount arising from actual acquisition or disposal of subsidiaries (Note 28)	-	418	-	-	-	-	-	-	-	-	418	(2,238)	(1,820)
Changes in recognition of associates accounted for using equity method	-	1,491	-	-	(7,266)	-	-	-	(17,217)	(17,217)	(22,992)	-	(22,992)
Overdue dividends not collected by shareholders	-	22,483	-	-	-	-	-	-	-	-	22,483	-	22,483
Net profit for the year ended December 31, 2020	-	-	-	-	1,247,252	-	-	-	-	-	1,247,252	12,543	1,259,795
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	114,138	(29,936)	(4,984)	-	79,218	79,218	12	79,230
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	1,247,252	114,138	(29,936)	(4,984)	-	79,218	1,326,470	12,555	1,339,025
Change in non-controlling interests (Note 23)	-	-	-	-	-	-	-	-	-	-	-	(780)	(780)
Disposal of investments in equity instruments at fair value through other comprehensive income (Note 8 and 23)	-	-	-	-	(84,238)	-	84,238	-	-	84,238	-	-	-
BALANCE AT DECEMBER 31, 2020	6,536,092	65,822	2,491,500	3,185,793	5,838,490	(892,298)	1,396,993	51,052	(17,217)	538,530	18,656,227	129,126	18,785,353
Appropriation of 2020 earnings (Note 23)													
Legal reserve	-	-	115,575	-	(115,575)	-	-	-	-	-	-	-	-
Cash dividends distributed by the Company - NT$ 1.1 per share	-	-	-	-	(718,970)	-	-	-	-	-	(718,970)	-	(718,970)
From differences between equity purchase price and carrying amount arising from actual acquisition or disposal of subsidiaries (Note 28)	-	527	-	-	-	-	-	-	-	-	527	(2,017)	(1,490)
Changes in recognition of associates accounted for using equity method	-	605	-	-	-	-	-	-		-	605	-	605
Overdue dividends not collected by shareholders	-	(4)	-	-	-	-	-	-	-	-	(4)	-	(4)
Net profit for the year ended December 31, 2021	-	-	-	-	1,088,078	-	-	-	-	-	1,088,078	26,148	1,114,226
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	(53,545)	241,879	18,668	-	207,002	207,002	(56)	206,946

(Continued)

Universal Cement Corporation and Subsidiaries

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

	Equity Attributable to Owners of the Company												
			Retained Earnings			Other Equity							
	Capital Stock - Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	other	Total	Total	Non-controlling Interests	Total Equity
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	1,088,078	(53,545)	241,879	18,668	-	207,002	1,295,080	26,092	1,321,172
Change in non-controlling interests (Note 23)	-	-	-	-	-	-	-	-	-	-	-	(2,190)	(2,190)
BALANCE AT DECEMBER 31, 2021	$ 6,536,092	$ 66,950	$ 2,607,075	$ 3,185,793	$ 6,092,023	($ 945,843)	$ 1,638,872	$ 69,720	($ 17,217)	$ 745,532	$ 19,233,465	$ 151,011	$ 19,384,476

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

(Concluded)

Universal Cement Corporation and Subsidiaries

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

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,240,262	$ 1,297,514
Adjustments for:		
Depreciation expenses	173,235	135,260
Amortization expenses	3,183	1,800
Expected credit loss (gain) recognized	(3,208)	989
Net gain on fair value changes of financial assets designated as at fair value through profit or loss	4,201	23
Interest expenses	29,292	31,401
Interest income	(1,109)	(1,361)
Dividend income	(160,502)	(172,561)
Share of profit of associates	(372,900)	(707,787)
Loss (Gain) on disposal of property, plant and equipment net	17	(760)
Gain on disposal of investment properties	-	(8,579)
Gain on disposal of other intangible assets	(2,989)	-
Inventory write-downs	272	443
Impairment losses on assets	-	103,012
Gain on lease modification	-	(3)
Changes in operating assets and liabilities		
Contract assets (Including related parties)	8,234	3,101
Notes receivable	14,742	(46,691)
Accounts receivable (Including related parties)	(261,593)	(89,219)
Other receivables	(1,164)	471
Inventories	(14,669)	(19,718)
Prepayments	29,653	(26,630)
Other current assets	2,959	4,246
Contract liabilities	5,818	(2,911)
Notes payable (Including related parties)	(63,727)	7,714
Accounts payable (Including related parties)	130,364	11,287
Other payables	7,284	37,114
Other current liabilities	613	(9,015)
Net defined benefit liability	(19,042)	(26,544)
Cash generated from operations	749,226	522,596
Interest received	1,109	1,385
Dividends received	699,022	532,834
Income tax paid	(67,146)	(42,636)
Net cash generated from operating activities	1,382,211	1,014,179
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of financial assets at fair value through other comprehensive income	(552,449)	(50,446)
Proceeds from the liquidation of financial assets at fair value through other comprehensive income	-	21,039
Increase in financial assets at amortized cost	(5,726)	(14,866)

(Continued)

Universal Cement Corporation and Subsidiaries

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

	2021	2020
Decrease in financial assets at amortized cost	$ 25,295	$ 39,512
Acquisitions of financial assets at fair value through profit or loss	(176,719)	-
Refunds from financial assets at fair value through profit or loss	60,608	877
Acquisitions of investments accounted for using equity method	(27,000)	-
Payments for property, plant and equipment	(203,984)	(168,830)
Refunds from disposal of property, plant and equipment	10	786
Payments for intangible assets	(3,523)	(2,021)
Refunds from disposal of intangible assets	3,000	-
Payments for investment properties	(210)	-
Refunds from disposal of investment properties	-	28,364
Decrease in other non-current assets	379	-
Net cash used in investing activities	(880,319)	(145,585)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	313,000	185,000
Repayments from short-term bills payable	(8,000)	(272,000)
Proceeds from guarantee deposits received	655	200
Refund of guarantee deposits received	(260)	(680)
Repayment of the principal portion of lease liabilities	(59,836)	(49,533)
Dividends paid to owners of the Company	(718,970)	(653,613)
Acquisitions of non-controlling interests	(1,490)	(1,820)
Interest Paid	(27,434)	(31,345)
Dividends paid to non-controlling interests	(2,190)	(780)
Net cash used in financing activities	(504,525)	(824,571)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,633)	44,023
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	294,665	250,642
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 292,032	$ 294,665

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

(Concluded)

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

1. GENERAL INFORMATION

Universal Cement Corporation (the Company) was incorporated in the Republic of China (ROC) in March 1960. The Company mainly manufactures and sells cement, ready mixed concrete and gypsum board panels.

The Company's shares have been listed on the Taiwan Stock Exchange (TWSE) since February 1971.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved by the Company's board of directors on March 28, 2022.

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

a. The initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC).

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

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

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

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

Note 1：The amendments to IFRS 9 will be 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" will be 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" will be 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 issue, the Group has assessed that the adoption of other standards or interpretations will not have a significant impact on the Group's financial position and performance.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contract"	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：Except for otherwise stated, the newly issued/revised/amended standards or interpretations become effective after the annual reporting period starting on the respective dates.

Note 2：The amendments apply to the annual reporting period starting after January 1, 2023 in extension.

Note 3：The amendments apply to changes in accounting estimates and changes in accounting policies that occurred during the annual reporting period starting 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.

1. Amendments to IAS 1 "Disclosure of Accounting Policies"

The amendments stated that the Group shall determine the information on significant accounting policies to be disclosed based on the definition of materiality. Where it is reasonably expected that the information on significant accounting policies would affect the decisions made by primary users of the financial statement for general purposes based on such financial statements, such information on significant accounting policies is material. The amendments also clarified：

(1) Information on accounting policies related to immaterial transactions, other matters or circumstances is immaterial, and the Group is not required to disclose such information.

(2) The Group may determine the information on accounting policies related to immaterial transactions, other matters or circumstances is material due to its nature, even in the case when the amounts are immaterial.

(3) All information on accounting policies not related to immaterial transactions, other matters or circumstances is material.

In addition, the amendments provided examples describing that the information may be material when it is related to material transactions, other matters or circumstances under the following circumstances:

(1) The Group changed its accounting policies during the reporting period, and such changes resulted in significant changes in the information of the financial statements;

(2) The Group elected applicable accounting policies from options permitted by the standards;

(3) As no requirement is provided under any specific standards, the Group established the accounting policies based on IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”;

(4) Relevant accounting policies where the Group disclosed the decisions that required significant judgments or assumptions; or

(5) Information that involves complicated accounting requirements and users of the financial statements depends on such information to understand material transactions, other matters or circumstances.

2. Amendments to IAS 8 “Definition of Accounting Estimates”

The amendments stipulated that accounting estimates are monetary amounts in the financial statements affected by measurement uncertainties. Upon the application of accounting policies, the Group may not be able to directly observe, but have to estimate the monetary amounts to measure the items in the financial statements. Therefore, accounting estimates shall be established by using the measuring techniques and inputs to serve such purposes. Where effects arising from the changes in measuring techniques and inputs are not corrections to errors during the previous period, such changes are changes in accounting estimates.

Except for the effects above, as of the date of approving the issuance of this consolidated financial report, the Group is still evaluating the effects of amendments to other standards and interpretations on the financial positions and financial performance; relevant effects are to be disclosed upon the completion of the evaluation.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, which 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 the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for the assets or liabilities.

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

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

d. Basis of consolidation

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

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

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

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

See Note 13 and table 6 for detailed information on subsidiaries (including percentages of ownership and main business).

e. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (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 measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

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

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

f. Inventories

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

g. Investment in associates

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

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

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

Any excess of the cost of acquisition over the Group'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 Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus – changes in capital surplus from investments in associates accounted for using the equity method. If the Group's ownership interest is reduced due to the additional subscription of the new shares of 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 directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

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

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

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on 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 Group 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 directly disposed of the related assets or liabilities.

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

h. Property, plant and equipment

Property, plant and equipment are 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 intended use.

Depreciation on 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 method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

i. Investment properties

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

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 property, plant and equipment to investment properties, the deemed cost of the property for subsequent accounting is its carrying amount at the end 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

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

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

k. Impairment of property, plant and equipment, investment properties, right-of-use assets and intangible assets

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

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

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

l. Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue 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 category

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

      i. Financial assets at FVTPL

         Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

         Financial assets at FVTPL are subsequently measured at fair value, with dividends or interest and any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 31.

      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, notes receivable, accounts receivable, other receivables and financial assets at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using 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 such 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 with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets and contract assets

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

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

Expected credit losses reflect the weighted average of credit losses with the respective risks of 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, the Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Group):

i. Internal or external information shows that the debtor is unlikely to pay its creditors.

ii. When a financial asset is more than 365 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

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

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

Equity instruments issued by a Group entity are classified as equity in accordance with the substance of the contractual arrangements and the definitions of an equity instrument.

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

The repurchase of the Company'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 Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement
All the financial liabilities are measured at amortized cost using the effective interest method.

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 profit or loss.

m. Revenue recognition

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

<u>Revenue from the sale of goods</u>
Revenue from the sale of goods comes from sales of cement, ready mixed concrete and gypsum board panels. Sales of cement, ready mixed concrete and gypsum board panels are recognized as revenue when the goods are shipped because it is the time when the customer has full discretion over the manner of distribution, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Accounts receivable and contract assets are recognized concurrently. Certain payments,

which are retained by the customer as specified in the contract, are intended to ensure that the Group adequately completes all of its contractual obligations. Such retention receivables are recognized as contract assets until the Group satisfies its performance obligations. When the customer initially purchases cement, the transaction price received is recognized as a contract liability until the goods have been delivered to the customer.

n. Leases

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

1) The Group as lessor

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

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.

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

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying 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. 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. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee’s incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. The Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

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 stated above, 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 service.

2) Retirement benefits

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

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

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Group's defined benefit plan. 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.

q. Taxation

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

1) Current tax

The Group determines its current income (loss) according to the regulations established by the jurisdictions of the tax return to calculate its income tax payable (recoverable).

According to the Income Tax Law of ROC, an additional tax of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred taxes

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates 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.

Where the amendments to estimates only affect the current period, such amounts shall be recognized during the period when the amendments occurred. Where the amendments to estimates affect the current and future periods, such amounts shall be recognized during the period when the amendments occurred and in the future period.

The accounting policies adopted by the Group do not involve material accounting judgments, estimations and assumptions.

6. CASH AND CASH EQUIVALENTS

	December 31 2021	December 31 2020
Cash on hand	$ 414	$ 520
Checking accounts and demand deposits	239,618	237,245
Cash equivalent (investments with original maturities less than 3 months)		
Time deposits	52,000	56,900
	$ 292,032	$ 294,665

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31 2021	December 31 2020
Financial assets mandatorily classified as at FVTPL-Current		
Non-derivative financial assets		
Domestic Listed shares and emerging market shares	$ 89,895	$ -
Mutual funds	471	478
	$ 90,336	$ 478
Financial assets mandatorily classified as at FVTPL-Non-current		
Non-derivative financial assets		
Limited Partnership	$ 22,022	$ -

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31 2021	December 31 2020
Investments in equity instruments at FVTOCI - Current		
Domestic investments		
Listed shares and emerging market shares	$ 2,549,259	$ 2,253,316
Investments in equity instruments at FVTOCI - Non-current		
Domestic investments		
Listed OTC Private Equity	$ 458,700	$ -
Unlisted shares	1,540,374	1,499,279
	$ 1,999,074	$ 1,499,279

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

Chia Huan Tung Cement Corporation completed its liquidation and returned a share capital of $21,039 thousand during 2020. Relevant other interests – unrealized losses on financial assets at fair value through other comprehensive income of $84,238 thousand are transferred to retained earnings.

The Group purchase 22 million common share of Creative Sensor Inc. via private offering in November,

2021. The holding of the share is still subject to three-year lock up period. The investment is regarded as for strategic purposes and therefore the value of which is assessed at FVTOCI.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2021	2020
Current		
Time deposits with original maturity of more than 3 months (a)	$ 75,390	$ 75,390
Pledged time deposits (a)	5,147	67
	$ 80,537	$ 75,457
Non-current		
Pledged time deposits (a)	$ 10,215	$ 35,864
Refundable deposits	6,933	5,933
	$ 17,148	$ 41,797

a. The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 0.09%-0.815% and 0.09%-0.815% per annum as of December 31, 2021 and 2020, respectively. The information on pledged time deposits is set out in Note 33.

b. Refer to Note 10 for information relating to the credit risk management and impairment of investments in financial assets at amortized cost.

10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments were classified as at amortized cost.

	December 31	
	2021	2020
Financial assets at amortized cost - current	$ 80,537	$ 75,457
Financial assets at amortized cost - non-current	17,148	41,797
	$ 97,685	$ 117,254

The Group invests only in debt instruments that have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies. In determining the expected credit losses for debt instrument investments, the Group considers the historical default rates of each credit rating supplied by external rating agencies, the current financial condition of debtors, and the future prospects of the industries. Due to the debt instrument investments have low credit risk and sufficient ability to settle contractual cash flows, as of December 31, 2021 and 2020, no expected credit losses have been recognized in financial assets measured at amortized cost.

11. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE (INCLUDING RELATED PARTIES)

	December 31	
	2021	2020
Notes receivable		
At amortized cost		
Notes receivable - operating	$ 449,757	$ 462,720
Notes receivable - non-operating	332	2,111
	$ 450,089	$ 464,831
Accounts receivable (Including related parties)		
At amortized cost	$ 1,216,500	$ 957,906
Less: Allowance for impairment loss	5,124	9,708
	$ 1,211,376	$ 948,198

The average collection period for receivables due to sales was between 30 to 90 days. No interest was charged on accounts receivable. In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group recognizes loss allowance based on the use of lifetime expected credit losses on accounts receivable. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

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

Notes receivable

The Group analyzed notes receivable was not past due based on past due status, and the Group did not recognize an expected credit loss for notes receivable as of December 31, 2021 and 2020.

Accounts receivable (Including related parties)

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

December 31, 2021

	Less than 30 Days	31 to 60 Days	61 to 90 Days	91 to 120 Days	121 to 150 Days	151 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0.05% ~ 11.53%	0.14% ~ 0.44%	0.41% ~ 0.75%	1.24% ~ 1.52%	2.89% ~ 7.17%	9.74% ~ 23.42%	100%	
Gross carrying amount	$ 878,071	$ 193,615	$ 88,756	$ 46,085	$ 5,255	$ 2,508	$ 2,210	$1,216,500
Loss allowance (Lifetime ECL)	(1,057)	(442)	(480)	(632)	(196)	(107)	(2,210)	(5,124)
Amortized cost	$ 877,014	$ 193,173	$ 88,276	$ 45,453	$ 5,059	$ 2,401	$ -	$1,211,376

December 31, 2020

	Less than 30 Days	31 to 60 Days	61 to 90 Days	91 to 120 Days	121 to 150 Days	151 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0.03% ~ 7.91%	0.09 ~ 0.44%	0.29% ~ 0.67%	1.13% ~ 1.33%	2.99% ~ 6.54%	11.28% ~ 17.39%	100%	
Gross carrying amount	$ 732,181	$ 129,885	$ 62,193	$ 18,612	$ 6,499	$ 1,982	$ 6,554	$ 957,906
Loss allowance (Lifetime ECL)	(1,502)	(209)	(215)	(230)	(377)	(621)	(6,554)	(9,708)
Amortized cost	$ 730,679	$ 129,676	$ 61,978	$ 18,382	$ 6,122	$ 1,361	$ -	$ 948,198

The movements of the loss allowance of contract asset and accounts receivable (Including related parties) were as follows:

December 31,2021

	Contract Asset (Including related parties)	Accounts Receivable (Including related parties)	Total
Balance at January 1, 2021	$ 3,369	$ 9,708	$ 13,077
Less: Net remeasurement of loss allowance	(1,623)	(1,585)	(3,208)
Less: Amounts written off	-	(2,999)	(2,999)
Balance at December 31, 2021	$ 1,746	$ 5,124	$ 6,870

December 31, 2020

	Contract Asset (Including related parties)	Accounts Receivable (Including related parties)	Total
Balance at January 1, 2020	$ 3,898	$ 8,190	$ 12,088
Add: Net remeasurement of loss allowance	(529)	1,518	989
Balance at December 31, 2020	$ 3,369	$ 9,708	$ 13,077

12. INVENTORIES

	December 31	
	2021	2020
Merchandise	$ 9,608	$ 19,071
Finished goods	82,971	74,625
Work in process	10,037	10,531
Raw materials and supplies	195,226	179,218
	$ 297,842	$ 283,445

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2021 and 2020 was $ 4,947,290 thousand and $ 4,519,186 thousand, respectively.

13. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements were as follows:

			Proportion of Ownership December 31		
Investor	Investee	Nature of Activities	2021	2020	Remark
Universal Cement Corporation	Chiayi Concrete Industrial Corporation	Manufacturing and marketing of ready-mixed concrete	86.63	86.63	-
〃	Huanchung Cement International Corporation	Manufacturing, marketing, importing and exporting of cement and cement clinker	69.99	69.99	-
〃	Kaohsiung Harbor Transport Company	Trucking operation	100.00	100.00	-
〃	Universal Investment Corporation	Investment activities	100.00	100.00	-
〃	Universal Concrete Industrial Corporation	Manufacturing and marketing of ready-mixed concrete and gravel	58.12	57.19	Note
〃	Uneo Incorporated	Marketing of electronic products	100.00	100.00	-
	Li Yong Development Corporation	Investment activities, trading for real estate and leasing business	100.00	100.00	-
Universal Investment Corporation	Universal Concrete Industrial Corporation	Manufacturing and marketing of ready-mixed concrete and gravel	0.87	0.87	-
〃	Chiayi Concrete Industrial Corporation	Manufacturing and marketing of ready-mixed concrete	0.01	0.01	-
〃	Huanchung Cement International Corporation	Manufacturing, marketing, importing and exporting of cement and cement clinker	0.01	0.01	-

Note : The company obtained 124 thousand shares and 165 thousand shares held by the minority shareholders of Universal Concrete Industrial Corporation from June to August 2021 and October 2020, respectively, resulting in an increase in the shareholding ratio.

14. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31	
	2021	2020
Material associate		
Lioho Machine Works Ltd.	$ 9,810,902	$ 10,023,552
Associates that are not individually material		
Tainan Concrete Industrial Corporation	81,943	53,969
	$ 9,892,845	$ 10,077,521

a. Material associates

	Proportion of Ownership and Voting Rights	
	December 31	
	2021	2020
Name of Associate		
Lioho Machine Works Ltd.	29.86%	29.86%

Refer to Table 6 "Information on Investees" for the nature of activities, principal place of business and country of incorporation of the associates.

The share of net income and other comprehensive income from associates under equity method were accounted for based on the audited financial statements.

The summarized financial information below represents amounts shown in the financial statements of Lioho Machine Works Ltd. which were prepared in accordance with IFRSs and adjusted by the Group for equity accounting purposes.

	December 31	
	2021	2020
Equity	$ 32,856,494	$ 33,568,622

	For the Year Ended December 31	
	2021	2020
Operating revenue	$ 7,518,260	$ 4,505,629
Net profit for the year	$ 1,240,141	$ 2,367,104
Other comprehensive gain	$ (154,295)	$ 378,456
Dividends received from Lioho Machine Works Ltd.	$ 537,489	$ 358,326

15. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and equipment	Transportation equipment	Other equipment	Construction in progress	Total
Cost							
Balance at January 1, 2020	$ 4,692,446	$ 1,638,183	$ 3,346,677	$ 544,029	$ 748,423	$ 564,611	$11,534,369
Additions	-	42,127	66,683	31,013	33,092	5,299	178,214
Disposals	-	(380)	(8,550)	(14,260)	(22,941)	-	(46,131)
Reclassification from investment properties	404,481	11,853	-	-	-	-	416,334
Balance at December 31, 2020	$ 5,096,927	$ 1,691,783	$ 3,404,810	$ 560,782	$ 758,574	$ 569,910	$12,082,786
Accumulated depreciation and impairment							
Balance at January 1, 2020	$ -	$ 1,116,578	$ 3,190,811	$ 482,891	$ 563,242	$ -	$ 5,353,522
Depreciation expense	-	21,633	30,847	14,365	16,349	-	83,194
Disposals	-	(380)	(8,548)	(14,236)	(22,941)	-	(46,105)
Reclassification from investment properties	-	12,097	-	-	-	-	12,097
Impairment	-	-	-	-	7	-	7
Balance at December 31, 2020	$ -	$ 1,149,928	$ 3,213,110	$ 483,020	$ 556,657	$ -	$ 5,402,715
Carrying amounts at December 31, 2020	$ 5,096,927	$ 541,855	$ 191,700	$ 77,762	$ 201,917	$ 569,910	$ 6,680,071
Cost							
Balance at January 1, 2021	$ 5,096,927	$ 1,691,783	$ 3,404,810	$ 560,782	$ 758,574	$ 569,910	$12,082,786
Additions	-	359,503	67,043	111,831	27,159	249,380	814,916
Disposals	-	(39)	(6,340)	(5,812)	(10,378)	-	(22,569)
Reclassification to investment properties	(491,945)	-	-	-	-	-	(491,945)
Balance at December 31, 2021	$ 4,604,982	$ 2,051,247	$ 3,465,513	$ 666,801	$ 775,355	$ 819,290	$12,383,188
Accumulated depreciation and impairment							
Balance at January 1, 2021	$ -	$ 1,149,928	$ 3,213,110	$ 483,020	$ 556,657	$ -	$ 5,402,715
Depreciation expense	-	24,257	36,831	31,131	20,100	-	112,319
Disposals	-	(12)	(6,340)	(5,812)	(10,378)	-	(22,542)
Balance at December 31, 2021	$ -	$ 1,174,173	$ 3,243,601	$ 508,339	$ 566,379	$ -	$ 5,492,492
Carrying amounts at December 31, 2021	$ 4,604,982	$ 877,074	$ 221,912	$ 158,462	$ 208,976	$ 819,290	$ 6,890,696

Partial equipment of the Group's building material segment is idle. According to the assessment, the future recoverable amount is less than its carrying amount; therefore, the Group recognized an impairment loss of $103,012 thousand under non-operating expenses during 2020.

The future recoverable amount is determined using the replacement cost method, taking into account all costs required to replace or build an entirely new asset under the current condition, less the physical depreciation, functional depreciation, and economic depreciation incurred to the assets of appraisal.

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

Buildings	
Main buildings	20-60 years
Outbuildings and construction	4-16 years
Engineering systems	9-16 years
Machinery and equipment	2-21 years
Transportation equipment	2-7 years
Other equipment	2-20 years

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2021	2020
Carrying amounts		
Land	$ 3,001	$ 3,089
Buildings	269,633	297,251
Machinery	8,708	8,584
	$ 281,342	$ 308,924

	For the Year Ended December 31	
	2021	2020
Additions to right-of-use assets	$ 32,251	$ 134,385
Depreciation charge for right-of-use assets		
Land	$ 806	$ 847
Buildings	55,199	46,334
Machinery	3,732	3,603
	$ 59,737	$ 50,784

b. Lease liabilities

	December 31	
	2021	2020
Carrying amounts		
Current	$ 54,192	$ 56,039
Non-current	$ 233,167	$ 259,001

Ranges of discount rates for lease liabilities were as follows:

	December 31	
	2021	2020
Land	1.422% - 1.71%	1.422% - 1.71%
Buildings	0.9% - 1.71%	0.9% - 1.71%
Machinery	0.9% - 1.42%	0.9% - 1.42%

c. Material lease-in activities and terms

The Group leases certain land, buildings and machinery for the use of plants and offices with lease terms of 3 to 10 years. The Group is prohibited from subleasing or transferring all or any portion of the land and buildings leased from Taiwan International Port Corporation without the lessor's consent.

d. Other lease information

	For the Year Ended December 31	
	2021	2020
Expenses relating to short-term leases	$ 3,812	$ 2,280
Expenses relating to low-value assets leases	$ 430	$ 430
Total cash outflow for leases	$ 68,332	$ 55,878

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

17. INVESTMENT PROPERTIES

	Land	Buildings	Total
Cost			
Balance at January 1, 2020	$ 913,602	$ 189,269	$ 1,102,871
Disposals	(13,708)	(7,439)	(21,147)
Reclassification to property, plant and equipment	(404,481)	(11,853)	(416,334)
Balance at December 31, 2020	$ 495,413	$ 169,977	$ 665,390
Accumulated depreciation and impairment			
Balance at January 1, 2020	$ 80,167	$ 152,542	$ 232,709
Depreciation expense	-	1,282	1,282
Disposals	-	(1,362)	(1,362)
Reclassification to property, plant and equipment	-	(12,097)	(12,097)
Balance at December 31, 2020	$ 80,167	$ 140,365	$ 220,532
Carrying amounts at December 31, 2020	$ 415,246	$ 29,612	$ 444,858

(Continued)

	Land	Buildings	Total
Cost			
Balance at January 1, 2021	$ 495,413	$ 169,977	$ 665,390
Additions	210	-	210
Reclassification from property, plant and equipment	491,945	-	491,945
Balance at December 31, 2021	$ 987,568	$ 169,977	$ 1,157,545
Accumulated depreciation and impairment			
Balance at January 1, 2021	$ 80,167	$ 140,365	$ 220,532
Depreciation expense	-	1,179	1,179
Balance at December 31, 2021	$ 80,167	$ 141,544	$ 221,711
Carrying amounts at December 31, 2021	$ 907,401	$ 28,433	$ 935,844

As of December 31, 2021 and 2020, the Group has not yet completed the property registration of the land amounting to $113,000 thousand and $112,790 thousand because of the restriction in the regulations but the property has been secured with mortgage registration.

The investment properties are depreciated using the straight-line method over 10-61 years of useful lives.

The determination of fair value was performed by independent qualified professional values. The valuation was arrived at by reference to market evidence of transaction prices for similar properties and the fair value as appraised or the management refer to actual transaction price in neighboring areas.

	December 31	
	2021	2020
Fair value	$ 2,663,299	$ 2,158,644

The maturity analysis of lease payments receivable under operating leases of investment properties were as follows:

	December 31	
	2021	2020
Year 1	$ 22,700	$ 24,040
Year 2	17,550	15,816
Year 3	14,465	7,090
Year 4	12,592	4,649
Year 5	9,689	4,560
Year 5 onwards	16,923	2,280
	$ 93,919	$ 58,435

18. OTHER INTANGIBLE ASSETS

	Patents	Licenses and Franchises	Trademarks	Computer Software	Total
Cost					
Balance at January 1, 2020	$ 7,983	$ 5,000	$ 20	$ 4,858	$ 17,861
Additions	407	-	-	1,614	2,021
Balance at December 31, 2020	$ 8,390	$ 5,000	$ 20	$ 6,472	$ 19,882
Accumulated amortization					
Balance at January 1, 2020	$ 3,793	$ 2,632	$ 7	$ 3,575	$ 10,007
Amortization expense	626	237	2	935	1,800
Balance at December 31, 2020	$ 4,419	$ 2,869	$ 9	$ 4,510	$ 11,807
Carrying amounts at December 31, 2020	$ 3,971	$ 2,131	$ 11	$ 1,962	$ 8,075
Cost					
Balance at January 1, 2021	$ 8,390	$ 5,000	$ 20	$ 6,472	$ 19,882
Additions	288	773	-	2,462	3,523
Disposals	-	(11)	-	-	(11)
Balance at December 31, 2021	$ 8,678	$ 5,762	$ 20	$ 8,934	$ 23,394
Accumulated amortization					
Balance at January 1, 2021	$ 4,419	$ 2,869	$ 9	$ 4,510	$ 11,807
Amortization expense	682	999	2	1,500	3,183
Balance at December 31, 2021	$ 5,101	$ 3,868	$ 11	$ 6,010	$ 14,990
Carrying amounts at December 31, 2021	$ 3,577	$ 1,894	$ 9	$ 2,924	$ 8,404

Other intangible assets are amortized on a straight-line basis over the estimated useful lives as follows:

Patents	3-20 years
Licenses and franchises	10 years
Trademarks	10 years
Computer Software	3 years

19. BORROWINGS

a. Short-term borrowings

	December 31 2021	December 31 2020
Unsecured borrowings		
Line of credit borrowings	$ 1,780,000	$ 1,467,000

The range of interest rates was 0.82% - 0.85% and 0.85% - 1.38% per annum as of December 31, 2021 and 2020.

b. Short-term bills payable

	December 31	
	2021	2020
Commercial papers	$ 1,225,000	$ 1,233,000
Less: Unamortized discount on bills payable	964	1,125
	$ 1,224,036	$ 1,231,875

The Group did not provide any collateral over these balance.

Outstanding short-term bills payable as follows:

Promissory Institutions	Nominal Amount	Discount Amount	Carrying Value	Interest Rate
December 31, 2021				
International Bills Finance Co., Ltd.	$ 305,000	$ 164	$ 304,836	0.808% ~ 1.358%
Ta Ching Bills Finance Co., Ltd.	300,000	91	299,909	0.848%
China Bills Finance Co., Ltd.	275,000	375	274,625	0.848% ~ 1.248%
Taiwan Finance Co., Ltd.	190,000	88	189,912	0.848%
Mega Bills Finance Co., Ltd.	155,000	246	154,754	0.998% ~ 1.358%
	$ 1,225,000	$ 964	$ 1,224,036	
December 31, 2020				
China Bills Finance Co., Ltd.	$ 350,000	$ 293	$ 349,707	0.858% ~ 1.28%
International Bills Finance Co., Ltd.	338,000	217	337,783	0.888% ~ 1.358%
Taiwan Finance Co., Ltd.	240,000	158	239,842	0.858%
Ta Ching Bills Finance Co., Ltd.	200,000	156	199,844	0.888%
Mega Bills Finance Co., Ltd.	105,000	301	104,699	1.218% ~ 1.458%
	$ 1,233,000	$ 1,125	$ 1,231,875	

20. NOTES PAYABLE AND ACCOUNTS PAYABLE (INCLUDING RELATED PARTIES)

Notes payable and accounts payable (including related parties) were resulted from operating activities. The average credit period on purchases is 30 to 65 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. Therefore, no interest was charged on the payables.

21. OTHER PAYABLES AND OTHER LIABILITIES

	December 31	
	2021	**2020**
Other payable		
Payable for salaries or bonus	$ 115,370	$ 107,899
Payable for taxes	25,157	18,204
Payable for remuneration to directors	22,419	23,487
Payable for remuneration to employees	21,399	23,175
Payable for freight	20,359	14,836
Payables for equipment	13,912	21,021
Payable for annual leave	12,039	11,397
Others	65,749	74,509
	$ 296,404	$ 294,528
Other liabilities		
Temporary receipts	$ 19,637	$ 19,107
Receipts in advance	340	344
Others	661	574
	$ 20,638	$ 20,025

22. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

b. Defined benefit plans

The defined benefit plan adopted by the Group in accordance with the Labor Standards Law is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Group contributes amounts equal to 2%~3% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Group has no right to influence the investment policy and strategy.

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

	December 31	
	2021	2020
Present value of defined benefit obligation	$ 258,000	$ 284,147
Fair value of plan assets	(222,959)	(220,097)
Net defined benefit liability	$ 35,041	$ 64,050

Movements in net defined benefit liability were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability
Balance at January 1, 2020	$ 279,649	$ (196,721)	$ 82,928
Current service cost	4,798	-	4,798
Net interest expense (income)	2,237	(1,603)	634
Recognized in profit or loss	7,035	(1,603)	5,432
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(6,842)	(6,842)
Actuarial loss - changes in demographic assumptions	4,250	-	4,250
Actuarial loss - changes in financial assumptions	21,253	-	21,253
Actuarial gain - experience adjustments	(10,995)	-	(10,995)
Recognized in other comprehensive income	14,508	(6,842)	7,666
Contributions from the employer	-	(31,976)	(31,976)
Benefits paid	(17,045)	17,045	-
Balance at December 31, 2020	284,147	(220,097)	64,050
Current service cost	4,284	-	4,284
Net interest expense (income)	995	(783)	212
Recognized in profit or loss	5,279	(783)	4,496
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(3,156)	(3,156)
Actuarial loss - changes in demographic assumptions	12,988	-	12,988
Actuarial gain - changes in financial assumptions	(17,742)	-	(17,742)
Actuarial gain - experience adjustments	(2,057)	-	(2,057)
Recognized in other comprehensive income	(6,811)	(3,156)	(9,967)
Contributions from the employer	-	(23,538)	(23,538)
Benefits paid	(24,615)	24,615	-
Balance at December 31, 2021	$ 258,000	$ (222,959)	$ 35,041

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2021	2020
Operating costs	$ 2,281	$ 2,822
Selling and marketing expenses	612	757
General and administrative expenses	1,476	1,696
Research and development expenses	127	157
	$ 4,496	$ 5,432

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

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government and corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

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

	December 31	
	2021	2020
Discount rate	0.75%	0.35%
Expected rate of salary increase	1.63% - 4%	1.625% - 4%

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

	December 31	
	2021	2020
Discount rate		
0.5% increase	$ (10,956)	$ (11,848)
0.5% decrease	$ 11,672	$ 12,648
Expected rate of salary increase		
0.5% increase	$ 11,013	$ 11,875
0.5% decrease	$ (10,456)	$ (11,254)

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

	December 31	
	2021	2020
The expected contributions to the plan for the next year	$ 6,926	$ 7,019
The average duration of the defined benefit obligation	7 - 10 years	7 - 11 years

23. EQUITY

a. Share capital

	December 31	
	2021	2020
Number of shares authorized (thousands)	653,609	653,609
Shares authorized	$ 6,536,092	$ 6,536,092
Number of shares issued and fully paid (in thousands)	653,609	653,609
Shares issued	$ 6,536,092	$ 6,536,092

b. Capital surplus

	December 31	
	2021	2020
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)		
Treasury share transactions	$ 21,606	$ 21,606
Differences between the actual equity value of subsidiaries acquired or disposed and its carrying amounts.	945	418
May be used to offset a deficit only		
Share of changes in equities of associates	21,920	21,315
Overdue dividends not collected by shareholders	22,479	22,483
	$ 66,950	$ 65,822

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

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the amended Articles, if the Company makes profit in a fiscal year, the profit shall be first utilized to pay taxes, offset losses of previous years, set aside as legal reserve with 10% of the remaining profit, set aside or reverse a special reserve in accordance with the laws and regulations, and lastly, together with any undistributed retained earnings, serve as the basis of a distribution plan proposed by the Company's board of directors in accordance with the resolution of the shareholders' meeting pertaining to the distribution of dividends and bonus to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors and supervisors after the amendment, refer to employees' compensation and remuneration of directors and supervisors in Note 25-f.

According to the Company's Articles, dividends can be distributed by way of stock dividends and cash dividends. However, the ratio for stock dividend shall not exceed 50% of the total distribution unless the value of cash dividends is less than $ 0.5 per share. The distribution of dividends can be adjusted by shareholders based on the Company's profit, capital status, and operating requirement.

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

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

The appropriations of 2020 and 2019 earnings have been approved in the shareholders' meetings on July 27, 2021 and June 15, 2020, respectively. The appropriations and dividends per share were as follows:

	2020	2019
Legal reserve	$ 115,575	$ 113,548
Cash dividends	$ 718,970	$ 653,609
Cash dividends per share (NT$)	$ 1.1	$ 1

The appropriation of earnings for 2021 had been proposed by the Company's board of directors on March 28, 2022. The appropriation and dividends per share were as follows:

	Appropriation of Earnings	**Dividends Per Share (NT$)**
Legal reserve	$ 108,808	
Cash dividends	653,609	$ 1

The appropriation of earnings for 2021 will subject to the resolution of the shareholders' meeting.

d. Special reserves

	December 31	
	2021	**2020**
First-time adoption IFRSs	$ 3,185,793	$ 3,185,793

Because the increase in the retained earnings caused by the first-time adoption of IFRSs was insufficient to be appropriated for provision, the Company had provided for special reserve based on the increase of the retained earnings, an adjustment that was recorded per Company policy on first-time adoption.

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	$ (892,298)	$ (1,006,436)
Share of exchange difference of associates accounted for using the equity method	(53,545)	114,138
Balance at December 31	$ (945,843)	$ (892,298)

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

	For the year Ended December 31	
	2021	2020
Balance at January 1	$ 1,396,993	$ 1,342,691
Recognized for the year		
Unrealized gain (loss) - equity instruments	243,289	(27,180)
Share from associates accounted for using the equity method	(1,410)	(2,756)
Other comprehensive income/(loss) during the year	241,879	(29,936)
The cumulative profit or loss arising from the disposals of equity instruments is transferred to retained earnings.	-	84,238
Balance at December 31	$ 1,638,872	$ 1,396,993

3) Remeasurement of defined benefit plans

	For the Year Ended December 31	
	2021	2020
Balance at January 1	$ 51,052	$ 56,036
Remeasurement	10,037	(7,681)
Remeasurement on defined benefit plans related income tax	337	1,536
Share from associates accounted for using the equity method	8,294	1,161
Balance at December 31	$ 69,720	$ 51,052

4) Other equity items

	For the Year Ended December 31	
	2021	2020
Balance at January 1	$ (17,217)	$ -
Share of associates accounted for using the equity method (Note)	-	(17,217)
Balance at December 31	$ (17,217)	$ (17,217)

Note: Refer to the forward contract initially recognized for acquiring the equity instruments of subsidiaries.

f. Non-controlling interests

	For the Year Ended December 31	
	2021	2020
Balance at January 1	$ 129,126	$ 119,589
Share in profit (loss) for the year	26,148	12,543
Other comprehensive income/(loss) during the year		
Remeasurement on defined benefit plans	(70)	15
Remeasurement on defined benefit plans related income tax	14	(3)
Disposal of partial equity(Note 28)	(2,017)	(2,238)
Non-controlling dividend distribution	(2,190)	(780)
Balance at December 31	$ 151,011	$ 129,126

24. REVENUE

	For the Year Ended December 31	
	2021	2020
Revenue from contracts with customers		
Revenue from sale of goods	$ 6,072,453	$ 5,418,715
Revenue from rendering of services	6,654	7,502
	$ 6,079,107	$ 5,426,217

a. Contract balances

	December 31		January 1
	2021	2020	2020
Notes and accounts receivable (Including related parties)	$ 1,661,465	$ 1,413,029	$ 1,278,637
Contract assets - current			
Sale of goods	$ 3,262	$ 7,114	$ 4,772
Less: Allowance for impairment loss	637	1,396	880
	2,625	5,718	3,892
Contract assets from related parties			
Sale of goods	5,546	9,928	15,371
Less: Allowance for impairment loss	1,109	1,973	3,018
	4,437	7,955	12,353
	$ 7,062	$ 13,673	$ 16,245
Contract liabilities - current			
Sale of goods	$ 10,275	$ 4,457	$ 7,368

In accordance with the terms of the contract, the customers retain a portion of contract price and the Group recognizes the amount as contract assets before completing the contractual obligations. The Group considers the historical expected loss rates and the state of the industry in estimating expected loss.

	December 31	
	2021	2020
Expected credit loss rate	20%	20%
Gross carrying amount of retention receivable	$ 8,808	$ 17,042
Allowance for impairment loss (Lifetime ECLs)	(1,746)	(3,369)
	$ 7,062	$ 13,673

The movements of the loss allowance of contract assets refer to Note11.

b. Disaggregation of revenue

	For the Year Ended December 31	
	2021	2020
Concrete	$ 3,971,701	$ 3,370,194
Cement	1,284,859	1,299,136
Gypsum board panels	787,072	742,434
Others	35,475	14,453
	$ 6,079,107	$ 5,426,217

25. PROFIT BEFORE INCOME TAX

a. Interest income

	For the Year Ended December 31	
	2021	2020
Bank deposits	$ 1,109	$ 1,361

b. Other income

	For the Year Ended December 31	
	2021	2020
Rental income - investment properties (Note 17)	$ 25,345	$ 26,086
Dividend income	160,502	172,561
Others	21,848	28,074
	$ 207,695	$ 226,721

c. Other gains and losses

	For the Year Ended December 31	
	2021	2020
Impairment losses on assets	$ -	$ (103,012)
Gain on disposal of investment properties	-	8,579
Net foreign exchange gains and losses	(540)	(1,066)
Gain (loss) on disposal of property, plant and equipment	(17)	760
Gain on disposal of intangible assets	2,989	-
Fair value changes of financial assets		
Financial assets mandatorily classified as at FVTPL	(4,201)	(23)
Litigation reserve	(7,000)	-
Development and design expenses	(6,286)	-
Others	(7,297)	(5,334)
	$ (22,352)	$ (100,096)

d. Interest expense

	For the Year Ended December 31	
	2021	2020
Interest on loans	$ 25,038	$ 27,766
Interest on lease liabilities	4,254	3,635
	$ 29,292	$ 31,401

e. Depreciation and amortization

	For the Year Ended December 31	
	2021	2020
Property, plant and equipment	$ 112,319	$ 83,194
Right-of-use assets	59,737	50,784
Investment properties	1,179	1,282
Intangible assets	3,183	1,800
	$ 176,418	$ 137,060
An analysis of depreciation - by function		
Operating costs	$ 119,825	$ 83,413
Operating expenses	52,231	50,565
Others (as non-operating income and expense)	1,179	1,282
	$ 173,235	$ 135,260
An analysis of amortization - by function		
Operating costs	$ 204	$ -
Operating expenses	2,979	1,800
	$ 3,183	$ 1,800

f. Employee benefits expense

	For the Year Ended December 31	
	2021	2020
Short-term benefits		
Salaries	$ 523,765	$ 491,232
Labor and health insurance	51,243	46,260
Others	42,885	44,027
	617,893	581,519
Post-employment benefits		
Defined contribution plans	21,361	19,185
Defined benefit plans (Note 22)	4,496	5,432
	25,857	24,617
	$ 643,750	$ 606,136

(Continued)

	For the Year Ended December 31	
	2021	**2020**
An analysis of employee benefits expense - by function		
Operating costs	$ 440,139	$ 408,871
Operating expenses	203,611	197,265
	$ 643,750	$ 606,136

g. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rates no less than 1% and no higher than 3%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors.

The employees' compensation and remuneration of directors for the year ended December 31, 2021 and 2020 have been approved on March 28, 2022 and March 23, 2021, respectively as follows:

Accrual rate

	For the Year Ended December 31	
	2021	**2020**
Employees' compensation	1.68%	1.73%
Remuneration of directors	1.68%	1.73%

Amount

	For the Year Ended December 31	
	2021	**2020**
Employees' compensation	$ 20,860	$ 22,946
Remuneration of directors	$ 20,860	$ 22,946

If there is a change in the amounts after the annual consolidated financial statements were authorized for issue, the differences will be recognized in the next year as a change in accounting estimate.

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

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

26. 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	$ 134,778	$ 49,601
Income tax on unappropriated earnings	7,979	16,163
Adjustments for prior years	(4,219)	(23,615)
	138,538	42,149
Deferred tax		
In respect of the current year	5,605	(4,430)
Adjustments for prior years	(18,107)	-
	(12,502)	(4,430)
	$ 126,036	$ 37,719

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

	For the Year Ended December 31	
	2021	2020
Profit before tax	$ 1,240,262	$ 1,297,514
Income tax expense calculated at the statutory rate	$ 248,052	$ 259,503
Tax-exempt income	(32,382)	(35,470)
Nondeductible expenses in determining taxable income	(72,875)	(141,314)
Realized investment losses	-	(47,628)
Unrecognized deductible temporary differences	966	12,756
Net operating loss carryforwards used	(3,378)	(2,883)
Additional income tax on unappropriated earnings	7,979	16,163
Land value increment tax	-	207
Income tax adjustments on prior years	(22,326)	(23,615)
	$ 126,036	$ 37,719

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2021	2020
Deferred tax		
In respect of the current year		
Remeasurement of defined benefit plans	$ 351	$ 1,533

c. Current tax assets and liabilities

	For the Year Ended December 31	
	2021	2020
Current tax assets		
Tax refund receivable	$ -	$ 31
Current tax liabilities		
Income tax payable	$ 119,517	$ 48,156

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred Tax Assets				
Temporary differences				
Allowance for impairment loss	$ 943	$ (510)	$ -	$ 433
Defined benefit obligation	708	14,268	49	15,025
Unrealized foreign exchange loss	4	94	-	98
Unrealized loss for impaired inventories and obsolete and slow-moving inventories	260	(97)	-	163
Unrealized payable promotion expenses	4,940	(2,865)	-	2,075
Others	1,390	1,506	-	2,896
	$ 8,245	$ 12,396	$ 49	$ 20,690
Deferred Tax Liabilities				
Temporary differences				
Land value increment tax	$ 1,179,798	$ -	$ -	$ 1,179,798
Defined benefit obligation	8,345	(30)	(302)	8,013
Cash surrender value of life insurance	76	(76)	-	-
	$ 1,188,219	$ (106)	$ (302)	$ 1,187,811

For the year ended December 31, 2020

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred Tax Assets				
Temporary differences				
Allowance for impairment loss	$ 605	$ 338	$ -	$ 943
Defined benefit obligation	866	(145)	(13)	708
Unrealized foreign exchange loss	61	(57)	-	4
Unrealized loss for impaired inventories and obsolete and slow-moving inventories	170	90	-	260
Unrealized payable promotion expenses	-	4,940	-	4,940
Others	2,158	(768)	-	1,390
	$ 3,860	$ 4,398	$ (13)	$ 8,245
Deferred Tax Liabilities				
Temporary differences				
Land value increment tax	$ 1,179,798	$ -	$ -	$ 1,179,798
Defined benefit obligation	9,923	(32)	(1,546)	8,345
Cash surrender value of life insurance	76	-	-	76
	$ 1,189,797	$ (32)	$ (1,546)	$ 1,188,219

e. Deductible temporary differences, unused loss carryforwards and unused investment credits for which no deferred tax assets have been recognized in the consolidated balance sheets.

	December 31 2021	December 31 2020
Loss carryforwards		
Expire in 2031	$ 3,887	$ -
Expire in 2030	8,003	8,788
Expire in 2029	10,273	10,273
Expire in 2028	57,779	57,779
Expire in 2027	69,078	81,196
Expire in 2026	47,759	56,417
Expire in 2025	58,819	58,819
Expire in 2024	40,128	40,128
Expire in 2023	24,120	24,120
Expire in 2022	3,368	3,368
Expire in 2021	6,945	6,945
	$ 330,159	$ 347,833

	December 31 2021	December 31 2020
Deductible temporary differences		
Impaired inventories and obsoleteand slow-movinginventories	$ 34,027	$ 33,274
Net defined benefit obligation	-	90,533
Impairment losses on assets	287,600	287,601
	$ 321,627	$ 411,408

f. Income tax examinations

Income tax returns through 2020 of Universal Investment Corporation, and 2019 of the Uneo Incorporated, Kaohsiung Harbor Transport Company, Chiayi Concrete Industrial Corporation, Huanchung Cement International Corporation, Universal Concrete Industrial Corporation and the Company have been assessed by the tax authorities.

27. EARNINGS PER SHARE

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

Net Profit for the Year

	For the Year Ended December 31	
	2021	**2020**
Profit for the year	$ 1,088,078	$ 1,247,252

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

	For the Year Ended December 31	
	2021	**2020**
Weighted average number of ordinary shares in computation of basic earnings per share	$ 653,609	$ 653,609
Effect of potentially dilutive ordinary shares:		
Employees' compensation	1,197	1,311
Weighted average number of ordinary shares used in the computation of diluted earnings per share	$ 654,806	$ 654,920

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

28. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

From June to August 2021 and in October 2020, the Group acquired shares held by the non-controlling interest of Universal Concrete, and its shareholding increased from 58.06% to 58.99% and 56.81% to 58.06% respectively.

The above transactions were accounted for as equity transactions since the Group did not cease to have control over these subsidiaries.

	2021	2020
	Obtaining non-controlling interests	
Cash consideration paid	$ (1,490)	$ (1,820)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	2,017	2,238
Differences recognized from equity transactions	$ 527	$ 418
Line items adjusted for equity transactions		
Capital surplus - changes in percentage of ownership interest in subsidiaries	$ 527	$ 418

29. CASH FLOWS INFORMATION

Cash used in obtaining property, plant and equipment by the Group during 2021 and 2020 was as below:

	For the Year Ended December 31	
	2021	2020
Increase in property, plant and equipment	$ 814,916	$ 178,214
Payables on equipment	7,109	(20,969)
Prepaid on equipment	(618,041)	11,585
Total cash paid	$ 203,984	$ 168,830

30. CAPITAL MANAGEMENT

The Group requires significant amounts of capital to build and expand its production facilities and equipment. The Group manages its capital in a manner to ensure that it has sufficient and necessary financial resources for working capital needs, capital asset purchases, research and development activities, dividend payments, debt service requirements and other business requirements associated with its existing and future operations.

31. FINANCIAL INSTRUMENTS

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

The Group believes that the carrying amounts of financial instruments that are not measured at fair value, including cash and cash equivalents, contract assets, notes and accounts receivable, financial assets at amortized cost, short-term loans, accounts payable, and guarantee deposits received, recognized in the consolidated financial statements approximate their fair value.

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

1) Fair value hierarchy

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	$ 89,895	$ -	$ -	$ 89,895
Mutual funds	471	-	-	471
Limited partnership	-	-	22,022	22,022
	$ 90,336	$ -	$ 22,022	$ 112,388
Financial assets at FVTOCI				
Investments in equity instruments				
-Listed shares	$ 2,549,259	$ 458,700	$ -	$ 3,007,959
-Unlisted shares	-	-	1,540,374	1,540,374
	$ 2,549,259	$ 458,700	$ 1,540,374	$ 4,548,333

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 478	$ -	$ -	$ 478
Financial assets at FVTOCI				
Investments in equity instruments				
-Listed shares	$ 2,253,316	$ -	$ -	$ 2,253,316
-Unlisted shares	-	-	1,499,279	1,499,279
	$ 2,253,316	$ -	$ 1,499,279	$ 3,752,595

There were no transfers between Level 1 and 2 in the current and prior years.

2) Adjustments for financial instruments measured using level 3 fair value

For the year ended December 31, 2021

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Total
Balance at January 1	$ -	$ 1,499,279	$ 1,499,279
Purchased	25,000	20,000	45,000
Recognized in income(other gains and losses)	(2,978)	-	(2,978)
Recognized in other comprehensive income(Unrealized valuation gain (loss) on financial assets at fair value through other comprehensive income)	-	21,095	21,095
Balance at December 31	$ 22,022	$ 1,540,374	$ 1,562,396

For the year ended December 31, 2020

	Financial assets at fair value through other comprehensive income
Balance at January 1	$ 1,418,905
Recognized in other comprehensive income (Unrealized valuation gain (loss) on financial assets at fair value through other comprehensive income)	81,413
Additions	20,000
Share capital returned for liquidation	(21,039)
Balance at December 31	$ 1,499,279

3) Input and measurement technique of Level 2 fair value measurement.

Category of financial instrument	Measurement technique and input value
Investment of Equity Instrument	Purchase of stock via private offering which is subject to a three-year-lock-up period. In light of the impact on the target to be measured due to the restriction of transaction, a discount is imposed to reflect the restricted liquidity of the stock. The target to be measure is the stock of a public listed company. The Closing price at the day of measurement was adopted as the fair value of an unrestricted stock price. The fair value of the restricted stock price is then derived via the Black-Scholes model.

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

The fair values of unlisted equity securities in ROC was estimated based on the recent net equity or transaction price. The marketing valuation method is based on the prices of comparable companies, and the value of the securities is estimated by comparing, analyzing and adjusting.

c. Categories of financial instruments

	December 31	
	2021	2020
Financial assets		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	$ 112,388	$ 478
Financial assets at amortized cost (1)	2,053,655	1,826,257
Financial assets at FVTOCI		
Equity instruments	4,548,333	3,752,595
Financial liabilities		
Financial liabilities at amortized cost (2)	4,051,705	3,677,636

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, net accounts receivable (including related parties), other receivables, and financial assets at amortized cost (current and non-current).

2) The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, short-term bills payable, notes payable, accounts payable (including related parties), other payables and deposits received.

d. Financial Risk Management Objectives and Policies

The Group's major financial instruments include accounts receivable, accounts payables and short-term loans. The Group's Corporate Treasury function provides services to the business departments, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze the exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in interest rate risk (see (a) below) and other price risk (see (b) below).

a) Interest rate risk

The Group was exposed to interest rate risk arising from short-term borrowing at New Taiwan dollar (NTD) market rates of overweight interest rates. Due to lower NTD borrowing rates and small borrowing position, the interest rate sensitivity is lower, and the interest rate risk is little risk to the Company.

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

	December 31	
	2021	**2020**
Fair value interest rate risk		
Financial assets	$ 149,685	$ 174,154
Financial liabilities	1,511,395	1,546,915
Cash flow interest rate risk		
Financial assets	218,725	203,864
Financial liabilities	1,780,000	1,467,000

b) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities and mutual funds. The Group manages this exposure by maintaining a portfolio of investments with different risks. The Group's equity price risk was mainly concentrated on equity instruments operating in shares and open-end mutual funds quoted in the Taiwan Stock Exchange. In addition, the Group will evaluate the price by the closing price of the equity investments and the net asset value of the fund every month.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices of domestic listed equity securities(excluding private placement), which was hold by the Group calculated by $ 2,549,259 thousand and $ 2,253,316 thousand, had been 1% higher/lower, the pre-tax other comprehensive income for the year ended December 31, 2021 and 2020 would have increased/decreased by $ 25,493 thousand and $ 22,533 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Financial assets are exposed to the potential effects of outstanding contracts between the Group and its counterparty or other parties. Such effects include the credit risk concentration, components, contractual amounts, and other receivables of financial products engaged by the Group.

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

In addition to the following paragraph, the main customers of its credit are good, and the Group will regularly annually review the customer's credit status, appropriately adjust the credit line, and will require customers to provide the necessary guarantees or trade by cash in special situations. The sales department understands the customer's credit status through external peer visits. The customers mentioned above, had no significant credit risk exposure.

Part of the concrete customers of the Group are individuals and small-scale enterprises, except for a few large customers are concrete construction companies, industry characteristics resulting in some small-scale enterprises. In addition to using credit limit controls to reduce credit risks and the relevant proceedings to protect their claims, the Group has set adequate allowance for bad debts for higher credit risk customers in accordance with company policy. The credit risk arising from its maximum possible amount is disclosed in the Note 11.

The Group has no significant concentration of credit risk.

3) Liquidity risk

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

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

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

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

December 31, 2021

	On Demand or Less than 3 Month	3 Months to 1 Year	1 Year to 5 Year	5 Year to 10 Year
Non-derivative financial liabilities				
Non-interest bearing	$1,036,385	$ -	$ 11,284	$ -
Lease liabilities	14,688	42,248	193,763	48,300
Variable interest rate liabilities	1,781,972	-	-	-
Fixed interest rate liabilities	1,225,000	-	-	-
	$4,058,045	$ 42,248	$ 205,047	$ 48,300

December 31, 2020

	On Demand or Less than 3 Month	3 Months to 1 Year	1 Year to 5 Year	5 Year to 10 Year
Non-derivative financial liabilities				
Non-interest bearing	$ 967,872	$ -	$ 10,889	$ -
Lease liabilities	16,006	44,193	179,635	88,918
Variable interest rate liabilities	1,169,075	300,503	-	-
Fixed interest rate liabilities	1,233,000	-	-	-
	$3,385,953	$ 344,696	$ 190,524	$ 88,918

The amount included above for variable interest rate instruments for both non-derivative financial assets and liabilities was subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

b) Financing facilities

It is important for the Group that loan is a resource of liquidity. As of December 31, 2021 and 2020, the Group has loan commitments $ 2,634,559 thousand, and $ 1,943,439 thousand, respectively.

32. TRANSACTIONS WITH RELATED PARTIES

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

a. Name and relationship of related party

Related Party Name	Relationships of the Group
CHC Resources Corp.	The key management of the Group serves as a member of its board directors
Universal Construction Corp.	The key management of the Group serves as a member of its board directors
Sheng Yuan Investment Corp.	The key management of the Group
Pan Asia Corp.	The key management of the Group serves as supervisor
Tainan Concrete Industrial Corp.	Associates

b. Sales of goods

Account Items	Related Parties Category	For the Year Ended December 31 2021	2020
Sales revenue	The key management of the Group serves as a member its board of directors	$ 62,364	$ 65,595
	The key management of the Group serves as supervisor	52,864	91,022
		$ 115,228	$ 156,617

The prices and terms to related parties were not significantly different from transactions with third parties. The credit terms were 1 to 3 months.

c. Purchase of goods

Related Parties Category	For the Year Ended December 31 2021	2020
The key management of the Group serves as a member of its board of directors	$ 264,867	$ 245,547

The purchase of goods is mainly gravel. The prices and terms to related parties were not significantly different from transactions with third parties. The credit terms were 30 to 65 days.

d. Contract assets

Related Party Category / Name	December 31 2021	2020
The key management of the Group serves as supervisor		
Pan Asia Corp.	$ 5,546	$ 9,928
Less: Allowance for impairment loss	1,109	1,973
	$ 4,437	$ 7,955

e. Receivables from related parties (Excluding contract assets)

Account Items	Related Parties Category / Name	December 31 2021	2020
Accounts receivable from related parties	The key management of the Group serves as supervisor		
	Pan Asia Corp.	$ 26,432	$ 47,098
	The key management of the Group serves as a member of its board directors	7,744	5,172
	Less: Allowance for impairment loss	12	19
		$ 34,164	$ 52,251

The outstanding receivables from related parties are unsecured.

f. Payables to related parties

Account Items	Related Parties Category	December 31 2021	December 31 2020
Accounts payable - related parties	The key management of the Group serves as a member of its board of directors	$ 32,168	$ 45,801

The outstanding payables from related parties are unsecured and would be paid in cash.

g. Lease arrangements - Group is lessee

	Related Parties Category	For the Year Ended December 31 2021	For the Year Ended December 31 2020
Acquisitions of	Right - of - use assets		
Associates		$ 27,585	$ -

Line Item	Related Party Category	December 31 2021	December 31 2020
Lease liabilities	Associates	$ 25,785	$ 3,431

Line Item	Related Party Category	For the Year Ended December 31 2021	For the Year Ended December 31 2020
Interest expense	Associates	$ 88	$ 52

The Group leased offices from related parties under lease contracts with normal terms and rentals payable monthly at market rates.

h. Lease arrangements - Group is lessor

The Group leased its office building to related parties under operating leases for a term of 1 to 5 years. The rental prices are determined with reference to the market standards and charged on a monthly basis.

Total lease payment to be collected in the future is summarized as follows:

Related Party Category	December 31 2021	December 31 2020
The key management of the Group serves as a member of its board of directors	$ 3,207	$ 8,705
Another company holding the position as chief management of the Group	23	46
	$ 3,230	$ 8,751

Total lease revenue is summarized as follows:

Related Party Category	For the Year Ended December 31 2021	For the Year Ended December 31 2020
The key management of the Group serves as a member of its board of directors	$ 5,498	$ 5,498
Another company holding the position as chief management of the Group	23	23
	$ 5,521	$ 5,521

i. Compensation of key management personnel

	For the Year Ended December 31	
	2021	2020
Short-term employee benefits	$ 39,726	$ 38,270
Post-employment benefits	504	547
	$ 40,230	$ 38,817

The remuneration of directors and key executives was determined by the remuneration committee according to the performance of individuals and market trends.

33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for engineering performance bonds.

	December 31	
	2021	2020
Pledge deposits		
Current	$ 5,147	$ 67
Non-current	10,215	35,864
	$ 15,362	$ 35,931

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group were as follows:

a. Unrecognized commitments are as follows:

	December 31	
	2021	2020
Acquisition of property, plant and equipment	$ 82,593	$ 104,529

b. As of December 31, 2021 and 2020, the promissory notes were $ 104,183 thousand and $ 96,499 thousand, respectively. These notes were provided as engineering performance bonds, which could be refunded when the guarantee is terminated.

c. As of December 31, 2021 and 2020, unused letters of credit for purchase of raw materials were $ 26,756 thousand and $ 6,561 thousand.

d. In June 2015, Cheng Da Construction Co., Ltd. (CDC) filed a complaint in the ROC. District Court of Taichung, alleging that the Group provided ready-mixed concrete with defects in quality. CDC claimed for compensation of $ 34,580 thousand. Subsequently, the claim was reduced to $ 27,930 thousand. The case is currently under trial for the third trial in Taichung Supreme Court. The Group cannot eliminate the possibility of defeated in the suit or possible settlement; therefore, an estimated contingent liability is recognized under Other Payables.

e. The Group supplied ready-mixed concrete to Chuan-Feng Construction Inc. (Chuan-Feng) Chuan-feng sought against the Group recovery of damage of $ 18,827 thousand due to defective found in the project of “Guo-hsiung Grand Ju-li” (the Project) contracted by Chuan-Feng. The case is currently under trial for the first trial at Taichung District Court. Nevertheless, the recovery of damage sought by the resident of the Project against Guo-hsiung Enterprise is undecided and therefore it is adjudicated by the court that the case is temporarily stay. It is the assessment of the Group that the result of the legal proceeding is yet to be estimated, therefore no contingent liability is appropriated.

f. The Group entered into an contract with Chi-ying Inc. (Chi-ying) on the manufacturing and installation equipment and request a plan of change in accordance with the contract. Chi-ying contended that it has complete the manufacturing of the product and demand the payment of $ 5,967 thousand (VAT included). Subsequently, the claim was reduced to $ 5,120 thousand. The case is currently under trial for the first trial at Chiao-Tou District Court. It is the assessment of the Group that the result of the legal proceeding is yet to be estimated, therefore no contingent liability is appropriated.

g. The Group has outsourced its transportation of ready-mixed concrete to Lian-Chin Enterprise Inc. in 2020. The driver was sued for wrongful death due to malpractice. The family of the victim brought a claim against the driver and held the Group jointly liable for the loss of $ 5,681 thousand. The case is currently under trial at Feng-Shan Summary Court of Kaohsiung District Court. It is the assessment of the Group that the result of the legal proceeding is yet to be estimated, therefore no contingent liability is appropriated.

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group entities’ significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2021

	Foreign Currencies (In Thousand)	Exchange Rate	Carrying Amount (In Thousand)
Financial assets			
Monetary items			
USD	$ 431	27.68	$ 11,937
RMB	902	4.344	3,918
EUR	136	31.32	4,244

December 31, 2020

	Foreign Currencies (In Thousand)	Exchange Rate	Carrying Amount (In Thousand)
Financial assets			
Monetary items			
USD	$ 187	28.48	$ 5,316
RMB	1,147	4.377	5,019

The Company is mainly exposed to USD. The following information was aggregated by the functional currencies of the group entities, and the exchange rates between respective functional currencies and the presentation currency were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

Functional Currencies	For the Year Ended December 31, 2021		For the Year Ended December 31, 2020	
	Exchange Rate	Net Foreign Exchange Loss	Exchange Rate	Net Foreign Exchange Gain
NTD	1(NTD:NTD)	$ (540)	1 (NTD:NTD)	$ (1,066)

36. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others. (Table 1)

2) Endorsements/guarantees provided. (Table 2)

3) Marketable securities held (excluding investment in subsidiaries and associates). (Table 3)

4) Marketable securities acquired and disposed of at costs or prices of at least NT$ 300 million or 20% of the paid-in capital. (Table 4)

5) Acquisition of individual real estate at cost of at least NT$ 300 million or 20% of the paid-in capital. (N/A)

6) Disposal of individual real estate at a price of at least NT$ 300 million or 20% of the paid-in capital. (N/A)

7) Total purchases from or sales to related parties amounting to at least NT$ 100 million or 20% of the paid-in capital. (Table 5)

8) Receivables from related parties amounting to at least NT$ 100 million or 20% of the paid-in capital. (N/A)

9) Trading in derivative instruments. (N/A)

10) Intercompany relationships and significant intercompany transactions. (Table 7)

b. Related information on investees. (Table 6)

c. Information on investments in mainland China

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

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: (N/A)

   b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: (N/A)

c) The amount of property transactions and the amount of the resultant gains or losses: (N/A)

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: (N/A)

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: (N/A)

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 receiving of services: (N/A)

d. Information on major shareholders: name, number and percentage of shareholding of shareholders with ownership achieving 5% and above. (Table 8)

37. SEGMENT INFORMATION

a. Operating segments information

For the purpose of resource allocation and performance assessment, the chief operating decision maker assesses performance and allocates resources of the operating segments based on each operating segment's products.

The Group's reportable segments are as follows:

1) Building materials business - manufacture, sell and research cement, concrete and gypsum board

2) Assets management center - serve as the department of joint venture and others

b. Segment revenues and operating results

Analysis by reportable segment of revenue and operating results of continuing operations are as follows:

For the year December 31, 2021

	Building Materials Division	Assets Management Center	Adjustment and Elimination	Total
Revenue from external customers	$ 6,043,633	$ 35,475	$ -	$ 6,079,108
Inter-segment revenues	22,784	-	(22,784)	-
Segment revenues	$ 6,066,417	$ 35,475	$ (22,784)	$ 6,079,108
Segment profit	$ 886,262	$ 434,530	$ (51,238)	$ 1,269,554
Interest expenses				(29,292)
Profit before income tax				$ 1,240,262

For the year December 31, 2020

	Building Materials Division	Assets Management Center	Adjustment and Elimination	Total
Revenue from external customers	$ 5,411,764	$ 14,453	$ -	$ 5,426,217
Inter-segment revenues	10,296	-	(10,296)	-
Segment revenues	$ 5,422,060	$ 14,453	$ (10,296)	$ 5,426,217
Segment profit	$ 572,332	$ 803,109	$ (46,526)	$ 1,328,915
Interest expenses				(31,401)
Profit before income tax				$ 1,297,514

Segment profit represented the profit before tax earned by each segment. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

The chief operating decision maker of the Group makes decisions based on the operating results of each segment, there was no information about the assessment of assets and liabilities classified through business activity performance, thence only listing revenue and results of reportable segments.

c. Geographical information

The Group's revenues are mainly from Taiwan, ROC.

Refer to consolidated balance sheets for the information of non-current assets.

d. Revenue from major products and services

An analysis of the Group's revenue is determined in the manner described in Note 24.b.

e. Information about major customers

Single customer who contributed 10% or more to the Group's revenue is as follows:

	For the Year Ended December 31			
	2021	**%**	**2020**	**%**
Hung Hsin Building Materials Ltd. (Note)	$ 526,861	9	$ 525,912	10

Note : Revenue from selling cement

TABLE 1

UNIVERSAL CEMENT CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Amounts In Thousands of New Taiwan Dollars, Unless Specified otherwise)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature for Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limits for Each Borrower （Note 2）	Aggregate Financing Limits (Note 3)
													Item	Value		
0	The Company	Uneo Incorporated	Other receivables	Yes	$ 100,000	$ 100,000	$ -	1	For short-term financing	$ -	Operating capital	$ -	None	$ -	$ 7,693,386	$ 7,693,386
0	The Company	Universal Investment Corporation	Other receivables	Yes	800,000	800,000	85,000	1	For short-term financing	-	Operating capital	-	None	-	7,693,386	7,693,386
0	The Company	Universal Concrete Industrial Corporation	Other receivables	Yes	300,000	300,000	20,000	1	For short-term financing	-	Operating capital	-	Land	185,609	7,693,386	7,693,386

Note 1: a: “0” is the Company.
b: Subsidiaries are numbered from “1”.

Note 2: The upper limit for each borrower is 40% of the Company’s net asset value as stated in the latest financial statements.

Note 3: The aggregate limit for each borrower is 40% of the Company’s net asset value as stated in the latest financial statements.

TABLE 2

UNIVERSAL CEMENT CORPORATION AND SUBSIDIARIES

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

No. (Note 1)	Endorser / Guarantor	Endorsee / Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed / Guaranteed During the Period	Outstanding Endorsement / Guarantee at the End of the Period (Note 6)	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 4 , Note 5, Note 7)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 2)										
0	The Company	Uneo Incorporated	(1)	$ 60,000	$ 50,000	$ 50,000	$ -	$ -	-	$ 19,233,465	Y	N	N
		Universal Investment Corporation	(1)	750,000	400,000	400,000	100,000	-	2	19,233,465	Y	N	N
		Universal Concrete Industrial Corporation	(1)	132,329	120,000	120,000	-	-	1	19,233,465	Y	N	N
1	Kaohsiung Harbor Transport Company	Universal Concrete Industrial Corporation	(3)	487,450	166,541	162,241	-	-	166	974,900	N	N	N
		The Company	(2)	487,450	409,929	319,928	-	-	328	974,900	N	Y	N
2	Universal Investment Corporation	Universal Concrete Industrial Corporation	(3)	3,841,535	9,949	-	-	-	-	7,683,070	N	N	N
		The Company	(2)	3,841,535	279,816	279,816	-	-	36	7,683,070	N	Y	N

Note 1: a: “0” is the Company.
b: Subsidiaries are numbered from “1”.

Note 2: (1) The endorser / guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed / guaranteed subsidiary.
(2) The endorser / guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed / guaranteed company.
(3) The endorsed / guaranteed company owns directly and indirectly more than 50% voting shares of the endorser / guarantor parent company.

Note 3: The upper limit for the Company is equivalent to the capital of the endorsee; the upper limit for subsidiaries is equivalent to the net asset value of the subsidiaries as stated in its latest financial statements except that it is five times of the net asset value of Kaohsiung Harbor Transport Company and Universal Investment Corporation.

Note 4: The upper limit for the Company is equivalent to the net asset value of the Company.

Note 5: The upper limit for the subsidiary is equivalent to the net asset value of the subsidiary as stated in its latest financial statements, unless the Company or other subsidiaries give more guarantee.

Note 6: The limits were approved by the board of directors.

Note 7: The upper limit for the subsidiary is equivalent to ten times of the net asset value of the subsidiary as stated in its latest financial statements.

UNIVERSAL CEMENT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2021
(Amounts In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021 Shares/ Units	Carrying Value	Percentage of Ownership (%)	Fair Value Or Net Equity	Note
The Company	Listed shares							
	Prince Housing & Development Corp.	The president of the Company serves as a member of its board of directors	Financial assets at FVTOCI - current	40,621,948	$ 544,334	2.50	$ 544,334	
	CTBC Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - current	28,441,983	738,069	0.15	738,069	
	Asia Pacific Telecom Corp.	-	Financial assets at FVTOCI - current	3,277,157	26,938	0.08	26,938	
	CHC Resources Co., Ltd.	The Company serves as a member of its board of directors	Financial assets at FVTOCI - current	17,020,254	771,869	6.85	771,869	
	Creative Sensor Inc.	-	Financial assets at FVTOCI - non - current	13,000,000	271,050	8.72	271,050	
	Creative Sensor Inc.	-	Financial assets at FVTPL - current	273,000	6,866	0.21	6,866	
	Unlisted shares							
	Grand Bills Finance Co., Ltd.	The Company serves as a member of its board of directors	Financial assets at FVTOCI - non - current	43,999,488	764,711	8.14	764,711	
	Universal Cement Development Co., Ltd.	The Company serves as a member of its board of directors	Financial assets at FVTOCI - non - current	24,864,000	513,193	16.44	513,193	
	Universal Venture Capital Co., Ltd.	-	Financial assets at FVTOCI - non - current	1,400,000	11,413	1.16	11,413	
	CTBC Investments Corp.	-	Financial assets at FVTOCI - non - current	3,303,325	139,219	1.05	139,219	
	Kaohsiung Rapid Transit Corp.	-	Financial assets at FVTOCI - non - current	1,286,063	10,350	0.46	10,350	
	Jie-Ho Development Co., Ltd.	-	Financial assets at FVTOCI - non - current	171,133	-	0.16	-	
	Huan Rong Hsin Resource Technology Corp.	-	Financial assets at FVTOCI - non - current	600,000	-	30.00	-	
Universal Investment Corporation	Mutual funds							
	Cathay No. 2 Real Estate Investment Trust	-	Financial assets at FVTPL - current	24,000	471	-	471	
	Listed shares							
	Prince Housing & Development Corp.	The president of the Company serves as a member of its board of directors.	Financial assets at FVTOCI - current	34,928,900	468,048	2.15	468,048	
	Tainan Spinning Co., Ltd.	The legal entity as director and the president of the Company serve as representatives of the legal entity.	Financial assets at FVTOCI - current	55	1	-	1	
	Teco Electric & Machinery Co., Ltd.	-	Financial assets at FVTPL - current	2,300,000	72,795	0.11	72,795	
	Teco Image Systems Co., Ltd.	-	Financial assets at FVTPL - current	602,000	10,234	0.53	10,234	
	Creative Sensor Inc.	-	Financial assets at FVTOCI - non - current	9,000,000	187,650	6.04	187,650	
	Unlisted shares							
	Pan Asia (Engineers & Constructors) Corporation.	Subsidiary serves as supervisor	Financial assets at FVTOCI - non-current	3,102,803	37,823	2.71	37,823	
	Chinese Products Promotion Center	-	Financial assets at FVTOCI - non-current	7,540	540	1.98	540	

UNIVERSAL CEMENT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2021
(Amounts In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares/ Units	Carrying Value	Percentage of Ownership (%)	Fair Value Or Net Equity	
	Da Jen Venture Capital Co., Ltd.	The legal entity as director of the Company serves as a member of its board of directors.	Financial assets at FVTOCI - non-current	1,683,000	27,186	8.06	27,186	
	DarChan Venture Capital Co., Ltd.	The legal entity as director of the Company serves as supervisor.	Financial assets at FVTOCI - non-current	4,000,000	35,939	3.64	35,939	
	Limited partnership							
	Taiwania Capital Buffalo Fund V, LP.	-	Financial assets at FVTPL - non-current	-	22,022	3.23	22,022	

TABLE 4

UNIVERSAL CEMENT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEARS ENDED DECEMBER 31, 2021
(Amounts In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
The Company	Listed shares													
	Creative Sensor Inc.	Financial assets at FVTPL - current	-	-	-	$ -	2,067,000	$ 59,033	1,794,000	$ 52,658	$ 51,248	$ 1,410	273,000	$ 6,866
	Privately offered shares													
	Creative Sensor Inc.	Financial assets at FVTOCI - non-current	-	-	-	-	13,000,000	305,370	-	-	-	-	13,000,000	271,050
Universal Investment Corporation	Listed shares													
	Creative Sensor Inc.	Financial assets at FVTPL - current	-	-	-	-	230,000	6,599	230,000	6,949	6,599	350	-	-
	Privately offered shares													
	Creative Sensor Inc.	Financial assets at FVTOCI - non-current	-	-	-	-	9,000,000	211,410	-	-	-	-	9,000,000	187,650

TABLE 5

UNIVERSAL CEMENT CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEARS ENDED DECEMBER 31, 2021
(Amounts In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
The Company	Kaohsiung Harbor Transport Company	Subsidiary	Purchase (Freight)	$ 231,872	8	45 ~ 60 days after acceptance	Note	Equivalent	($ 33,121)	(5)	
	CHC Resources Corp.	The key management of the Group serves as a member of its board of directors	Purchase	217,957	8	30 ~ 65 days after acceptance	Equivalent	Equivalent	(26,611)	(4)	

Note : The purchase prices have no comparison with those from third parties.

UNIVERSAL CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2021
(Amounts In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2021			Net Income (Loss) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Amount			
The Company	Huanchung Cement International Corporation	Taichung city	Import, export, and sale of cement, cement material, fuel, and production	$ 69,993	$ 69,993	6,999,333	69.99	$ 112,282	$ 17,591	$ 12,314	
	Chiayi Concrete Industrial Corporation	Chiayi County	Manufacturing and marketing of ready-mixed concrete	22,643	22,643	2,252,378	86.63	40,619	(136)	(118)	
	Kaohsiung Harbor Transport Company	Kaohsiung city	Trucking operation	74,580	74,580	7,560,000	100.00	97,490	2,950	2,950	
	Universal Investment Corporation	Taipei city	Investment activities	650,000	250,000	75,000,000	100.00	768,307	9,170	9,170	
	Universal Concrete Industrial Corporation	Taichung city	Manufacturing and marketing of ready-mixed concrete and gravel	33,774	32,284	7,691,411	58.12	137,759	50,220	29,331	
	Uneo Incorporated	Taipei city	Marketing of electronic Products	291,671	291,671	6,000,000	100.00	43,336	(2,053)	(2,053)	
	Li Yong Development Corporation	Taipei city	Investment activities, trading for real estate and leasing business	20,000	20,000	2,000,000	100.00	19,566	(434)	(434)	
	Lioho Machine Works Ltd.	Taoyuan city	Manufacturing and marketing of metal parts and automotive components	174,997	174,997	89,581,468	29.86	9,810,809	1,240,141	370,306	
	Tainan Concrete Industrial Corporation	Tainan city	Manufacturing and marketing of ready-mixed concrete	68,454	41,454	1,265,000	42.17	81,764	6,348	2,594	
Universal Investment Corporation	Universal Concrete Industrial Corporation	Taichung city	Manufacturing and marketing of ready-mixed concrete and gravel	858	858	115,494	0.87	858	-	-	
	Chiayi Concrete Industrial Corporation	Chiayi County	Manufacturing and marketing of ready-mixed concrete	5	5	361	0.01	5	-	-	
	Huanchung Cement International Corporation	Taichung city	Import, export, and sale of cement, cement material, fuel, and production	13	13	667	0.01	13	-	-	
	Tainan Concrete Industrial Corporation	Tainan city	Manufacturing and marketing of ready-mixed concrete	178	178	10,000	0.33	179	-	-	
	Lioho Machine Works Ltd.	Taoyuan city	Manufacturing and marketing of metal parts and automotive components	93	93	1,680	-	93	-	-	

TABLE 7

UNIVERSAL CEMENT CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Amounts In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% to Total Sales or Assets
0	The Company	Kaohsiung Harbor Transport Company	(1)	Freight expense	$ 231,872	The prices to related parties were not significantly different from those to third parties. Credit terms were 45 to 60 days after acceptance.	4
		Kaohsiung Harbor Transport Company	(1)	Accounts payable	13,918	The prices to related parties were not significantly different from those to third parties. Credit terms were 45 to 60 days after acceptance.	-
		Kaohsiung Harbor Transport Company	(1)	Other payables	19,203	The prices to related parties were not significantly different from those to third parties. Credit terms were 45 to 60 days after acceptance.	-
		Uneo Incorporated	(1)	Sales revenue	22,784	The sales prices have no comparison with those from third parties, net 60 days after shipment.	-
		Uneo Incorporated	(1)	Accounts receivable	5,013	The sales prices have no comparison with those from third parties, net 60 days after shipment.	-
		Universal Investment Corporation	(1)	Other receivables	85,000	Financing	-
		Universal Concrete Industrial Corporation	(1)	Other receivables	20,000	Financing	-
1	Huanchung Cement International Corporation	Universal Concrete Industrial Corporation	(3)	Sales revenue	102,379	The prices and terms to related parties were not significantly different from transactions with third parties. The credit terms were 90 to 120 days after shipment.	2
		Universal Concrete Industrial Corporation	(3)	Accounts receivable	15,103	The prices and terms to related parties were not significantly different from transactions with third parties. The credit terms were 90 to 120 days after shipment.	-

Note 1: The transaction relationships with the counterparties are as follows:
No. 1: Represents transactions from parent Company to subsidiary.
No. 2: Represents transactions from the subsidiary to the parent Company.
No. 3: Represents transactions among subsidiaries.

Note 2: All the transactions had been eliminated when preparing consolidated financial statements.

UNIVERSAL CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON MAJOR SHAREHOLDERS
FOR THE YEAR ENDED DECEMBER 31, 2021

Name of the major shareholder	Shares	
	Number of shares held (share)	Shareholding (%)
Sheng Yuan Investment Corp.	65,255,811	9.98%
Yu-Sheng Investment Inc.	64,532,037	9.87%
HOU, BO-YI	50,888,251	7.78%
PICTET investment account entrusted to HSBC	38,867,405	5.94%

Note 1: The information on major shareholders in the table is information related to shareholders with aggregate ownership in the Company achieving 5% and above by holding ordinary shares and special shares that completed the non-physical registration and delivery (including treasury shares), calculated by the TDCC on the last business day at the end of the quarter. The share capital stated in the consolidated financial report of the Company may differ from the number of shares that completed the non-physical registration and delivery due to the differences in the basis of preparation and calculation.

Note 2: Regarding the information above, where shareholders entrust their shares with a trust, the information shall be disclosed in a separate personal account of the client in the nature of a trust account opened by the trustee. When shareholders with shareholding over 10% carrying out the insider’s equity report according to laws and regulations related to securities trading, the shareholding shall include its personal shareholding, plus shares entrusted with trust and possessing the right of utilization and decision-making. For information on the insider’s equity report, please refer to MOPS.