

**C h i a   H s i n   C e m e n t   C o r p o r a t i o n**  
**Minutes of 2019 Annual General Shareholders' Meeting**  
(Translation)

Time and Date : 9:00 a.m., Friday, June 21, 2019

Venue : 1F, No. 96 Zhong Shan North Road Sec. 2, Taipei, Taiwan

Total outstanding shares of the Company : 644,410,228 shares

Total shares represented by shareholders present in person or by proxy : 541,262,994 shares

Percentage of shareholding of the shareholders present in person or by proxy : 83.99%

Present Directors : Jason Kang-Lung Chang, Chi-Te Chen, Pan Howard Wei-Hao

Present Independent Directors : Robert K. Su, Chia-Shen Chen

Attendance : Shelly M.L. Chen, Chen & Lin Attorneys-at-Law  
Robert Yu, CPA, Deloitte Taiwan

Chairman : Jason Kang-Lung Chang, Chairman of the Board of Directors

Recorder : Hsiao-Yun Yu

Commencement : The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

Chairman's Address (Omitted)

# Matters to Report

## 1 、Business and Financial Statements of 2018

### 【 Business Report 】

Impacted by the continued recovery of global economy market growth, Taiwan's economy performed rather well in the first half of 2018. However, due to accelerating of US-China trade war, growth of the second half of the year slowed down. Although the overall performance of the real estate market is better than the year 2017, it is still foreseen relatively low in the long term. The domestic cement consumption reached 10.65 million metric tons, increased by 5% from previous year. In 2018, the Company sold 452,000 metric tons of cement with a relative growth rate of 14% comparing to the year 2017. Rental and leasing business remained stable but yet service revenue decreased resulting from the shrinkage of unloading business operation at the First Bulk Cargo Center in Taipei Port.

As for the subsidiary Jaho Health Life Plus + Management Corp. Ltd., and its postnatal care center cooperating strategically with the professional medical and nursing team of Gem care, maintained good performance with high room occupancy rate. The construction of another new postnatal care center has commenced, expecting to start operation in the year 2019. In addition, foreseeing the rapid growth and high demand and of the postnatal care business in China, the Company has invested to establish for business expansion a postnatal care center in the province of Yangzhou of Mainland China.

Lastly, the construction of Naha Kokusai Dori international hotel in Okinawa, Japan is progressing as scheduled. Beam topping of ceremony was conducted at the site at end of December 2018. It is anticipated the interior construction works together with equipment and furniture purchases to be on scheduled for completion of construction and hotel soft open at end of the year 2019.

#### 1. Operating Performance:

The 2018 consolidated sales revenue of the Group was NTD 996,482 thousand; rental revenue was NTD 462,437 thousand and service revenue was NTD 633,487 thousand. Total operating revenue for the year 2018 amounted to 2,092,406 thousand, an increase of NTD 9,133,000, comparing to NTD2,083,273 thousand in 2017 for an increase of 0.44%.

#### 2. Revenue of Main Business:

##### (1) Sales revenue:

Cement and Sales Revenue:

Taiwan Area: Purchased 442,000 metric tons of cement and sold 452,000 metric tons of cement.

(2) Rental revenue:

Main source of rental revenue came from the rental income of Chia Hsin Building, Dazhi Financial Building and the Hasmore Building with an occupancy rate of 91.2%.

(3) Service Revenue:

Cargo loading and unloading operations at Taipei Port: Total loading and unloading of 2,013,000 MT of coal and of sand and gravel and 2,815,000 MT of other bulk and general cargo

### **3. Financial Report:**

The Company's 2018 consolidated net profit was NTD 427,880 thousand with consolidated continuing operating income after tax NTD 254,597 thousand; Union Cement Co. Ltd. discontinued operation income after tax and net profit after tax was NTD 514,526 thousand and consolidated net profit after tax reached NTD 769,123 thousand. Consolidated net profit after tax attributable to owners of the Company was NTD 699,755 thousand and profit per share (after tax) was NTD1.09. Total assets in the consolidated financial statements amounted to NTD 31,985,629 thousand and the total liabilities amounted to NTD 11,065,810 thousand. Current ratio was 349% and the total equity attributable of the Company amounted to a total of NTD 19,019,812 thousand with self-owned capital ratio of 59%.

### **4. Other major events to report:**

(I) The liquidation of the subsidiary Jiangsu United Cement Co., Ltd. Is ongoing and disposal of assets has been completed. Regarding the disposal of land, including buildings, plants and other accompanying facilities, the Zhenjiang Municipal Government has taken back the use of the state owned rights with the offer for compensation in the amount of RMB 2.288 billion; adding the disposal of machinery and equipment sold by procedure of public tendering and sale of spare parts, the total acquisition amounts to RMB 42,000,000. Moreover, in order to adopt Mainland China government's "capacity replacement" policy to better control the excess capacity of cement clinker, Jiangsu Union Cement sold its 1 million tons capacity index for RMB 55,000,000. As a result of all the great efforts put in as well as the hardships that the Company has gone through, the Company successfully concluded the aforementioned liquidation procedures. In 2018, after recognizing gains from reversal of impairment losses previously provided and assets disposition gains and deducting liquidation expenses, current net profit after tax from discontinued operation (Jiangsu Union Cement) amounts to NTD 514,526,000.

Currently, delivery and settlement of the land is still in progress mainly due to the value and solutions on the damages made on some buildings and facilities and destroyed caused by the ongoing works for dismantling of the machinery and equipment are still to be determined. It is anticipated that the profit on disposal of land can be recognized in the year 2019.

(II) Coping with the comprehensive development project along Huangpu River in Shanghai, in 2018 the Company's subsidiary Shanghai Jia Huan Concrete Co., Ltd, through related city government department, sold the use right of its state-owned factory land and buildings located at Huajing Town in Shanghai for RMB 105,430,000. Shanghai Jia Huan was originally a joint venture company. In 2012, although the other joint venture party decided to withdraw from the investment due to the joint venture's weakening market competitiveness, the Company still foresaw the promising future on land value in the area and decided to keep the company. The joint venture party then withdrew the shares by means of capital reduction. Subsequently, Jia Huan continued operation by renting out its facility and equipment. Meanwhile, the disposal of Huajing factory land contributed relatively high yield of profit for the company. It is anticipated that same business model can be applied to the land of Zhenda Road factory.

After the disposal, Jia Huan Cement is in the process to apply for a tax exemption on land value incremental tax. The final title transfer of property will only be completed after the tax authority's approval, at which time, the profit of approximately RMB 70 million will be recognized.

Chairman: Chang Kang-Lung

President: Chi Shih-Chu

Accounting Supervisor: Chuang Shu-Ching

## 2 、 Audit Committee's Review Business and Financial Statements of 2018

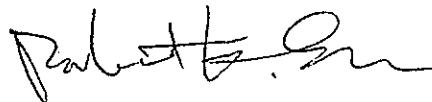
### Chia Hsin Cement Corporation

#### Audit Committee's Review Report

We have examined the Company's 2018 Business Report, Financial Statements of December 31, 2018, and the proposed plan to distribute earnings, and we did not find any improper items in the above-mentioned reports and statements. We hereby report to the 2019 General Meeting of Shareholders in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law as such.

Independent Directors:

Su, Robert K.



Chen, Kuan-Ming



Chen, Chia-Shen



Apr. 25, 2019

### **3 、 Employees' and Directors' Compensation of 2018**

Pursuant to Paragraph 1 of Article 26 of the Company's Articles of Incorporation, if the Company shows a net profit for the year, the Company shall allocate 0.01% to 3%. of the profit as employees' compensation and not higher than 3% of the profit as directors' compensation.

The Company shows a profit of NTD 790,494,488 in 2018 thus proposes to allocate around 1.23% as employees' compensation in cash of NTD 9,750,000 and around 1.23% in cash of NTD 9,750,000 as directors' compensation.

## **4 、 Implementation of Share Buyback Program**

### **【Board of Directors' Resolution】**

- (1) Date: November 13<sup>th</sup>, 2018
- (2) Purpose of the Repurchase: To transfer to employees
- (3) Planned period for the repurchase :11/14/ 2018 – 01/11/ 2019
- (4) Planned number of shares to be repurchased: 3,000,000 shares of common stock
- (5) Price range of the shares to be repurchased: NTD 9 to NTD 18 per share

### **【Implementation】**

- (1) Actual period for the repurchase: 11/14/ 2018 – 01/11/ 2019
- (2) Actual number of shares repurchased: 3,000,000 shares of common stock
- (3) Actual total monetary number of shares repurchased: NTD 41,072,581
- (4) Average price repurchased per share: NTD 13.69
- (5) Ratio of the shares repurchased to total issued shares of the company: 0.39%

Explanatory Notes: The First Rules on Transfer Repurchased Shares to Employees for the Year of 2018 is attached hereto as Meeting Handbook Appendix 2 pages 79~80.

## **5 、 Other Matters**

(1) Related Parties' Transactions (Annex 1 – Page 30)

(2) Implementation of 2018 Endorsements/Guarantees (Annex 2 – page 31)

Explanatory Notes: For details of the aforementioned, please refer to pages 30~31.



# Matters for Ratification

## 【1、To Approve 2018 Business and Financial Statements】

(Proposed by the Board of Directors)

Description：

- 1、The Company's 2018 Business Report and Consolidated Financial Statements have been audited by CPAs of Deloitte & Touche.
- 2、The aforementioned final accounts have been reviewed and approved by the Board Meeting and by the Audit Committee.
- 3、Please approve the aforementioned Business Report and Financial Statements.

Annex：

- 1、2018 Business Report：Please refer to pages 2~4.
- 2、Committee's Audit Report：Please refer to pages 10~18.
- 3、Financial Statements：Please refer to pages 32~46.

Explanatory Notes: The Company's 2018 Business Report and Financial Statements are available on CHC website (<http://mops.twse.com.tw>)

**Resolution：** Proposal approved

Voting Results：Attendance of voting rights of shareholders: 541,104,751

Number of Votes		Percentage
Votes in <b>favor</b>	499,866,556 (Including 12,358,080 electronic voting)	<b>92.37%</b>
Votes against	193,532 (Including 173,532 electronic voting)	0.03%
Votes Abstaining /No votes	41,044,663 (Including 6,190,250 electronic voting)	7.58%

### 會計師查核報告

嘉新水泥股份有限公司 公鑒：

#### 查核意見

嘉新水泥股份有限公司及子公司（嘉泥集團）民國 107 年及 106 年 12 月 31 日之合併資產負債表，暨民國 107 年及 106 年 1 月 1 日至 12 月 31 日之合併綜合損益表、合併權益變動表及合併現金流量表，以及合併財務報表附註（包括重大會計政策彙總），業經本會計師查核竣事。

依本會計師之意見，第一段所述合併財務報表在所有重大方面係依照證券發行人財務報告編製準則及經金融監督管理委員會認可並發布生效之國際財務報導準則、國際會計準則、解釋及解釋公告編製，足以允當表達嘉泥集團民國 107 年及 106 年 12 月 31 日之合併財務狀況，暨民國 107 年及 106 年 1 月 1 日至 12 月 31 日之合併財務績效及合併現金流量。

#### 查核意見之基礎

本會計師係依照會計師查核簽證財務報表規則及一般公認審計準則執行查核工作。本會計師於該等準則下之責任將於會計師查核合併財務報表之責任段進一步說明。本會計師所隸屬事務所受獨立性規範之人員已依會計師職業道德規範，與嘉泥集團保持超然獨立，並履行該規範之其他責任。本會計師相信已取得足夠及適切之查核證據，以作為表示查核意見之基礎。

#### 關鍵查核事項

關鍵查核事項係指依本會計師之專業判斷，對嘉泥集團民國 107 年度合併財務報表之查核最為重要之事項。該等事項已於查核合併財務報表整體及形成查核意見之過程中予以因應，本會計師並不對該等事項單獨表示意見。

茲對嘉泥集團民國 107 年度合併財務報表之關鍵查核事項敘明如下：

待出售非流動資產及停業單位之表達與揭露

關鍵查核事項說明

嘉泥集團之董事會於 105 年 12 月 30 日決議辦理子公司江蘇聯合水泥有限公司清算解散案，目前已依法進行解散清算之必要法定程序，並於 107 年 5 月就不動產、廠房及設備與鎮江城市建設產業集團有限公司簽訂收回資產補償及轉讓協議。另嘉泥集團於 107 年 6 月 26 日經董事會同意授權子公司上海嘉環混凝土有限公司，得配合上海市環境整治之土地儲備計畫，予以處分其位於上海市徐匯區之濱江廠房及土地使用權。上海嘉環混凝土有限公司並於 107 年 8 月與收儲單位，上海市徐匯區土地儲備中心及上海徐匯濱江開發投資建設有限公司完成收購儲備補償合同之簽屬。

由於上述資產處置計算經管理階層評估將於一年內完成，依照國際財務報導準則第 5 號「待出售非流動資產及停業單位」之規定，依帳面價值與公允價值減出售成本孰低衡量，並轉列待出售非流動資產，考量該項資產金額重大且對合併財務報表之分類及表達涉及管理階層評估資產出售之可能性，因是本會計師將待出售非流動資產之查核列為嘉泥集團之關鍵查核事項之一。截至民國 107 年 12 月 31 日，待出售非流動資產帳面價值為 483,105 仟元，相關會計政策之說明及附註揭露資訊請參閱合併財務報表附註四及十四。

因應之查核程序

本會計師對於上述重大交易已執行主要查核程序如下：

1. 對嘉泥集團取得處分資產處理程序與內部控制進行了解，據以評估重大資產交易之內部控制其設計及執行係屬有效。
2. 檢視董事會決議處置資產之議事錄及簽訂之資產處置契約，確認管理當局已取得購買承諾及符合可依一般條件及商業慣例出售，據以評估轉列待出售非流動資產之時點為適當。
3. 確認分類為待出售非流動資產時，管理階層取得該資產之淨公平價值評價資訊，評估公平市價之合理性，並重新計算減損損失（回升利益）之金額。
4. 複核管理階層對待出售非流動資產（待出售處分群組）及停業單位之表達是否符合規定，以確定財務報表表達之允當性。

## 水泥業務之主要客戶銷貨

### 關鍵查核事項說明

嘉泥集團之營業收入主要來自水泥銷售業務，其中 107 年度來自水泥業務之銷售金額為 987,785 仟元，佔合併營業收入之比例為 47%，由於嘉泥集團水泥業務之銷售對象較為集中，且給予部分主要客戶較長之授信期間，考量與此類主要客戶之交易金額重大，且週轉天數較長，因此將該類型之主要客戶交易列為關鍵查核事項之一。

與收入認列相關會計政策之說明及營業收入之附註揭露資訊請參閱合併財務報表附註四及二六。

### 因應之查核程序

本會計師對於上述重大交易已執行主要查核程序如下：

1. 本會計師瞭解相關水泥業務內部控制，據以設計因應該風險之相關內部控制查核程序，以確認並評估進行銷貨交易時之相關內部控制作業是否有效。
2. 本會計師取得主要客戶提單訂發欠明細，並選取適當樣本，檢視銷售水泥登記卡及出廠單等文件，以確認銷貨交易之真實性。
3. 本會計師針對主要客戶執行比較本年度和以前年度營業收入變化、毛利率波動變化及應收帳款週轉天數與授信條件差異分析，並評估合理性。
4. 向水泥業務之主要客戶發出銷售函證，並針對未回函者執行替代性查核程序，以確認水泥銷售收入是否真實發生。

### 其他事項

嘉新水泥股份有限公司業已編製民國 107 及 106 年度之個體財務報表，並經本會計師出具無保留意見之查核報告在案，備供參考。

### 管理階層與治理單位對合併財務報表之責任

管理階層之責任係依照證券發行人財務報告編製準則及經金融監督管理委員會認可並發布生效之國際財務報導準則、國際會計準則、解釋及解釋公告編製允當表達之合併財務報表，且維持與合併財務報表編製有關之必要內部控制，以確保合併財務報表未存有導因於舞弊或錯誤之重大不實表達。

於編製合併財務報表時，管理階層之責任亦包括評估嘉泥集團繼續經營之能力、相關事項之揭露，以及繼續經營會計基礎之採用，除非管理階層意圖清算嘉泥集團或停止營業，或除清算或停業外別無實際可行之其他方案。

嘉泥集團之治理單位（含審計委員會）負有監督財務報導流程之責任。

#### **會計師查核合併財務報表之責任**

本會計師查核合併財務報表之目的，係對合併財務報表整體是否存有導因於舞弊或錯誤之重大不實表達取得合理確信，並出具查核報告。合理確信係高度確信，惟依照一般公認審計準則執行之查核工作無法保證必能偵出合併財務報表存有之重大不實表達。不實表達可能導因於舞弊或錯誤。如不實表達之個別金額或彙總數可合理預期將影響合併財務報表使用者所作之經濟決策，則被認為具有重大性。

本會計師依照一般公認審計準則查核時，運用專業判斷並保持專業上之懷疑。本會計師亦執行下列工作：

1. 辨認並評估合併財務報表導因於舞弊或錯誤之重大不實表達風險；對所評估之風險設計及執行適當之因應對策；並取得足夠及適切之查核證據以作為查核意見之基礎。因舞弊可能涉及共謀、偽造、故意遺漏、不實聲明或逾越內部控制，故未偵出導因於舞弊之重大不實表達之風險高於導因於錯誤者。
2. 對與查核攸關之內部控制取得必要之瞭解，以設計當時情況下適當之查核程序，惟其目的非對嘉泥集團內部控制之有效性表示意見。
3. 評估管理階層所採用會計政策之適當性，及其所作會計估計與相關揭露之合理性。
4. 依據所取得之查核證據，對管理階層採用繼續經營會計基礎之適當性，以及使嘉泥集團繼續經營之能力可能產生重大疑慮之事件或情況是否存在重大不確定性，作出結論。本會計師若認為該等事件或情況存在重大不確定性，則須於查核報告中提醒合併財務報表使用者注意合併財務報表之相關揭露，或於該等揭露係屬不適當時修正查核意見。本會計師之結論係以截至查核報告日所取得之查核證據為基礎。惟未來事件或情況可能導致嘉泥集團不再具有繼續經營之能力。

5. 評估合併財務報表（包括相關附註）之整體表達、結構及內容，以及合併財務報表是否允當表達相關交易及事件。

6. 對於集團內組成個體之財務資訊取得足夠及適切之查核證據，以對合併財務報表表示意見。本會計師負責集團查核案件之指導、監督及執行，並負責形成集團查核意見。

本會計師與治理單位溝通之事項，包括所規劃之查核範圍及時間，以及重大查核發現（包括於查核過程中所辨認之內部控制顯著缺失）。

本會計師亦向治理單位提供本會計師所隸屬事務所受獨立性規範之人員已遵循會計師職業道德規範中有關獨立性之聲明，並與治理單位溝通所有可能被認為會影響會計師獨立性之關係及其他事項（包括相關防護措施）。

本會計師從與治理單位溝通之事項中，決定對嘉泥集團民國 107 年度合併財務報表查核之關鍵查核事項。本會計師於查核報告中敘明該等事項，除非法令不允許公開揭露特定事項，或在極罕見情況下，本會計師決定不於查核報告中溝通特定事項，因可合理預期此溝通所產生之負面影響大於所增進之公眾利益。

勤業眾信聯合會計師事務所

會計師 虞 成 全

虞成全



會計師 張 耿 禧

張耿禧



證券暨期貨管理委員會核准文號  
台財證六字第 0930128050 號

證券暨期貨管理委員會核准文號  
台財證六字第 0920123784 號

中 華 民 國 108 年 3 月 27 日

### 會計師查核報告

嘉新水泥股份有限公司 公鑒：

#### 查核意見

嘉新水泥股份有限公司民國 107 年及 106 年 12 月 31 日之個體資產負債表，暨民國 107 年及 106 年 1 月 1 日至 12 月 31 日之個體綜合損益表、個體權益變動表及個體現金流量表，以及個體財務報表附註（包括重大會計政策彙總），業經本會計師查核竣事。

依本會計師之意見，上開個體財務報表在所有重大方面係依照證券發行人財務報告編製準則編製，足以允當表達嘉新水泥股份有限公司民國 107 年及 106 年 12 月 31 日之個體財務狀況，暨民國 107 年及 106 年 1 月 1 日至 12 月 31 日之個體財務績效及個體現金流量。

#### 查核意見之基礎

本會計師係依照會計師查核簽證財務報表規則及一般公認審計準則執行查核工作。本會計師於該等準則下之責任將於會計師查核個體財務報表之責任段進一步說明。本會計師所隸屬事務所受獨立性規範之人員已依會計師職業道德規範，與嘉新水泥股份有限公司保持超然獨立，並履行該規範之其他責任。本會計師相信已取得足夠及適切之查核證據，以作為表示查核意見之基礎。

#### 關鍵查核事項

關鍵查核事項係指依本會計師之專業判斷，對嘉新水泥股份有限公司民國 107 年度個體財務報表之查核最為重要之事項。該等事項已於查核個體財務報表整體及形成查核意見之過程中予以因應，本會計師並不對該等事項單獨表示意見。

茲對嘉新水泥股份有限公司民國 107 年度個體財務報表之關鍵查核事項敘明如下：

#### 水泥業務之主要客戶銷貨

##### 關鍵查核事項說明

嘉新水泥股份有限公司之營業收入主要來自水泥銷售業務，其中 107 年度來自水泥業務之銷售金額為 984,063 仟元，佔營業收入之比例為 82%，由於嘉新水泥股份有限公司水泥業務之銷售對象較為集中，且給予部分主要客戶較長之授信期間，考量與此類主要客戶之交易金額重大，且週轉天數較長，因此將該類型之主要客戶交易列為關鍵查核事項之一。

與收入認列相關會計政策之說明及財務報表附註揭露資訊請參閱合併財務報表附註四及附註二四。

##### 因應之查核程序

本會計師對於上述重大交易已執行主要查核程序如下：

1. 本會計師瞭解相關水泥業務內部控制，據以設計因應該風險之相關內部控制查核程序，以確認並評估進行銷貨交易時之相關內部控制作業是否有效。
2. 本會計師取得主要客戶提單訂發欠明細，並選取適當樣本，檢視銷售水泥登記卡及出廠單等文件，以確認銷貨交易之真實性。
3. 本會計師針對主要客戶執行比較本年度和以前年度營業收入變化、毛利率波動變化及應收帳款週轉天數與授信條件差異分析，並評估合理性。
4. 向水泥業務之主要客戶發出銷售函證，並針對未回函者執行替代性查核程序，以確認水泥銷售收入是否真實發生。

##### 管理階層與治理單位對個體財務報表之責任

管理階層之責任係依照證券發行人財務報告編製準則編製允當表達之個體財務報表，且維持與個體財務報表編製有關之必要內部控制，以確保個體財務報表未存有導因於舞弊或錯誤之重大不實表達。

於編製個體財務報表時，管理階層之責任亦包括評估嘉新水泥股份有限公司繼續經營之能力、相關事項之揭露，以及繼續經營會計基礎之採用，除非管理階層意圖清算嘉新水泥股份有限公司或停止營業，或除清算或停業外別無實際可行之其他方案。



嘉新水泥股份有限公司之治理單位（含審計委員會）負有監督財務報導流程之責任。

#### **會計師查核個體財務報表之責任**

本會計師查核個體財務報表之目的，係對個體財務報表整體是否存有導因於舞弊或錯誤之重大不實表達取得合理確信，並出具查核報告。合理確信係高度確信，惟依照一般公認審計準則執行之查核工作無法保證必能偵出個體財務報表存有之重大不實表達。不實表達可能導因於舞弊或錯誤。如不實表達之個別金額或彙總數可合理預期將影響個體財務報表使用者所作之經濟決策，則被認為具有重大性。

本會計師依照一般公認審計準則查核時，運用專業判斷並保持專業上之懷疑。本會計師亦執行下列工作：

1. 辨認並評估個體財務報表導因於舞弊或錯誤之重大不實表達風險；對所評估之風險設計及執行適當之因應對策；並取得足夠及適切之查核證據以作為查核意見之基礎。因舞弊可能涉及共謀、偽造、故意遺漏、不實聲明或踰越內部控制，故未偵出導因於舞弊之重大不實表達之風險高於導因於錯誤者。
2. 對與查核攸關之內部控制取得必要之瞭解，以設計當時情況下適當之查核程序，惟其目的非對嘉新水泥股份有限公司內部控制之有效性表示意見。
3. 評估管理階層所採用會計政策之適當性，及其所作會計估計與相關揭露之合理性。
4. 依據所取得之查核證據，對管理階層採用繼續經營會計基礎之適當性，以及使嘉新水泥股份有限公司繼續經營之能力可能產生重大疑慮之事件或情況是否存在重大不確定性，作出結論。本會計師若認為該等事件或情況存在重大不確定性，則須於查核報告中提醒個體財務報表使用者注意個體財務報表之相關揭露，或於該等揭露係屬不適當時修正查核意見。本會計師之結論係以截至查核報告日所取得之查核證據為基礎。惟未來事件或情況可能導致嘉新水泥股份有限公司不再具有繼續經營之能力。

5. 評估個體財務報表（包括相關附註）之整體表達、結構及內容，以及個體財務報表是否允當表達相關交易及事件。

6. 對於嘉新水泥股份有限公司內組成個體之財務資訊取得足夠及適切之查核證據，以對個體財務報表表示意見。本會計師負責查核案件之指導、監督及執行，並負責形成嘉新水泥股份有限公司查核意見。

本會計師與治理單位溝通之事項，包括所規劃之查核範圍及時間，以及重大查核發現（包括於查核過程中所辨認之內部控制顯著缺失）。

本會計師亦向治理單位提供本會計師所隸屬事務所受獨立性規範之人員已遵循會計師職業道德規範中有關獨立性之聲明，並與治理單位溝通所有可能被認為會影響會計師獨立性之關係及其他事項（包括相關防護措施）。

本會計師從與治理單位溝通之事項中，決定對嘉新水泥股份有限公司民國 107 年度個體財務報表查核之關鍵查核事項。本會計師於查核報告中敘明該等事項，除非法令不允許公開揭露特定事項，或在極罕見情況下，本會計師決定不於查核報告中溝通特定事項，因可合理預期此溝通所產生之負面影響大於所增進之公眾利益。

勤業眾信聯合會計師事務所

會計師 虞 成 全

虞成全



會計師 張 耿 禧

張耿禧



證券暨期貨管理委員會核准文號  
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## **【2、To Approve 2018 Profit Distribution Proposal】**

(Proposed by the Board of Directors)

Description :

- 1、Table of 2018 earnings distribution is herewith made in accordance with Article 26 of the Company's Articles Incorporation. Please refer to page 21.
- 2、Pursuant to Paragraph 3, Article 26 of the Articles of Incorporation, if the company shows a net profit after tax of the current year, after offsetting the loss in previous years, and setting aside of a legal reserve and special reserve in accordance with the law, the remaining amount along with undistributed earnings shall be the distributable earnings of the current year.
- 3、The Company's Earnings in 2018 available for distribution are NT\$915,000,926 including 2018 net profits after tax of NT\$699,754,720, appropriation of legal reserve of NT\$69,975,472, adding adjustment to retained earnings due to first adoption of IFRS of NT\$131,030,450, adding actuarial gains recognized in retained earnings of NT\$1,412,566, and adding adjustment to retained earnings due to long-term equity investments of NT\$152,778,662. It is proposed to set aside NT\$771,780,548 as dividend to shareholders (estimated to be NT\$1.00 cash dividend per share). The above dividend shall be first distributed from 2018 net profits after tax.
- 4、After the proposal of earnings distribution is adopted, if there is any buyback, transfer, or cancellation of shares resulting in changes to the outstanding shares, it is proposed that the shareholders' meeting to authorize the Board of Directors to fully execute the adjustment of the rate of distribution.
- 5、After the proposal is adopted by the General Shareholder's Meeting, a base date of ex-dividends will be set additionally. On such date, the distribution will be made to shareholders in accordance with the of shares held thereby recorded in the shareholder register. The total cash dividends to be distributed to each shareholder will be rounded down to NT dollar and decimal places will be disregarded.
- 6、The proposal has been adopted by the Board of Directors of the Company and submitted to the Board and audited by the Audit Committee.
- 7、Please approve the aforementioned proposal.

**Resolution** : Proposal approved

Voting Results : Attendance of voting rights of shareholders: 541,104,751

Number of Votes		Percentage
Votes in <b>favor</b>	499,924,784 (Including 12,538,686 electronic voting)	<b>92.38%</b>
Votes against	643,537 (Including 623,537 electronic voting)	0.11%
Votes Abstaining /No votes	40,536,430 (Including 5,559,639 electronic voting)	7.49%

CHIA HSIN CEMENT CORPORATION  
Earnings Distribution Table of the Year 2018

Unit: NT\$

Item	Amount	
Opening Unappropriated Retained Earnings (Unappropriated Retained Earnings listed in the 2018 Annual General meeting of shareholders)		4,267,377,798
Add(Less) :		
Add : Net Profit	699,754,720	
Less : 10% Legal Reserve	(69,975,472)	
Add : Adjustment to retained earnings due to first adoption of IFRS	131,030,450	
Add : Actuarial gains recognized in retained earnings	1,412,566	
Add : Adjusted retained earnings due to long-term equity investments	152,778,662	
Earnings in 2017 Available for Distribution		915,000,926
Earnings Available for Distribution		5,182,378,724
Less : Distribution Item		
Share dividends NTD 0 per share		0
Cash dividends NTD 1 per share		(771,780,548)
Closing Unappropriated Retained Earnings		4,410,598,176

Chairman: Chang Kang-Lung

President: Chi Shih-Chu

Accounting Supervisor: Chuang Shu-Ching

# Matters for Discussion

## 【 1 、 To Amend the “Procedures for Acquisition or Disposal of Assets” 】

( Proposed by the Board of Directors )

Description :

- 1 、 On November 26<sup>th</sup>, 2018, the R.O.C. Financial Supervisory Commission amended its “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” announcing the relevant procedures for the acquisition and disposal of assets
- 2 、 In accordance to the aforementioned regulation, the Company’s “Procedures for Acquisition or Disposal of Assets” should be revised to reflect such regulatory amendments. The comparison tables for the aforementioned internal rules before and after revisions are attached hereto as Annex 4 pages 47~64.
- 3 、 Please discuss the matter.

**Resolution** : Proposal approved

Voting Results : Attendance of voting rights of shareholders: 541,262,994

Number of Votes		Percentage
Votes in <b>favor</b>	487,671,025 (Including 12,537,929 electronic voting)	<b>90.09%</b>
Votes against	624,274 (Including 624,274 electronic voting)	0.11%
Votes Abstaining /No votes	52,967,695 (Including 5,559,659 electronic voting)	9.78%

## 【2、To Amend the “Procedures for Lending Funds to Other Parties and Endorsements/Guarantees”】

(Proposed by the Board of Directors)

Description：

- 1、On March 7<sup>th</sup>, 2019, the R.O.C. Financial Supervisory Commission amended and announced its regulations governing the “Procedures for Lending Funds to Other Parties and Endorsements/Guarantees by Public Companies”.
- 2、In accordance to the aforementioned regulation, the Company’s “Procedures for Lending Funds to Other Parties and Endorsements/Guarantees ” should be revised to reflect such regulatory amendments. The comparison tables for the aforementioned internal rules before and after revisions are attached hereto as Annex 5 pages 65~70.
- 3、Please discuss the matter.

**Resolution：** Proposal approved

Voting Results：Attendance of voting rights of shareholders: 541,262,994

Number of Votes		Percentage
Votes in <b>favor</b>	487,668,988 (Including 12,535,892 electronic voting)	<b>90.09%</b>
Votes against	626,314 (Including 626,314 electronic voting)	0.11%
Votes Abstaining /No votes	52,967,692 (Including 5,559,656 electronic voting)	9.78%

### 【3、To Amend the Articles of Incorporation】

(Proposed by the Board of Directors)

Description:

- 1、In compliance with the amendment of Company Act and actual requirement of this Company, it is hereby proposed to amend the Company's Articles of Incorporation.
- 2、Please refer to pages 71~73 (Annex 6) on Revisions of the Articles of Incorporation.
- 3、Please discuss the matter.

**Resolution** : Proposal approved

Voting Results : Attendance of voting rights of shareholders: 541,262,994

Number of Votes		Percentage
Votes in <b>favor</b>	487,669,013 (Including 12,535,917 electronic voting)	<b>90.09%</b>
Votes against	624,289 (Including 624,289 electronic voting)	0.11%
Votes Abstaining /No votes	52,969,692 (Including 5,561,656 electronic voting)	9.78%



**【4、To Discuss the Proposal Made by Shareholders JUN-RONG, HUANG, GUI-MEI, LU and CHUN-YI, HUANG】**

(Proposed by Shareholders)

Shareholders Jun-Rong, Huang, Gui-Mei, Lu and Chun-Yi, Huang proposed that this Company not to give shareholders souvenir in order to cut down Company's expenditures.

- 1、It is becoming very common that listed companies do not give shareholders' souvenir at annual general shareholders' meeting.
- 2、It is proposed that this Company not to give shareholders souvenir in order to cut down Company's expenditures and to increase company profitability.

**Resolution** : Proposal Denied

Voting Results : Attendance of voting rights of shareholders: 541,262,994

Number of Votes		Percentage
Votes in favor	16,016,908 (Including 2,855,717 electronic voting)	2.95%
Votes <b>against</b>	484,612,142 (Including 10,301,492 electronic voting)	<b>89.53%</b>
Votes Abstaining /No votes	40,633,944 (Including 5,564,653 electronic voting)	7.50%

# Directors Election

## 【To Elect Seven Directors including Three Independent Directors】

(Proposed by the Board of Directors)

- 1、The tenure of the Company's Directors (including independent directors) expired on June 26, 2019. In compliance with Article 195, Clause 2 of the Company Act, directors will be elected at this Annual General Shareholder' Meeting.
- 2、In accordance with Articles 12,13 and 18 of the Articles of Incorporation effective before this 2019 Annual General Shareholders' Meeting, there will be 7 to 9 directors elected by "candidate nomination system" and tenure of newly elected directors will be three years.
- 3、The # 421th Board of Directors' meeting held on March 27<sup>th</sup>, 2019 resolved that 2019 Shareholders' Meeting will elect 7 directors including 3 independent directors.
- 4、The tenure of newly elected directors shall commence on June 21<sup>st</sup>, 2019 and expire on June 20, 2022.
- 5、The candidates' academic background, experiences and relevant information were reviewed and approved by #422nd Board of Directors' Meeting on May 9<sup>th</sup>, 2019 attached hereto as Annex 7 pages 74~75.
- 6、Please refer to Meeting Handbook Appendix 3 pages 81~82 on 'Rules For Election of Directors'.

### Voting Results: List of newly elected directors

Item	Category	Name	Votes Received
1	Director	Jason K. L. Chang	848,999,546
2		Tong Yang Chia Hsin Int'l Corp. Pan Howard Wei-Hao	829,605,274
3		Chi-Te Chen	822,216,100
4		Tong Yang Chia Hsin Int'l Corp. Jeffrey H. H. Wang	820,270,299
5	Independent Director	Robert K. Su	29,449,841
6		Chia-Shen Chen	28,551,502
7		Kuan-Ming Chen	28,226,561

## Other Matters

### 【To Release Directors from Non-competition Restrictions】

(Proposed by the Board of Directors)

- 1、In accordance with Article 209 of Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the Company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- 2、In consideration of the performance of the Company's newly elected director, meaning any corporate shareholder elected as a directors, including the shareholder and its designated representative, who may have invested or operated in a competing business with the same or similar business scope as the Company and acted as their directors or managers, in accordance with the aforementioned law, such act should be submitted to the shareholder's meeting for approval to release the newly director from non-competition restrictions.
- 3、Please discuss the matter.

**Resolution** : Proposal approved

Voting Results : Attendance of voting rights of shareholders: 536,784,598

Number of Votes		Percentage
Votes in <b>favor</b>	476,025,287 (Including 1,805,826 electronic voting)	<b>88.68%</b>
Votes against	10,759,293 (Including 10,759,293 electronic voting)	2.00%
Votes Abstaining /No votes	50,000,018 (Including 6,156,743 electronic voting)	9.31%

【Shareholders' statements and Chairman's Address(Omitted)】

Special Motions : None.

Meeting Adjourned : 11:19 AM, June 21th, 2019

## II 、 Annex

## **Annex 1 : Related Parties' Transaction Report**

- (1) The Company entered into a contract with its subsidiary Tong Yang Chia Hsin International Corp. to operate the storage and transport of cement and related products at Keelung Harbor :

The Company entered into a management contract with its subsidiary Tong Yang Chia Hsin International Corp. to jointly operate the storage and transport of cement and related products at Keelung Harbor. Because of its satisfactory performance, the Company intends to extend the contract for the period from January 1, 2019 to December 31, 2019.

- (2) The Company entered into a contract with its subsidiary Tong Yang Chia Hsin International Corp. to provide cement storage services :

In line of its professional expertise and capability, the Corporation entered into a service contract with its subsidiary Tong Yang Chia Hsin International Corp. to provide cement storage and transport services at Taichung Harbor. Because of its satisfactory performance, the Company intends to extend the contract for the period from January 1, 2019 to December 31, 2019.

- (3) The Company entered into a contract with its subsidiary Chia-Pei International Corp. :

- The Company entered into a contract with its subsidiary Chia Pei International Corp. to operate the facility and equipment at Taipei General Cargo Center No. 1, East No. 14 Dock and back side base of East No. 13, 14 and 15 Docks. The main scope of business will be storage and loading and unloading of coal. The contract term is until December 31, 2036.
- The Company entered into a contract with its subsidiary Chia Pei International Corp. to jointly operate the facility and equipment at Taipei General Cargo Center East No. 14 Dock and East No. 13, 14, 15 and 16 Docks. The main scope of business will be storage and loading and unloading of mine and gravel. The contract term is until December 31, 2036. However, as the monthly fee charge of the equipment will only be effective starting from January 1, 2018 for 3 years, both parties shall negotiate in writing of any adjustments in due course.

## Annex 2 : Implementation of 2018 Endorsements/Guarantees Report

Other than to LDC ROME HOTELS S.R.L where the Company holds 40% shares of the entity and issuance of guarantee is based relatively on the ratio of shareholding, all other guarantees were issued to its 100% owned subsidiaries. Although the total amount of guarantees issued exceeds 50% of the Corporation's net value, it is considered reasonable and necessary in view of overall business developments

As of December, 31, 2018, the total endorsements/guarantees issued by the Company and its subsidiaries amounted to NTD 11,490,648,000 which is not exceeding 2 times of the Company's net value. Entities to which the Company issued the endorsements/guarantees and the amount issued are all in accordance with internal regulation of "Procedure and Rule for Endorsements and Guarantees". Details are listed as follows:

Endorsements/ guarantees offered by	Endorsements/ guarantees received	Balance of endorsements/ guarantees (NTD/Thousand)
CHIA HSIN CEMENT CORPORATION	Chia Hsin Property Management and Development Corp.	2,230,000
	LDC ROME HOTELS S.R.L.	447,600
	CHC Ryukyu Development GK	1,569,048
The Company total		4,246,648
Chia Hsin Property Management and Development Corp.	CHIA HSIN CEMENT CORPORATION	7,244,000
Subsidiaries total		7,244,000
The corporation and its subsidiaries total		11,490,648

# Annex 3 : Business and Financial Statements of 2018

嘉新大藥房股份有限公司 子公司

民國 107 年 12 月 31 日

單位：新台幣仟元

代 碼	資 產	107年12月31日			106年12月31日		
		金 額	%		金 額	%	
1100	流動資產						
1100	現金及約當現金 (附註三、四及六)	\$ 1,969,663	6		\$ 1,803,189	6	
1110	透過損益按公允價值衡量之金融資產—流動 (附註三、四及七)	1,860,278	6		507,148	2	
1120	透過其他綜合損益按公允價值衡量之金融資產—流動 (附註三、四及八)	2,057,216	6		-	-	
1125	備供出售金融資產—流動 (附註三、四及九)	-	-		2,543,683	9	
1150	應收票據 (附註三、四、五及十一)	195,059	1		148,451	1	
1170	應收帳款 (附註三、四、五及十一)	104,646	-		53,525	-	
1180	應收帳款—關係人 (附註三、四、五及三六)	5,843	-		4,732	-	
1200	其他應收款 (附註三、四及十二)	32,391	-		55,268	-	
1210	其他應收款—關係人 (附註三、四及三六)	159,621	-		161,299	1	
1220	本期所得稅資產 (附註四及二八)	5,427	-		5,547	-	
130X	存貨 (附註四及十三)	694,144	2		713,317	2	
1410	預付款項 (附註二十)	170,064	1		72,941	-	
1460	待出售處分群組 (附註四及十四)	483,105	2		-	-	
1476	其他金融資產—流動 (附註四及十五)	3,413,408	11		3,037,036	11	
1479	存出保證金—流動 (附註三及四)	49	-		-	-	
11XX	流動資產總計	11,150,914	35		9,106,166	32	
1517	非流動資產						
1517	透過其他綜合損益按公允價值衡量之金融資產—非流動 (附註三、四、八及三七)	8,700,592	27		-	-	
1523	備供出售金融資產—非流動 (附註三、四及九)	-	-		7,223,995	26	
1543	以成本衡量之金融資產—非流動 (附註三、四、十及三七)	-	-		330,927	1	
1550	採用權益法之投資 (附註四及十七)	866,466	3		909,776	3	
1600	不動產、廠房及設備 (附註四、十八及三七)	3,467,524	11		2,852,330	10	
1760	投資性不動產 (附註四、十九及三七)	7,559,949	24		7,555,039	27	
1840	遞延所得稅資產 (附註四及二八)	129,228	-		120,293	-	
1920	存出保證金—非流動 (附註三及四)	63,472	-		49,027	-	
1980	其他金融資產—非流動 (附註三、四、十五及三七)	21,353	-		18,781	-	
1985	長期預付款 (附註二十)	14,809	-		143,953	1	
1990	其他非流動資產 (附註二十)	11,322	-		7,692	-	
15XX	非流動資產合計	20,834,715	65		19,211,820	68	
1XXX	資 產 總 計	\$ 31,985,629	100		\$ 28,317,986	100	
2100	流動負債						
2100	短期借款 (附註二一及三七)	\$ 821,280	3		\$ 1,027,827	4	
2110	應付短期票承 (附註二一)	304,835	1		109,882	-	
2130	合約負債 (三、四及二六)	7,191	-		-	-	
2150	應付票據 (附註二二)	2,151	-		2,783	-	
2170	應付帳款 (附註二二)	110,582	-		144,419	1	
2180	應付帳款—關係人 (附註三六)	89,849	-		30,925	-	
2219	其他應付款 (附註二三)	591,866	2		195,663	1	
2230	本期所得稅負債 (附註四及二八)	57,942	-		56,753	-	
2260	與待出售處分群組直接相關之負債 (附註十四)	653,859	2		-	-	
2310	預收款項 (附註二三)	2,859	-		12,526	-	
2320	一年內到期之長期借款 (附註二一及三七)	519,000	2		706,268	2	
2365	存入保證金—流動 (附註三六)	32,736	-		29,355	-	
2399	其他流動負債 (附註二三)	1,246	-		655	-	
21XX	流動負債總計	3,195,396	10		2,317,056	8	
2540	非流動負債						
2540	長期借款 (附註二一及三七)	6,090,037	19		5,185,556	18	
2570	遞延所得稅負債 (附註四及二八)	1,404,167	4		1,308,925	5	
2630	遞延收入—非流動 (附註四、二三及三十)	198,512	1		63,112	-	
2640	淨確定福利負債—非流動 (附註四及二四)	12,620	-		19,853	-	
2645	存入保證金—非流動 (附註三六)	165,078	1		162,644	1	
25XX	非流動負債總計	7,870,414	25		6,740,090	24	
2XXX	負債總計	11,065,810	35		9,057,146	32	
3110	歸屬於本公司業主之權益 (附註二五)						
3110	股本						
3110	普通股	7,747,805	24		7,747,805	28	
3200	資本公積	703,931	2		642,168	2	
3310	保留盈餘						
3310	法定盈餘公積	2,073,636	7		1,984,116	7	
3320	特別盈餘公積	2,346,051	7		2,451,573	9	
3350	未分配盈餘	5,282,354	16		4,638,766	16	
3300	保留盈餘總計	9,672,041	30		9,074,455	32	
3400	其他權益	2,082,572	7		1,196,784	4	
3500	庫藏股票	(1,186,544)	(4)		(1,149,426)	(4)	
31XX	本公司業主權益總計	19,019,812	59		17,511,786	62	
36XX	非控制權益 (附註二五)	1,900,007	6		1,749,054	6	
3XXX	權益總計	20,919,819	65		19,260,840	68	
	負債與權益總計	\$ 31,985,629	100		\$ 28,317,986	100	

後附之附註係本合併財務報告之一部分。

董事長：張明倫

經理人：郭士鉅

會計主管：莊淑卿



嘉新水泥股份有限公司及其子公司

合併資產負債表

民國 107 年及 106 年 12 月 31 日

單位：新台幣仟元，惟  
每股盈餘為元

代 碼		107年度		106年度	
		金 額	%	金 額	%
	營業收入（附註四、二六及三六）				
4100	銷貨收入	\$ 996,482	48	\$ 901,631	43
4300	租賃收入	462,437	22	459,851	22
4600	勞務收入	633,487	30	721,791	35
4000	營業收入合計	<u>2,092,406</u>	<u>100</u>	<u>2,083,273</u>	<u>100</u>
	營業成本（附註十三、二七及三六）				
5110	銷貨成本	( 1,002,898)	( 48)	( 906,774)	( 43)
5300	租賃成本	( 218,332)	( 10)	( 221,569)	( 11)
5600	勞務成本	( 582,688)	( 28)	( 647,835)	( 31)
5000	營業成本合計	<u>( 1,803,918)</u>	<u>( 86)</u>	<u>( 1,776,178)</u>	<u>( 85)</u>
5900	營業毛利	<u>288,488</u>	<u>14</u>	<u>307,095</u>	<u>15</u>
	營業費用（附註十一、二七及三六）				
6100	推銷費用	( 12,649)	( 1)	( 11,727)	( 1)
6200	管理費用	( 378,530)	( 18)	( 359,260)	( 17)
6450	預期信用減損損失	( 910)	-	-	-
6000	營業費用合計	<u>( 392,089)</u>	<u>( 19)</u>	<u>( 370,987)</u>	<u>( 18)</u>
6900	營業淨損	<u>( 103,601)</u>	<u>( 5)</u>	<u>( 63,892)</u>	<u>( 3)</u>
	營業外收入及支出				
7010	其他收入（附註四、二七及三六）	607,299	29	265,045	13
7020	其他利益及損失（附註四、二七及三六）	50,798	2	1,158,687	56

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代 碼		107年度		106年度	
		金 額	%	金 額	%
7050	財務成本（附註四及二 七）	(\$ 86,716)	( 4)	(\$ 93,075)	( 5)
7060	採用權益法之關聯企業 及合資損益份額（附註 四）	( 39,900)	( 2)	( 30,825)	( 2)
7000	營業外收入及支出 合計	<u>531,481</u>	<u>25</u>	<u>1,299,832</u>	<u>62</u>
7900	繼續營業單位稅前淨利	427,880	20	1,235,940	59
7950	所得稅費用（附註四及二八）	( 173,283)	( 8)	( 104,234)	( 5)
8000	繼續營業單位本期淨利	254,597	12	1,131,706	54
8100	停業單位利益（損失）（附註 十三、十四及十八）	<u>514,526</u>	<u>25</u>	( 154,397)	( 7)
8200	本期淨利	<u>769,123</u>	<u>37</u>	<u>977,309</u>	<u>47</u>
	本年度其他綜合損益（附註 四、二四、二五及二八）				
8310	不重分類至損益之項目				
8311	確定福利計畫之再 衡量數	436	-	( 1,228)	-
8316	透過其他綜合損益 按公允價值衡量 之權益工具投資 未實現評價損益	695,821	33	-	-
8320	採用權益法認列之 關聯企業及合資 之其他綜合損益 之份額	2,335	-	-	-
8349	與不重分類至損益 之項目相關之所 得稅	<u>5,968</u>	<u>1</u>	<u>209</u>	<u>-</u>
		<u>704,560</u>	<u>34</u>	( 1,019)	-

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代 碼		107年度		106年度	
		金 額	%	金 額	%
8360	後續可能重分類至損益之項目				
8361	國外營運機構財務報表換算之兌換差額	\$ 4,599	-	(\$ 569,617)	( 27)
8362	備供出售金融資產未實現評價損益	-	-	3,187,517	153
8370	採用權益法認列之關聯企業及合資之其他綜合損益之份額	-	-	13,650	1
8399	與可能重分類至損益之項目相關之所得稅	<u>2,191</u>	<u>-</u>	<u>94,787</u>	<u>4</u>
		<u>6,790</u>	<u>-</u>	<u>2,726,337</u>	<u>131</u>
8300	其他綜合損益（淨額）	<u>711,350</u>	<u>34</u>	<u>2,725,318</u>	<u>131</u>
8500	本年度綜合損益總額	<u>\$ 1,480,473</u>	<u>71</u>	<u>\$ 3,702,627</u>	<u>178</u>
	淨利歸屬於				
8610	本公司業主	\$ 699,755	34	\$ 895,198	43
8620	非控制權益	<u>69,368</u>	<u>3</u>	<u>82,111</u>	<u>4</u>
8600		<u>\$ 769,123</u>	<u>37</u>	<u>\$ 977,309</u>	<u>47</u>
	綜合損益總額歸屬於				
8710	本公司業主	\$ 1,384,470	66	\$ 3,538,372	170
8720	非控制權益	<u>96,003</u>	<u>5</u>	<u>164,255</u>	<u>8</u>
8700		<u>\$ 1,480,473</u>	<u>71</u>	<u>\$ 3,702,627</u>	<u>178</u>
	每股盈餘（附註二九）				
	來自繼續營業單位及停業單位				
9750	基 本	<u>\$ 1.09</u>		<u>\$ 1.39</u>	
9850	稀 釋	<u>\$ 1.09</u>		<u>\$ 1.39</u>	
	來自繼續營業單位				
9710	基 本	<u>\$ 0.29</u>		<u>\$ 1.63</u>	
9810	稀 釋	<u>\$ 0.29</u>		<u>\$ 1.63</u>	

後附之附註係本合併財務報告之一部分。

董事長：張剛綸



經理人：祁士鉅



會計主管：莊淑卿



民國 107 年 12 月 31 日

[illegible]

代理人：祁士延

张氏：张氏

嘉新水泥股份有限公司及子公司

合併財務報表

民國 107 年及 106 年 1 月 1 日至 12 月 31 日

單位：新台幣仟元

代 碼		107年度	106年度
	營業活動之現金流量		
A00010	繼續營業單位稅前淨利	\$ 427,880	\$ 1,235,940
A00020	停業單位稅前淨利（淨損）	<u>514,526</u>	<u>( 154,397 )</u>
A10000	本期稅前淨利	942,406	1,081,543
A20010	收益費損項目		
A20100	折舊費用提列	248,820	357,078
A20300	預期信用減損損失	1,003	-
A20400	透過損益按公允價值衡量金融 資產及負債之淨利益	( 66,846 )	( 90,630 )
A20900	財務成本	89,599	101,000
A21200	利息收入	( 90,014 )	( 69,368 )
A21300	股利收入	( 455,528 )	( 137,788 )
A22300	採用權益法認列之關聯企業及 合資損失之份額	39,900	30,825
A22500	處分及報廢不動產、廠房及設 備利益	20,961	( 468 )
A22700	處分投資性不動產損失	65,044	3,786
A23000	處分待出售非流動資產損失	10,428	-
A23100	處分投資（利益）損失	-	( 1,257,475 )
A23500	金融資產減損損失	-	9,872
A23800	非金融資產（迴轉利益）減損 損失	( 374,160 )	60,138
A24100	未實現外幣兌換（利益）損失	( 44,770 )	102,743
A29900	預付租賃款攤銷	5,140	11,308
A30000	營業資產及負債之淨變動數		
A31110	持有供交易之金融資產	-	( 55,088 )
A31115	強制透過損益按公允價值衡量 之金融資產	( 689,813 )	-
A31130	應收票據	( 47,943 )	140,172
A31140	應收票據－關係人	-	1,131
A31150	應收帳款	( 50,696 )	28,436
A31160	應收帳款－關係人	( 1,111 )	( 4,723 )
A31180	其他應收款	5,092	412,616
A31200	存 貨	19,322	81,687

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代 碼		107年度	106年度
A31230	預付款項	(\$ 107,026)	\$ 79,511
A32125	合約負債	( 2,473)	-
A32130	應付票據	( 632)	( 290)
A32150	應付帳款	( 33,873)	( 96,268)
A32160	應付帳款－關係人	58,924	( 47,222)
A32180	其他應付款項	19,875	( 183,478)
A32210	預收款項	-	( 4,796)
A32230	其他流動負債	600	178
A32250	遞延收入	129,588	64,808
A32240	應計退休金負債	( 6,797)	( 24,886)
A33000	營運產生之現金流入	( 314,980)	594,352
A33300	支付之利息	( 113,628)	( 100,930)
A33500	支付之所得稅	( 77,805)	( 90,032)
AAAA	營業活動之淨現金（流出）流入	( 506,413)	403,390
投資活動之現金流量			
B00010	取得透過其他綜合損益按公允價值 衡量之金融資產	( 35,502)	-
B00030	透過其他綜合損益按公允價值衡量 之金融資產減資退回股款	667	-
B00300	取得備供出售金融資產	-	( 359)
B00400	出售備供出售金融資產價款	-	120,201
B01400	以成本衡量之金融資產減資退回股 款	-	2,916
B02400	採用權益法之被投資公司減資退回 股款	15,780	67,627
B02600	處分待出售非流動資產價款	810,283	-
B02700	購置不動產、廠房及設備	( 595,563)	( 118,632)
B02800	處分不動產、廠房及設備價款	14,934	2,421
B03700	存出保證金增加	( 14,422)	-
B03800	存出保證金減少	-	984
B04100	其他應收款增加	( 382)	-
B04300	其他應收款－關係人（增加）減少	( 63)	32,783
B05400	購置投資性不動產	( 47,110)	( 29,692)
B05500	處分投資性不動產	1,783	-
B06500	其他金融資產增加	( 923,937)	( 1,297,299)
B06600	其他金融資產減少	548,222	13,374
B06800	其他非流動資產減少	2,655	1,137,335

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(承前頁)

代 碼		107年度	106年度
B07100	預付設備款(增加)減少	(\$ 1,315)	\$ 96
B07500	收取之利息	107,164	55,437
B07600	收取之股利	<u>460,271</u>	<u>137,788</u>
BBBB	投資活動之淨現金流入	<u>343,465</u>	<u>124,980</u>
籌資活動之現金流量			
C00100	短期借款增加	599,000	696,664
C00200	短期借款減少	( 808,642)	-
C00500	應付短期票券增加	194,953	109,882
C01600	舉借長期借款	1,135,526	203,879
C01700	償還長期借款	( 480,000)	( 1,832,761)
C03000	收取存入保證金	28,508	6,319
C04500	支付本公司業主股利	( 327,603)	( 131,042)
C04900	庫藏股票買回成本	( 37,118)	-
C05500	處分子公司股權	1,331	-
C05800	支付非控制權益現金股利	( 38,424)	( 3,551)
C09900	非控制權益增資	<u>30,895</u>	<u>-</u>
CCCC	籌資活動之淨現金流入(流出)	<u>298,426</u>	<u>( 950,610)</u>
DDDD	匯率變動對現金及約當現金之影響	<u>30,996</u>	<u>( 115,615)</u>
EEEE	本年度現金及約當現金增加(減少)數	166,474	( 537,855)
E00100	期初現金及約當現金餘額	<u>1,803,189</u>	<u>2,341,044</u>
E00200	期末現金及約當現金餘額	<u>\$ 1,969,663</u>	<u>\$ 1,803,189</u>

後附之附註係本合併財務報告之一部分。

董事長：張剛綸



經理人：祁士鉅



會計主管：莊淑卿



民國 107 年 12 月 31 日

單位：新台幣仟元

		107年12月31日		106年12月31日	
代 碼	資 產	金 額	%	金 額	%
流動資產					
1100	現金及約當現金（附註三、四及六）	\$ 712,308	3	\$ 494,481	2
1110	透過損益按公允價值衡量之金融資產—流動（附註三、四、七及三一）	622,217	3	161,719	1
1120	透過其他綜合損益按公允價值衡量之金融資產—流動（附註三、四、八及三一）	1,028,876	4	-	-
1125	備供出售金融資產—流動（附註三、四、九及三一）	-	-	1,334,091	6
1150	應收票據（附註三、四、五、十一及二四）	195,059	1	147,797	-
1170	應收帳款（附註三、四、五、十一及二四）	70,949	-	34,554	-
1180	應收帳款—關係人（附註三、四、五、二四及三二）	8,462	-	8,105	-
1200	其他應收款（附註三、四及十二）	7,033	-	6,675	-
1210	其他應收款—關係人（附註三、四及三二）	177,631	1	186,713	1
130X	存貨（附註四及十三）	12,213	-	32,512	-
1410	預付款項（附註十八）	3,837	-	13,454	-
1476	其他金融資產—流動（附註十四）	811,739	3	1,132,026	5
11XX	流動資產總計	3,650,324	15	3,552,127	15
非流動資產					
1517	透過其他綜合損益按公允價值衡量之金融資產—非流動（附註三、四、八及三一）	6,383,749	26	-	-
1523	備供出售金融資產—非流動（附註三、四、九及三一）	-	-	5,447,420	24
1543	以成本衡量之金融資產—非流動（附註四及十）	-	-	116,560	1
1550	採用權益法之投資（附註三、四及十五）	13,603,913	54	12,282,701	54
1600	不動產、廠房及設備（附註四及十六）	1,099,989	4	1,227,458	5
1760	投資性不動產（附註四及十七）	270,128	1	271,364	1
1840	遞延所得稅資產（附註四及二六）	80,107	-	87,629	-
1920	存出保證金（附註三、四及十八）	7,451	-	7,321	-
1980	其他金融資產—非流動（附註十四及三三）	11,320	-	11,455	-
1990	其他非流動資產（附註十八）	2,153	-	1,868	-
15XX	非流動資產合計	21,458,810	85	19,453,776	85
1XXX	資 產 總 計	\$ 25,109,134	100	\$ 23,005,903	100
負債及權益					
流動負債					
2100	短期借款（附註四及十九）	\$ 452,000	2	\$ 727,000	3
2110	應付短期票券（附註十九）	304,835	1	109,882	1
2130	合約負債（附註三、四及二四）	5,521	-	-	-
2150	應付票據（附註二十）	2,151	-	2,783	-
2170	應付帳款（附註二十）	91,001	-	94,031	1
2180	應付帳款—關係人（附註三二）	98,601	1	37,309	-
2219	其他應付款（附註二一）	68,235	-	58,372	-
2220	其他應付款項—關係人（附註三二）	23,756	-	24,884	-
2230	本期所得稅負債（附註四及二六）	32,249	-	41,045	-
2310	預收款項（附註二一）	-	-	5,801	-
2320	一年內到期之長期借款（附註十九及三二）	519,000	2	320,000	1
2399	存入保證金—流動	2,940	-	760	-
21XX	流動負債總計	1,600,289	6	1,421,867	6
非流動負債					
2540	長期借款（附註四、十九及三二）	4,332,178	17	3,945,685	17
2570	遞延所得稅負債（附註四及二六）	113,618	1	78,029	1
2640	淨確定福利負債—非流動（附註四及二二）	19,682	-	21,879	-
2645	存入保證金—非流動	23,555	-	26,657	-
25XX	非流動負債總計	4,489,033	18	4,072,250	18
2XXX	負債總計	6,089,322	24	5,494,117	24
權益（附註二三）					
股本					
3110	普 通 股	7,747,805	31	7,747,805	34
3200	資本公積	703,931	3	642,168	3
保留盈餘					
3310	法定盈餘公積	2,073,636	8	1,984,116	8
3320	特別盈餘公積	2,346,051	10	2,451,573	11
3350	未分配盈餘	5,252,354	21	4,638,766	20
3300	保留盈餘總計	9,672,041	39	9,074,455	39
3400	其他權益	2,082,579	8	1,196,784	5
3500	庫藏股票	( 1,186,544 )	( 5 )	( 1,149,426 )	( 5 )
31XX	本公司業主權益總計	19,019,812	76	17,511,786	76
3XXX	權益總計	19,019,812	76	17,511,786	76
負債與權益總計		\$ 25,109,134	100	\$ 23,005,903	100

後附之附註係本個體財務報告之一部分。

董事長：張剛倫

經理人：郭士鉅

會計主管：莊淑卿



民國 107 年及 106 年 12 月 31 日

單位：新台幣仟元，惟  
每股盈餘為元

代 碼		107年度		106年度	
		金 額	%	金 額	%
	營業收入（附註四、二四及三二）				
4100	銷貨收入	\$ 984,063	82	\$ 877,236	75
4300	租賃收入	4,537	-	4,423	-
4600	勞務收入	25,760	2	28,447	2
4800	其他營業收入	189,686	16	263,117	23
4000	營業收入合計	<u>1,204,046</u>	<u>100</u>	<u>1,173,223</u>	<u>100</u>
	營業成本（附註十三、二五及三二）				
5110	銷貨成本	( 1,017,232)	( 84)	( 900,477)	( 77)
5300	租賃成本	( 1,692)	-	( 1,754)	-
5600	勞務成本	( 24,463)	( 2)	( 26,826)	( 2)
5800	其他營業成本	( 153,211)	( 13)	( 198,009)	( 17)
5000	營業成本合計	<u>( 1,196,598)</u>	<u>( 99)</u>	<u>( 1,127,066)</u>	<u>( 96)</u>
5900	營業毛利	<u>7,448</u>	<u>1</u>	<u>46,157</u>	<u>4</u>
5910	與子公司、關聯企業及合資 之未實現利益（附註四）	( 816)	-	( 1,054)	-
5920	與子公司、關聯企業及合資 之已實現利益（附註四）	-	-	-	-
5950	已實現營業毛利	<u>6,632</u>	<u>1</u>	<u>45,103</u>	<u>4</u>
	營業費用（附註二五及三二）				
6100	推銷費用	( 12,133)	( 1)	( 11,245)	( 1)
6200	管理費用	( 167,376)	( 14)	( 146,756)	( 13)
6450	預期信用減損損失（附 註十一）	( 910)	-	-	-
6000	營業費用合計	<u>( 180,419)</u>	<u>( 15)</u>	<u>( 158,001)</u>	<u>( 14)</u>

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代 碼		107年度		106年度	
		金 額	%	金 額	%
6900	營業淨損	(\$ 173,787)	( 14)	(\$ 112,898)	( 10)
	營業外收入及支出				
7010	其他收入(附註四、二五及三二)	322,555	27	100,717	9
7020	其他利益及損失(附註四、十八、二五及三二)	89,719	7	( 80,598)	( 7)
7050	財務成本(附註四及二五)	( 73,744)	( 6)	( 69,546)	( 6)
7070	採用權益法之子公司、關聯企業及合資損益之份額	606,246	50	1,125,287	96
7000	營業外收入及支出合計	944,776	78	1,075,860	92
7900	繼續營業單位稅前淨利	770,989	64	962,962	82
7950	所得稅費用(附註四及二六)	( 71,234)	( 6)	( 67,764)	( 5)
8000	繼續營業單位本期淨利	699,755	58	895,198	77
	本年度其他綜合損益(附註四、二二、二三及二六)				
	不重分類至損益之項目				
8311	確定福利計畫之再衡量數	( 259)	-	( 1,485)	-
8316	透過其他綜合損益按公允價值衡量之權益工具投資未實現評價損益	477,497	40	-	-

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代 碼		107年度		106年度	
		金	%	金	%
8330	採用權益法之子公司、關聯企業及合資之其他綜合損益之份額	\$ 198,844	16	\$ 23	-
8349	與不重分類至損益之項目相關之所得稅	<u>1,671</u>	<u>-</u>	<u>252</u>	<u>-</u>
8310	後續可能重分類至損益之項目	<u>677,753</u>	<u>56</u>	<u>( 1,210)</u>	<u>-</u>
8361	國外營運機構財務報表換算之兌換差額	5,765	1	( 525,359)	( 45)
8362	備供出售金融資產未實現評價損益	-	-	219,936	19
8380	採用權益法認列之子公司、關聯企業及合資之其他綜合損益之份額	-	-	2,882,142	245
8399	與可能重分類至損益之項目相關之所得稅	<u>1,197</u>	<u>-</u>	<u>67,665</u>	<u>6</u>
8360		<u>6,962</u>	<u>1</u>	<u>2,644,384</u>	<u>225</u>
8300	本年度其他綜合損益（稅後淨額）	<u>684,715</u>	<u>57</u>	<u>2,643,174</u>	<u>225</u>
8500	本年度綜合損益總額	<u>\$ 1,384,470</u>	<u>115</u>	<u>\$ 3,538,372</u>	<u>302</u>
	每股盈餘（附註二七）				
	來自繼續營業單位				
9710	基 本	<u>\$ 1.09</u>		<u>\$ 1.39</u>	
9810	稀 釋	<u>\$ 1.09</u>		<u>\$ 1.39</u>	

後附之附註係本個體財務報告之一部分。

董事長：張剛綸



經理人：祁士鉅



會計主管：莊淑卿



嘉新 有限公司

合併財務報表

民國 107 年 12 月 31 日

單位：新台幣千元

代碼	106 年 1 月 1 日餘額	股本	資本公積	法定公積	留 留 留	盈 餘	國外營運機構 財務報表換算 之兌換差額	備 供 出 售 有 限 公 司 未 實 現 損 益	透過其他綜合 損益按公允價值 衡量之金融資產 未實現損益	庫 存 股 票 損 益 總 額
A1	\$ 7,747,805	\$ 617,579	\$ 1,981,627	\$ 3,503,335	\$ 2,845,461	\$ 202,251	(\$ 1,649,851)	\$	(\$ 1,149,426)	\$ 14,103,781
B1	盈餘指撥及分配 (附註二三)	-	-	2,489	-	( 2,489 )	-	-	-	-
B17	提列法定盈餘公積	-	-	-	( 1,056,762 )	1,056,762	-	-	-	-
B5	特別盈餘公積迴轉	-	-	-	-	( 154,956 )	-	-	-	( 154,956 )
D1	現金股利	-	-	-	-	-	-	-	-	-
D1	106 年度淨利	-	-	-	-	895,198	-	-	-	895,198
D3	106 年度其他綜合損益 (附註二三)	-	-	-	-	( 1,210 )	( 436,048 )	3,080,432	-	2,643,174
M1	發放子公司股利調整資本公積 (附註十五及二三)	-	23,914	-	-	-	-	-	-	23,914
T1	股東適時未領取之股利	-	675	-	-	-	-	-	-	675
Z1	106 年 12 月 31 日餘額	7,747,805	642,168	1,984,116	2,451,573	4,638,766	( 233,797 )	1,430,581	-	17,511,786
A3	追溯適用之影響數 (附註三及二三)	-	-	-	-	283,428	-	( 1,430,581 )	1,633,454	486,301
A5	107 年 1 月 1 日追溯適用後餘額	7,747,805	642,168	1,984,116	2,451,573	4,922,194	( 233,797 )	-	1,633,454	17,998,087
B1	盈餘指撥及分配 (附註二三)	-	-	89,520	-	( 89,520 )	-	-	-	-
B3	提列法定盈餘公積	-	-	-	( 105,522 )	105,522	-	-	-	-
B5	特別盈餘公積迴轉	-	-	-	-	( 387,390 )	-	-	-	( 387,390 )
D1	現金股利	-	-	-	-	-	-	-	-	-
D1	107 年度淨利	-	-	-	-	699,755	-	-	-	699,755
D3	107 年度其他綜合損益 (附註二三)	-	-	-	-	1,793	6,962	-	675,960	684,715
M1	發放子公司股利調整資本公積 (附註十五及二三)	-	59,787	-	-	-	-	-	-	59,787
M3	處分子公司部分權益 (附註二三)	-	538	-	-	-	-	-	-	538
T1	股東適時未領取之股利 (附註二三)	-	1,438	-	-	-	-	-	-	1,438
L1	庫藏股買回 (附註二三)	-	-	-	-	-	-	-	-	-
Z1	107 年 12 月 31 日餘額	\$ 7,747,805	\$ 703,931	\$ 2,073,636	\$ 2,346,051	\$ 5,252,354	(\$ 226,835)	\$	(\$ 37,118)	\$ 19,019,812

後附之附註係本個體財務報告之一部分。

經理人：郭士延

董事長：張明倫

會計主管：莊淑卿

民國 107 年及 106 年 1 月 1 日至 12 月 31 日

單位：新台幣仟元

代 碼		107年度	106年度
	營業活動之現金流量		
A10000	本年度稅前淨利	\$ 770,989	\$ 962,962
A20010	收益費損項目		
A20100	折舊費用	141,725	198,850
A20300	預期信用減損損失	910	-
A20400	透過損益按公允價值衡量金融資產 之淨利益	( 58,274)	( 64,578)
A20900	利息費用	73,744	69,546
A21200	利息收入	( 25,576)	( 20,327)
A21300	股利收入	( 287,940)	( 55,252)
A22300	採用權益法之子公司、關聯企業及 合資利益份額	( 606,246)	( 1,125,287)
A23100	處分投資利益	-	( 13,448)
A23700	非金融資產減損損失	-	50,293
A23900	與子公司、關聯企業及合資之未實 現利益	816	1,054
A24100	外幣兌換淨(利益)損失	( 41,263)	78,485
A30000	營業資產及負債之淨變動數		
A31110	持有供交易之金融資產	-	( 30,200)
A31115	強制透過損益按公允價值衡量之金 融資產	( 58,168)	-
A31130	應收票據	( 48,626)	38,273
A31150	應收帳款	( 35,941)	( 1,489)
A31160	應收帳款—關係人	( 357)	( 3,593)
A31180	其他應收款	475	412,828
A31190	其他應收款—關係人	5,355	( 7,432)
A31200	存 貨	20,299	26,052
A31230	預付款項	9,617	23,077
A32125	合約負債	( 280)	-
A32130	應付票據	( 632)	( 85)
A32150	應付帳款	( 3,030)	( 2,649)
A32160	應付帳款—關係人	61,292	( 46,984)
A32180	其他應付款項	11,223	5,679
A32190	其他應付款—關係人	( 1,128)	( 191,207)
A32210	預收款項	-	1,353
A32240	淨確定福利負債	( 2,456)	( 27,685)
A33000	營運產生之現金流(出)入	( 73,472)	278,236

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代 碼		107年度	106年度
A33300	支付之利息	(\$ 74,031)	(\$ 71,273)
A33500	支付之所得稅	( 31,341)	( 10,326)
AAAA	營業活動之淨現金流(出)入	( 178,844)	196,637
投資活動之現金流量			
B00300	取得備供出售金融資產	-	( 359)
B00400	處分備供出售金融資產價款	-	120,201
B01800	取得採用權益法之長期股權投資	( 620,000)	( 182,000)
B02400	採用權益法之被投資公司減資退回股款	15,780	67,627
B02700	取得不動產、廠房及設備	( 13,077)	( 3,993)
B03800	存出保證金增加	( 130)	-
B04300	其他應收款—關係人增加	( 570)	-
B04400	其他應收款—關係人減少	-	32,783
B06500	其他金融資產增加	-	( 686,060)
B06600	其他金融資產減少	320,422	-
B06700	其他非流動資產增加	( 1,256)	-
B06800	其他非流動資產減少	-	360
B07100	預付設備款減少(增加)	971	( 971)
B07500	收取之利息	24,743	16,328
B07600	收取子公司、關聯企業及合資股利	258,982	302,308
B07600	收取其他股利	287,940	55,252
BBBB	投資活動之淨現金流入(出)	273,805	( 278,524)
籌資活動之現金流量			
C00100	短期借款增加	-	727,000
C00200	短期借款減少	( 275,000)	-
C00500	應付短期票券增加	194,953	109,882
C01600	舉借長期借款	585,493	-
C01700	償還長期借款	-	( 832,936)
C03100	存入保證金減少	( 922)	( 766)
C04900	購買庫藏股票	( 37,118)	-
C04500	發放現金股利	( 387,390)	( 154,956)
CCCC	籌資活動之淨現金流入(出)	80,016	( 151,776)
DDDD	匯率變動對現金及約當現金之影響	42,850	( 86,078)
EEEE	本期現金及約當現金增加(減少)數	217,827	( 319,741)
E00100	期初現金及約當現金餘額	494,481	814,222
E00200	期末現金及約當現金餘額	\$ 712,308	\$ 494,481

後附之附註係本個體財務報告之一部分。

董事長：張剛綸



經理人：祁士鉅



會計主管：莊淑卿



## Annex 4 : Comparison Table for the “Procedure for Acquisition or Disposal of Assets” - Before and After Revision

### CHIA HSIN CEMENT CORPORATION Comparison Table of Amended Articles of the “Procedure of Acquisition and Disposal of Assets”

After Amendment	Before Amendment	Description
<p>Article 2</p> <p>This procedure is adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act and Regulations Governing the Acquisition and Disposal of Assets by Public Companies ("the Regulations "). Where <u>financial laws</u> or regulations provide otherwise, such provisions shall govern.</p>	<p>Article 2</p> <p>This procedure is adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act and Regulations Governing the Acquisition and Disposal of Assets by Public Companies ("the Regulations "). Where regulations provide otherwise, such provisions shall govern.</p>	Pursuant to relevant law amendments
<p>Article 3</p> <p>The term "assets" as used in these Regulations includes the following:</p> <ol style="list-style-type: none"> <li>1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.</li> <li>2. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.</li> <li>3. Memberships.</li> <li>4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.</li> <li>5. <u>Right-of-use assets.</u></li> <li>6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).</li> <li>7. Derivatives.</li> <li>8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.</li> <li>9. Other major assets.</li> </ol>	<p>Article 3</p> <p>The term "assets" as used in these Regulations includes the following:</p> <ol style="list-style-type: none"> <li>1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.</li> <li>2. Real property (including land, houses and buildings, investment property, <u>right to the use of land</u> and construction enterprise inventory) and equipment.</li> <li>3. Memberships.</li> <li>4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.</li> <li>5. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).</li> <li>6. Derivatives.</li> <li>7. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.</li> <li>8. Other major assets.</li> </ol>	Pursuant to relevant law amendments
<p>Article 4</p> <p>Terms used in these Regulations are defined as follows:</p> <ol style="list-style-type: none"> <li>1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a <u>specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts</u></li> </ol>	<p>Article 4</p> <p>Terms used in these Regulations are defined as follows:</p> <ol style="list-style-type: none"> <li>1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from asset, interest rate, foreign exchange rate, other rates, other profits; or hybrid contracts combining the above contracts. The term "forward contracts" does</li> </ol>	Pursuant to relevant law amendments

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<p><u>combining the above contracts; or hybrid contracts or structured products containing embedded derivatives.</u> The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.</p> <p>2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.</p> <p>3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.</p> <p>5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.</p> <p>6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.</p> <p>7. <u>Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or</u></p>	<p>not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.</p> <p>2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156 paragraph 8 of the Company Act.</p> <p>3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.</p> <p>5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.</p> <p>6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.</p>	



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<p><u>underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.</u></p> <p>8. <u>Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.</u></p> <p>9. <u>Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.</u></p>		
<p>Article 5 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall <u>meet the following requirements:</u></p> <ol style="list-style-type: none"> <li>1. <u>May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</u></li> <li>2. <u>May not be a related party or de facto related party of any party to</u></li> </ol>	<p>Article 5 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall not be a related party or de facto related party of any party to the transaction defined under Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p>	<p>Pursuant to relevant law amendments</p>

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<p><u>the transaction.</u></p> <p>3. <u>If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</u></p> <p><u>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</u></p> <ol style="list-style-type: none"> <li><u>1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</u></li> <li><u>2. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</u></li> <li><u>3. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</u></li> <li><u>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.</u></li> </ol>		
<p>Article 7</p> <p>In acquiring or disposing of real property, equipment, or <u>right-of-use assets</u> thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a <u>domestic</u> government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or <u>right-of-use assets</u> thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a</p>	<p>Article 7</p> <p>In acquiring or disposing of real property or equipment, where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p>	<p>Pursuant to relevant law amendments</p>

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<p>professional appraiser and shall further comply with the following provisions:</p> <ol style="list-style-type: none"> <li>1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed <u>whenever there is any subsequent change to the terms and conditions of the transaction.</u></li> <li>2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</li> <li>3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:               <ol style="list-style-type: none"> <li>A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</li> <li>B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</li> </ol> </li> <li>4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6</li> </ol>	<ol style="list-style-type: none"> <li>1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed when there is subsequent changes to the terms and conditions of the transaction in the future.</li> <li>2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</li> <li>3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:               <ol style="list-style-type: none"> <li>A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</li> <li>B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</li> </ol> </li> <li>4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original</li> </ol>	

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<p>months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>Except where a limited price, specified price, or special price is employed by a construction enterprise as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the report, and the certified public accountant's opinion under subparagraph 3 of the preceding paragraph, shall be obtained within 2 weeks counting inclusively from the date of occurrence.</p>	<p>professional appraiser.</p> <p>Except where a limited price, specified price, or special price is employed by a construction enterprise as the reference basis for the transaction price, if an appraisal report cannot be obtained in time and there is a legitimate reason for the delay, the report, and the certified public accountant's opinion under subparagraph 3 of the preceding paragraph, shall be obtained within 2 weeks counting inclusively from the date of occurrence.</p>	
<p>Article 9</p> <p>Where the company acquires or disposes of intangible assets or <u>right-of-use assets thereof</u> or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a <u>domestic</u> government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p> <p>The calculation of the transaction amounts referred to in Article 7, Article 8 and Paragraph 1 of this article shall be done in accordance with Article 31, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</p>	<p>Article 9</p> <p>Where the company acquires or disposes of intangible assets or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p> <p>The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 31, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.</p>	Pursuant to relevant law amendments
<p>Article 11</p> <p>When the company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised in accordance with this procedure, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 9 Paragraph 2 herein.</p> <p>When judging whether a transaction counterparty is a related party, in addition</p>	<p>Article 11</p> <p>When the company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised in accordance with this procedure, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 9 Paragraph 2 herein.</p> <p>When judging whether a transaction counterparty is a related party, in addition</p>	Pursuant to relevant law amendments

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<p>to legal formalities, the substance of the relationship shall also be considered. When the company intends to acquire or dispose of real property or <u>right-of-use assets thereof</u> from or to a related party, or when it intends to acquire or dispose of assets other than real property or <u>right-of-use assets thereof</u> from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of <u>domestic government bonds</u> or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:</p> <ol style="list-style-type: none"> <li>1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</li> <li>2. The reason for choosing the related party as a transaction counterparty.</li> <li>3. With respect to the acquisition of real property or <u>right-of-use assets thereof</u> from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 16 and Article 17.</li> <li>4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</li> <li>5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</li> <li>6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</li> <li>7. Restrictive covenants and other important stipulations associated with the transaction.</li> </ol> <p>The calculation of the transaction</p>	<p>to legal formalities, the substance of the relationship shall also be considered. When the company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:</p> <ol style="list-style-type: none"> <li>1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</li> <li>2. The reason for choosing the related party as a transaction counterparty.</li> <li>3. With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 16 and Article 17.</li> <li>4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</li> <li>5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</li> <li>6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</li> <li>7. Restrictive covenants and other important stipulations associated with the transaction.</li> </ol> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 31, paragraph 2 herein, and</p>	

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<p>amounts referred to in the preceding paragraph shall be made in accordance with Article 31, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the supervisors need not be counted toward the transaction amount.</p>	<p>"within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the supervisors need not be counted toward the transaction amount.</p>	
<p>Article 12 When the company acquires real property or <u>right-of-use assets thereof</u> from a related party, it shall evaluate the reasonableness of the transaction costs by the following means:</p> <ol style="list-style-type: none"> <li>1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.</li> <li>2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.</li> </ol> <p>Where land and structures thereupon are combined as a single property purchased or <u>leased</u> in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.</p> <p>Where the company acquires real property or <u>right-of-use assets thereof</u> from a related party and appraises the cost of the real property or <u>right-of-use assets thereof</u> in accordance with the preceding two paragraphs shall also engage a CPA</p>	<p>Article 12 When the company acquires real property from a related party, it shall evaluate the reasonableness of the transaction costs by the following means:</p> <ol style="list-style-type: none"> <li>1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.</li> <li>2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.</li> </ol> <p>Where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.</p> <p>Where the company acquires real property from a related party and appraises the cost of the real property in accordance with the paragraph 1 or paragraph 2 shall also engage a CPA to check the appraisal and render a specific opinion.</p>	<p>Pursuant to relevant law amendments</p>

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<p>to check the appraisal and render a specific opinion.</p> <p>Where the company acquires real property or <u>right-of-use assets thereof</u> from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the <u>preceding article</u>, and the preceding three paragraphs do not apply:</p> <ol style="list-style-type: none"> <li>1. The related party acquired the real property or <u>right-of-use assets thereof</u> through inheritance or as a gift.</li> <li>2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or <u>right-of-use assets thereof</u> to the signing date for the current transaction.</li> <li>3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.</li> <li>4. <u>The real property right-of-use assets for business use are acquired by the public company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.</u></li> </ol>	<p>Where the company acquires real property from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the <u>Article 11 paragraph 3</u>, and the preceding three paragraphs do not apply:</p> <ol style="list-style-type: none"> <li>1. The related party acquired the real property through inheritance or as a gift.</li> <li>2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property to the signing date for the current transaction.</li> <li>3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.</li> </ol>	
<p>Article 13</p> <p>Where the results of the company's appraisal conducted in accordance with paragraph 1 and paragraph 2 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 18. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:</p> <ol style="list-style-type: none"> <li>1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions: <ol style="list-style-type: none"> <li>A. Where undeveloped land is appraised in accordance with the means in the preceding Article, and</li> </ol> </li> </ol>	<p>Article 13</p> <p>Where the results of the company's appraisal conducted in accordance with paragraph 1 and paragraph 2 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 18. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:</p> <ol style="list-style-type: none"> <li>1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions: <ol style="list-style-type: none"> <li>A. Where undeveloped land is appraised in accordance with the means in the preceding Article, and</li> </ol> </li> </ol>	<p>Pursuant to relevant law amendments</p>

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<p>structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.</p> <p>B. <u>Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.</u></p> <p>2. Where the company acquiring real property, <u>or obtaining real property right-of-use assets through leasing</u>, from a related party provides evidence that the terms of the transaction are similar to the terms of <u>completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</u></p> <p><u>Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction;</u></p>	<p>structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.</p> <p>B. <u>Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.</u></p> <p>C. <u>Leasing between unrelated parties within the preceding year involving other floors of the same property, where the land area and leasing terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market leasing practices.</u></p> <p>2. Where the company acquiring real property, from a related party provides evidence that the terms of the transaction are similar to the terms of transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>Transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to</p>	



After Amendment	Before Amendment	Description
<p>within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the <u>right-of-use assets thereof</u>.</p>	<p>parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property.</p>	
<p>Article 14 Where the company acquires real property or <u>right-of-use assets thereof</u> from a related party and the results of appraisals conducted in accordance with the <u>preceding two articles</u> are uniformly lower than the transaction price, the following steps shall be taken:</p> <ol style="list-style-type: none"> <li>1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property or <u>right-of-use assets thereof</u> transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.</li> <li>2. <u>The preceding part of this subparagraph shall apply mutatis mutandis to the independent director members of the audit committee.</u></li> <li>3. Actions taken pursuant to the <u>preceding two subparagraphs</u> shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</li> </ol> <p>The company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or <u>leased</u> at a premium, or they have been disposed of, or the <u>leasing</u></p>	<p>Article 14 Where the company acquires real property from a related party and the results of appraisals conducted in accordance with the Article 12, Article 13 are uniformly lower than the transaction price, the following steps shall be taken:</p> <ol style="list-style-type: none"> <li>1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.</li> <li>2. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</li> </ol> <p>The company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased at a premium, or they have been disposed of, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.</p> <p>When the company obtains real</p>	<p>Pursuant to relevant law amendments</p>

After Amendment	Before Amendment	Description
<p><u>contract has been terminated</u>, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.</p> <p>When the company obtains real property or <u>right-of-use assets</u> thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arms length transaction.</p>	<p>property from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arms length transaction.</p>	
<p>Article 19</p> <p>The company engaging in derivatives trading shall adopt the following risk management measures:</p> <ol style="list-style-type: none"> <li>1. Risk management shall address credit, market, liquidity, cash flow, operational, and legal risks.</li> <li>2. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.</li> <li>3. Risk measurement, monitoring, and control personnel shall be assigned to a different department that the personnel in the preceding subparagraph and shall report to the board of directors or senior management personnel with no <u>responsibility</u> for trading or position decision-making.</li> <li>4. Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.</li> <li>5. Other important risk management measures.</li> </ol>	<p>Article 19</p> <p>The company engaging in derivatives trading shall adopt the following risk management measures:</p> <ol style="list-style-type: none"> <li>1. Risk management shall address credit, market, liquidity, cash flow, operational, and legal risks.</li> <li>2. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.</li> <li>3. Risk measurement, monitoring, and control personnel shall be assigned to a different department that the personnel in the preceding subparagraph and shall report to the board of directors or senior management personnel with no for trading or position decision-making.</li> <li>4. Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.</li> <li>5. Other important risk management measures.</li> </ol>	<p>Pursuant to relevant law amendments</p>
<p>Article 21</p> <p>The company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for <u>engaging in derivatives trading</u>, and prepare an audit report. If any material violation is discovered, all supervisors shall be notified in writing. <u>For matters for which notice shall be given to the supervisors under the preceding paragraph,</u></p>	<p>Article 21</p> <p>The company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures and prepare an audit report. If any material violation is discovered, all supervisors shall be notified in writing. The internal audit personnel shall report the audit report mentioned in previous paragraph along with the annual internal audit plan to the designated</p>	<p>Pursuant to relevant law amendments</p>

After Amendment	Before Amendment	Description
<p><u>written notice shall also be given to the independent directors.</u></p> <p>The internal audit personnel shall report the audit report mentioned in previous paragraph along with the annual internal audit plan to the designated website appointed by FSC before the end of February of the coming year and have to report the progress of improvement not later than the end of May of the coming year.</p>	<p>website appointed by FSC before the end of February of the coming year and have to report the progress of improvement not later than the end of May of the coming year.</p>	
<p>Article 25</p> <p>The company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.</p> <p>The company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.</p> <p>When participating in a merger, demerger, acquisition, or transfer of another company's shares, <u>a company that is listed on an exchange or has its shares traded on an OTC market</u> shall prepare a full written record of the following information and retain it for 5 years for reference:</p> <p>Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.</p> <p>Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.</p> <p>Important documents and minutes:</p>	<p>Article 25</p> <p>The company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.</p> <p>The company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.</p> <p>When participating in a merger, demerger, acquisition, or transfer of another company's shares, shall prepare a full written record of the following information and retain it for 5 years for reference:</p> <p>Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.</p> <p>Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.</p> <p>Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum</p>	<p>Pursuant to relevant law amendments</p>

After Amendment	Before Amendment	Description
<p>Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.</p> <p>When participating in a merger, demerger, acquisition, or transfer of another company's shares, <u>a company that is listed on an exchange or has its shares traded on an OTC market</u> shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.</p> <p>Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of <u>the preceding two paragraphs</u>.</p>	<p>of understanding, material contracts, and minutes of board of directors meetings.</p> <p>When participating in a merger, demerger, acquisition, or transfer of another company's shares, shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.</p> <p>Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of paragraph 3 and paragraph 4.</p>	
<p>Article 30</p> <p>Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not the company, the company(s) shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Article 25, Article 26, and the <u>preceding article</u>.</p>	<p>Article 30</p> <p>Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not the company, the company(s) shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Article 25, Article 26, and Article 29.</p>	<p>Pursuant to relevant law amendments</p>
<p>Article 31</p> <p>Under any of the following circumstances, the company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <ol style="list-style-type: none"> <li>1. Acquisition or disposal of real property or <u>right-of-use assets thereof</u> from or to a related party, or acquisition or disposal of assets other than real property or <u>right-of-use assets thereof</u> from or to a related party where the transaction amount reaches 20</li> </ol>	<p>Article 31</p> <p>Under any of the following circumstances, the company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <ol style="list-style-type: none"> <li>1. Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the</li> </ol>	<p>Pursuant to relevant law amendments</p>

After Amendment	Before Amendment	Description
<p>percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by <u>domestic securities investment trust</u> enterprises.</p> <ol style="list-style-type: none"> <li>2. Merger, demerger, acquisition, or transfer of shares.</li> <li>3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.</li> <li>4. Where equipment or <u>right-of-use assets thereof</u> for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria: <ol style="list-style-type: none"> <li>A. For the company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</li> <li>B. For the company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</li> </ol> </li> <li>5. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore <u>the transaction counterparty is not a related party</u>, and the amount the company expects to invest in the transaction reaches NT\$500 million.</li> <li>6. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</li> </ol>	<p>company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by securities investment trust enterprises.</p> <ol style="list-style-type: none"> <li>2. Merger, demerger, acquisition, or transfer of shares.</li> <li>3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.</li> <li>4. Where equipment for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria: <ol style="list-style-type: none"> <li>A. For the company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</li> <li>B. For the company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</li> </ol> </li> <li>5. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the company expects to invest in the transaction reaches NT\$500 million.</li> <li>6. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances: <ol style="list-style-type: none"> <li>A. Trading of government bonds.</li> <li>B. Where done by professional investors—securities trading on securities</li> </ol> </li> </ol>	

After Amendment	Before Amendment	Description
<p>A. Trading of <u>domestic</u> government bonds.</p> <p>B. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics <u>(excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds.</u></p> <p>C. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>The amount of transactions above shall be calculated as follows:</p> <ol style="list-style-type: none"> <li>1. The amount of any individual transaction.</li> <li>2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.</li> <li>3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or <u>right-of-use assets thereof</u> within the same development project within the preceding year.</li> <li>4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</li> </ol> <p>"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</p>	<p>exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics that are offered and issued in the primary market.</p> <p>C. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>The amount of transactions above shall be calculated as follows:</p> <ol style="list-style-type: none"> <li>1. The amount of any individual transaction.</li> <li>2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.</li> <li>3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property within the same development project within the preceding year.</li> <li>4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</li> </ol> <p>"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</p> <p>The company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.</p> <p>When the company at the time of public announcement makes an error or omission in an item required by</p>	

After Amendment	Before Amendment	Description
<p>The company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.</p> <p>When the company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.</p> <p>The company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.</p>	<p>regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.</p> <p>The company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.</p>	
<p>Article 33</p> <p>The company shall urge its subsidiary to act in accordance with the "Procedure of Acquisition and Disposal of Assets".</p> <p>Information required to be publicly announced and reported in accordance with the provisions of the preceding Chapter on acquisitions and disposals of assets by a the company's subsidiary that is not itself the company in Taiwan shall be reported by the company.</p> <p>The paid-in capital or total assets of the company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital or total assets stated in the most recent parent company financial report, it reaches a threshold requiring public announcement and regulatory filing under Article 31, paragraph 1.</p> <p>In the case of a foreign company whose shares have no par value or a par value other than NT\$10—Article 7 to Article 9, Article 11, Article 31 and Article 33, for the calculation of transaction amounts of 20 percent of paid-in capital under these Regulations, 10 percent of equity attributable to owners of the parent shall be substituted; <u>for calculations</u></p>	<p>Article 33</p> <p>The company shall urge its subsidiary to act in accordance with the "Procedure of Acquisition and Disposal of Assets".</p> <p>Information required to be publicly announced and reported in accordance with the provisions of the preceding Chapter on acquisitions and disposals of assets by a the company's subsidiary that is not itself the company in Taiwan shall be reported by the company.</p> <p>The paid-in capital or total assets of the company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital or total assets stated in the most recent parent company financial report, it reaches a threshold requiring public announcement and regulatory filing under Article 31, paragraph 1.</p> <p>In the case of a foreign company whose shares have no par value or a par value other than NT\$10—Article 7 to Article 9, Article 11, Article 31 and Article 33, for the calculation of transaction amounts of 20 percent of paid-in capital under these Regulations, 10 percent of equity attributable to owners of the parent shall be substituted.</p>	<p>Pursuant to relevant law amendments</p>

After Amendment	Before Amendment	Description
<u>under the provisions of these Regulations regarding transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent shall be substituted.</u>		



## Annex 5: Comparison Table for the “Procedures for Lending Funds to Other Parties and Endorsements/Guarantees” - Before and After Revision

### CHIA HSIN CEMENT CORPORATION

#### Comparison Table of Amended Articles of the “Operating Procedure Governing Loaning of Funds and Making of Endorsements/Guarantees”

After Amendment	Before Amendment	Description
<p>Article 3 Definition</p> <ol style="list-style-type: none"> <li>"Short-term" means one year, or where the company's operating cycle exceeds one year, one operating cycle.</li> <li>"Financing amount" means the cumulative balance of the public company's short-term financing.</li> <li>"Subsidiary" and "parent company" as referred to in these Regulations shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</li> <li>"Announce and report" means the process of entering data to the information reporting website designated by the Financial Supervisory Commission (FSC).</li> <li>"Net worth" means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</li> <li>"Date of occurrence" means the date of contract signing, date of payment, dates of boards of directors' resolutions, or other date that can confirm the counterparty and monetary amount of the <u>loaning of funds and making of endorsements/guarantees</u>, whichever date is earlier.</li> </ol>	<p>Article 3 Definition</p> <ol style="list-style-type: none"> <li>"Short-term" means one year, or where the company's operating cycle exceeds one year, one operating cycle.</li> <li>"Financing amount" means the cumulative balance of the public company's short-term financing.</li> <li>"Subsidiary" and "parent company" as referred to in these Regulations shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</li> <li>"Announce and report" means the process of entering data to the information reporting website designated by the Financial Supervisory Commission (FSC).</li> <li>"Net worth" means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</li> <li>"Date of occurrence" means the date of contract signing, date of payment, dates of boards of directors' resolutions, or other date that can confirm the counterparty and monetary amount of the <u>transactions</u>, whichever date is earlier.</li> </ol>	Pursuant to relevant law amendments
<p>Article 6</p> <p>The aggregate amount of loans and the maximum amount permitted to a single borrower</p> <p>The aggregate amount of capital loans and totals of the Company shall not exceed 40% of the net worth of the Company.</p> <p>The Company loan funds to the company due to its business relationship. The accumulated loans and aggregate amount are not limited to 20% of the company's net worth; the amount of funds lone to a single company or sole proprietorship shall not exceed 10% of the net worth of the company.</p> <p>The total short-term financing facility</p>	<p>Article 6</p> <p>The aggregate amount of loans and the maximum amount permitted to a single borrower</p> <p>The aggregate amount of capital loans and totals of the Company shall not exceed 40% of the net worth of the Company.</p> <p>The Company loan funds to the company due to its business relationship. The accumulated loans and aggregate amount are not limited to 20% of the company's net worth; the amount of funds lone to a single company or sole proprietorship shall not exceed 10% of the net worth of the company.</p> <p>The total short-term financing facility</p>	Pursuant to relevant law amendments

After Amendment	Before Amendment	Description
<p>between the company and company or sole proprietorship which is in need of short-term financing shall be limited to 30% of the company's net worth; short-term financing facility for a single company or a sole proprietorship shall be limited to 15% of the net worth of the company. However, between foreign companies which the company directly and indirectly holds 100% of the voting shares, <u>or from the foreign companies which the company directly and indirectly holds 100% of the voting shares to the company</u>, in case of short-term financing facility, the amount of which need not to exceed twice of the company's net worth.</p> <p><u>When the responsible person of the company violates the provisions of Article 4, it shall be liable, jointly and severally with the borrower, for the repayment of the loans and for the damages caused.</u></p>	<p>between the company and company or sole proprietorship which is in need of short-term financing shall be limited to 30% of the company's net worth; short-term financing facility for a single company or a sole proprietorship shall be limited to 15% of the net worth of the company. However, for foreign companies which the company directly and indirectly holds 100% of the voting shares, in case of short-term financing facility, the amount of which need not to exceed twice of the company's net worth.</p>	
<p>Article 8</p> <p>Loaning of funds and handling procedures</p> <p>1. Where the borrower applies for loan from the company, it shall state the reasons for the borrowing, the use of funds and the amount of loan, method of repayment, repayment period, type of guarantee, etc., and attach the most recent financial report materials for the company to conduct examination.</p> <p>2. The Finance Department of the Company shall check the content and attachments of the borrowing application submitted by borrower in detail, and shall be carefully assessed whether it meets the requirements of this regulations and the procedure regarding loaning of funds set by the Company. The result shall be submitted to the board of director's meeting along with the result of the evaluation conducted in accordance with Article 9. The provisions of the procedure shall be handled after the resolution of the board of directors, and no other person may be authorized to make the decision.</p> <p>The loan between the Company and its parent company or its subsidiaries, or between subsidiaries, shall be subject to the resolutions of the Board of Directors in accordance with the provisions of the preceding paragraph, and may authorize the Chairman ,given the same borrower, subject to the resolutions of the Board of Directors, under certain amount and duration no more than one year to disburse or revolve within</p>	<p>Article 8</p> <p>Loaning of funds and handling procedures</p> <p>1. Where the borrower applies for loan from the company, it shall state the reasons for the borrowing, the use of funds and the amount of loan, method of repayment, repayment period, type of guarantee, etc., and attach the most recent financial report materials for the company to conduct examination.</p> <p>2. The Finance Department of the Company shall check the content and attachments of the borrowing application submitted by borrower in detail, and shall be carefully assessed whether it meets the requirements of this regulations and the procedure regarding loaning of funds set by the Company. The result shall be submitted to the board of director's meeting along with the result of the evaluation conducted in accordance with Article 9. The provisions of the procedure shall be handled after the resolution of the board of directors, and no other person may be authorized to make the decision.</p> <p>The loan between the Company and its parent company or its subsidiaries, or between subsidiaries, shall be subject to the resolutions of the Board of Directors in accordance with the provisions of the preceding paragraph, and may authorize the Chairman ,given the same borrower, subject to the resolutions of the Board of Directors, under certain amount and duration no more than one year to disburse</p>	<p>Pursuant to relevant law amendments</p>

After Amendment	Before Amendment	Description
<p>the period.</p> <p>The certain amount referred to in the preceding paragraph shall not exceed the net worth of the company's latest financial statements by 10%, except for those complying with the provisions of Article 6, paragraph 3, of the Company and its subsidiaries.</p> <p>The Company has established independent directors and shall fully consider the opinions of each of the independent directors. <u>If the independent directors have objections or reservations, they shall be stated in the meeting minute of audit committee and the board of directors.</u> The borrower will only be notified when the application has been internally signed and verified.</p> <p>3. The financial department shall establish a checklist which includes information of the borrower, the amount, the date of the resolution of the board of directors, the date of the fund loan and items that shall be carefully evaluated in accordance with Article 9.</p>	<p>or revolve within the period.</p> <p>The certain amount referred to in the preceding paragraph shall not exceed the net worth of the company's latest financial statements by 10%, except for those complying with the provisions of Article 6, paragraph 3, of the Company and its subsidiaries.</p> <p><u>If the Company has established independent directors, it shall fully consider the opinions of each of the independent directors. Any agreement or objection raised shall be stated in the meeting minutes of the board of directors.</u> The borrower will only be notified when the application has been internally signed and verified.</p> <p>3. The financial department shall establish a checklist which includes information of the borrower, the amount, the date of the resolution of the board of directors, the date of the fund loan and items that shall be carefully evaluated in accordance with Article 9.</p>	
<p>Article 27</p> <p>Decision and Authorization Level</p> <p>1. When the company handles the endorsements/guarantees, it shall go through the sign-off procedure in accordance with the provisions of Article 23, and shall carefully assess whether it meets the requirements of this regulations and the operating procedures. It shall be executed only after reporting to the board of directors for resolution along with the evaluation results of Article 24, or decide by the chairman within the authorized amount, and then reported to the most recent board of directors meeting to ratify.</p> <p>If the authorized amount in a single transaction exceed NTD 500 million, it shall be reported to the board of directors for a decision; if the amount is less than NTD 500 million, the chairman shall be authorized to decide and the issue shall be ratified by the board of directors afterward.</p> <p>Before the Company handles the endorsements/guarantees toward company which it directly and indirectly holds more than 90% of the voting shares in accordance with the provisions of the second paragraph of Article 20, the issue shall be reported to the board of directors for resolution. However, it will be an exception in case when the company directly and indirectly</p>	<p>Article 27</p> <p>Decision and Authorization Level</p> <p>1. When the company handles the endorsements/guarantees, it shall go through the sign-off procedure in accordance with the provisions of Article 23, and shall carefully assess whether it meets the requirements of this regulations and the operating procedures. It shall be executed only after reporting to the board of directors for resolution along with the evaluation results of Article 24, or decide by the chairman within the authorized amount, and then reported to the most recent board of directors meeting to ratify.</p> <p>If the authorized amount in a single transaction exceed NTD 500 million, it shall be reported to the board of directors for a decision; if the amount is less than NTD 500 million, the chairman shall be authorized to decide and the issue shall be ratified by the board of directors afterward.</p> <p>Before the Company handles the endorsements/guarantees toward company which it directly and indirectly holds more than 90% of the voting shares in accordance with the provisions of the second paragraph of Article 20, the issue shall be reported to the board of directors for resolution. However, it will be an exception in case when the company</p>	<p>Pursuant to relevant law amendments</p>

After Amendment	Before Amendment	Description
hold 100% voting shares of such company. 2. The Company has established independent directors. In the discussion of the preceding matter, the opinions of the independent directors shall be fully considered. <u>If the independent directors have objections or reservations, they shall be stated in the meeting minute of audit committee and the board of directors.</u>	directly and indirectly hold 100% voting shares of such company. 2. <u>If</u> the Company has established independent directors. In the discussion of the preceding matter, the opinions of the independent directors shall be fully considered. <u>Any agreement or objection raised shall be stated in the meeting minutes of the board of directors.</u>	
Article 29 Announcement Procedure 1. The Company shall announce the endorsements/guarantees balance of itself and its subsidiaries of the previous month before the 10th of each month. 2. If the balance of endorsements/guarantees of the company reaches one of the following standards, it shall be announced within two days from the date the circumstance exists: (1) The endorsements/guarantees balance of the Company and its subsidiaries exceed 50% of the company's net worth in the most recent financial statements. (2) The endorsements/guarantees balance of the Company and its subsidiaries to a single enterprise exceed 20% of the net worth of the latest financial statements of the Company. (3) The endorsements/guarantees balance of the company and its subsidiaries to a single enterprise exceed NTD 10 million and the balance of endorsements/guarantees, <u>the investment carrying amount by the equity method</u> and loan funds in total exceed 30% of the net worth of the latest financial statements of the company. (4) The amount of new endorsements/guarantees of the Company or its subsidiaries exceed NTD 30 million and further exceed 5% of the net worth of the company's most recent financial statements. The subsidiary of the company is not a domestic public issued company. If the subsidiary has matters to be announced in accordance with paragraph 4 of the preceding paragraph, the company shall declare them on its behalf.	Article 29 Announcement Procedure 1. The Company shall announce the endorsements/guarantees balance of itself and its subsidiaries of the previous month before the 10th of each month. 2. If the balance of endorsements/guarantees of the company reaches one of the following standards, it shall be announced within two days from the date the circumstance exists: (1) The endorsements/guarantees balance of the Company and its subsidiaries exceed 50% of the company's net worth in the most recent financial statements. (2) The endorsements/guarantees balance of the Company and its subsidiaries to a single enterprise exceed 20% of the net worth of the latest financial statements of the Company. (3) The endorsements/guarantees balance of the company and its subsidiaries to a single enterprise exceed NTD 10 million and the balance of endorsements/guarantees, <u>long-term investment</u> and loan funds in total exceed 30% of the net worth of the latest financial statements of the company. (4) The amount of new endorsements/guarantees of the Company or its subsidiaries exceed NTD 30 million and further exceed 5% of the net worth of the company's most recent financial statements. The subsidiary of the company is not a domestic public issued company. If the subsidiary has matters to be announced in accordance with paragraph 4 of the preceding paragraph, the company shall declare them on its behalf.	Pursuant to relevant law amendments
Article 31 Other 1. The Company shall assess or recognize the contingent loss of the endorsements/guarantees and disclose the endorsements/guarantees information in the	Article 31 Other 1. The Company shall assess or recognize the contingent loss of the endorsements/guarantees and disclose the endorsements/guarantees information in the	Pursuant to relevant law amendments

After Amendment	Before Amendment	Description
<p>financial report in a proper manner, and provide relevant information to the certified accountant to perform the necessary audit procedures.</p> <p>2. The company shall set up an improvement plan when the endorsements/guarantees object is inconsistent with the company's endorsements/guarantees operation procedures or the amount exceeds the limitation. The relevant improvement plan shall be sent to the audit committee, and improvement shall be made in according with the plan.</p> <p>3. In case that due to business needs, where exceeding the limitation set forth in the endorsements/guarantees operation procedure is essential and it meets the conditions stipulated in the company's endorsements/guarantees procedures, the case shall be agreed by the board of directors and more than half of the directors joint guarantee for the lost possibly caused by exceeding the limitation. Endorsements/guarantees operation procedure shall be amended accordingly and be reported to the shareholders meeting for ratification; when the shareholders disagree, a plan of cancelling the amount exceeding the limitation within a certain period of time shall be set up.</p> <p>4. The Company has established independent directors. In the discussion of the preceding matter, the opinions of the independent directors shall be fully considered. <u>If the independent directors have objections or reservations, they shall be stated in the meeting minute of the board of directors.</u></p>	<p>the financial report in a proper manner, and provide relevant information to the certified accountant to perform the necessary audit procedures.</p> <p>2. The company shall set up an improvement plan when the endorsements/guarantees object is inconsistent with the company's endorsements/guarantees operation procedures or the amount exceeds the limitation. The relevant improvement plan shall be sent to the audit committee, and improvement shall be made in according with the plan.</p> <p>3. In case that due to business needs, where exceeding the limitation set forth in the endorsements/guarantees operation procedure is essential and it meets the conditions stipulated in the company's endorsements/guarantees procedures, the case shall be agreed by the board of directors and more than half of the directors joint guarantee for the lost possibly caused by exceeding the limitation. Endorsements/guarantees operation procedure shall be amended accordingly and be reported to the shareholders meeting for ratification; when the shareholders disagree, a plan of cancelling the amount exceeding the limitation within a certain period of time shall be set up.</p> <p>4. The Company has established independent directors. In the discussion of the preceding matter, the opinions of the independent directors shall be fully considered. <u>Any agreement or objection raised shall be stated in the meeting minute of the board of directors.</u></p>	
<p>Article 32</p> <p>The operating procedures shall first receive the approval from the audit committee and the board of directors, then shall be submitted to the shareholders' meeting for approval before execution. If any of the director express objections and have a record or written statement, the company shall report its objections to the shareholders' meeting for discussion.</p> <p>The Company has established independent directors. In the discussion of the operating procedure stated in the preceding paragraph, the opinions of the independent directors shall be fully considered. If the independent directors have objections or reservations, they shall be stated in the meeting minute of the audit committee and the board of</p>	<p>Article 32</p> <p>The operating procedures shall first receive the approval from the audit committee and the board of directors, <u>then shall be sent to the audit committee and finally submitted to the shareholders' meeting</u> for approval before execution. If any of the director express objections and have a record or written statement, the company shall report its objections to <u>the audit committee</u> and shareholders' meeting for discussion.</p> <p>The company <u>which</u> has established independent directors. In the discussion of the operating procedure stated in the preceding paragraph, the opinions of the independent directors shall be fully considered. <u>Any agreement or objection raised shall be stated in the meeting minute</u></p>	<p>Pursuant to relevant law amendments</p>

After Amendment	Before Amendment	Description
<p>directors.</p> <p>The establishment or revision of this procedure shall be subject to the approval of more than one-half of all members of the Audit Committee and the resolution of the Board of Directors.</p> <p>If the preceding paragraph is not approved by more than one-half of all members of the audit committee, it may be executed with approval of more than two-thirds of all directors, and the resolutions of the audit committee shall be stated in the meeting minute of the board of directors.</p> <p>All members of the Audit Committee and all directors referred to in the preceding paragraph shall be calculated by the actual incumbent.</p>	<p><u>of the board of directors.</u></p>	

## Annex 6: Comparison table for the “Revisions to the Articles of Incorporation

### CHIA HSIN CEMENT CORPORATION Comparison Table of Amended Articles of the “Articles of Incorporation”

After Amendment	Before Amendment	Description
<p>Article 5-1</p> <p>The employees of parents or subsidiaries of the corporation meeting certain specific requirements, are entitled to be transferees of shares bought back by the corporation.</p> <p>The employees of parents or subsidiaries of the corporation meeting certain specific requirements, are entitled to receive share subscription warrant of the corporation.</p> <p>The employees of parents or subsidiaries of the corporation meeting certain specific requirements, are entitled to subscribe new share issued by the corporation.</p> <p>The employees of parents or subsidiaries of the corporation meeting certain specific requirements, are entitled to receive restricted stock for employees issued by the corporation.</p>	( Added )	Amended in accordance with the Company Act and redefined party entitled to receive employees' remuneration for the purpose of corporation's operational need.
<p>Article 8</p> <p>The Annual General meeting of shareholders will be held once every year within six months after close of each fiscal year, while the Extraordinary General meeting of shareholders will be held when necessary.</p> <p><u>Unless otherwise provided by the Company Act, the General meetings of shareholders mentioned in the preceding paragraph shall be convened by the board of directors.</u></p>	<p>Article 8</p> <p>The Annual General meeting of shareholders will be held once every year within six months after close of each fiscal year, while the Extraordinary General meeting of shareholders will be held when necessary.</p>	Amended in accordance with Company Act Article 171.
<p>Article 12</p> <p>The Corporation has 7 to 9 directors, the. Board of Directors is authorized to decide the number of directors through board meeting. It adopts a candidate nomination system, and the shareholders shall elect the directors from among the nominees listed in the roster of director candidates.</p> <p>There shall be no less than three independent directors, and the number of independent directors shall be no less than one-fifth of elected directors. The election of independent directors shall be held at the Annual General.</p> <p>Shareholders' Meeting to elect them</p>	<p>Article 12</p> <p>The Corporation has 7 to 9 directors, the. Board of Directors is authorized to decide the number of directors through board meeting. It adopts a candidate nomination system, and the shareholders shall elect the directors from among the nominees listed in the roster of director candidates.</p> <p>There shall be no less than three independent directors, and the number of independent directors shall be no less than one-fifth of elected directors. The election of independent directors shall be held at the Annual General.</p> <p>Shareholders' Meeting to elect them</p>	Amended in accordance with Securities and Exchange Act Article 14-2 Paragraph 2.

After Amendment	Before Amendment	Description
<p>from among the nominees listed in the roster of independent director candidates. The professional qualifications, restrictions on shareholdings and concurrent positions held, <u>assessment of independence</u>, method of nomination, and other matters for compliance with respect to the independent directors shall be arranged in accordance with relevant rules set forth by competent authority for securities.</p> <p>The total registered shares owned by the directors shall be arranged in accordance with rules set forth by competent authority for securities.</p>	<p>from among the nominees listed in the roster of independent director candidates. The professional qualifications, restrictions on shareholdings and concurrent positions held, method of nomination <u>and election</u>, and other matters for compliance with respect to the independent directors shall be arranged in accordance with relevant rules set forth by competent authority for securities.</p> <p>The total registered shares owned by the directors shall be arranged in accordance with rules set forth by competent authority for securities.</p>	
<p>Article 21-1</p> <p>The Corporation shall have Auditing Office with one <u>Manager</u> in charge of internal audit. Appointment of the Chief Auditor shall be decided by a majority of the directors at a meeting attended by a majority of the Directors.</p>	<p>Article 21-1</p> <p>The Corporation shall have Auditing Office with one <u>Chief Auditor</u> in charge of internal audit. Appointment of the Chief Auditor shall be decided by a majority of the directors at a meeting attended by a majority of the Directors.</p>	Alteration in wording
<p>Article 22</p> <p>Deleted.</p>	<p>Article 22</p> <p>The Corporation shall have General Engineer, Vice General Engineer, Plant Managers and Vice Plant Managers, who are appointed by the Board of Directors. The appointment of the above staffs shall be proposed by General Manager and approved by the resolutions of the Board of Directors.</p>	
<p>Article 26</p> <p>If the Company shows net profit for the year, 0.001% to 3% of profit of the current year should be distributed as employees' remuneration and not more than 3% of the profit of the current year should be distributed as directors' remuneration. The Corporation shall reserve a specific amount to make up for losses in advance, and then distribute the employees' and directors' remuneration according to ratios set out in the preceding paragraph. Employee's remuneration may be distributed in stocks or cash, and the counterparty to whom stocks or cash are distributed to as employee's remuneration may include the employees of its <u>parents or subsidiaries</u> that meet certain criteria; whereas directors' remuneration shall be distributed only in cash.</p>	<p>Article 26</p> <p>If the Company shows net profit for the year, 0.001% to 3% of profit of the current year should be distributed as employees' remuneration and not more than 3% of the profit of the current year should be distributed as directors' remuneration. The Corporation shall reserve a specific amount to make up for losses in advance, and then distribute the employees' and directors' remuneration according to ratios set out in the preceding paragraph. Employee's remuneration may be distributed in stocks or cash, and the counterparty to whom stocks or cash are distributed to as employee's remuneration may include the employees of its subordinate companies that meet certain criteria; whereas directors' remuneration shall be distributed only in cash.</p>	Amended in accordance with the Company Act and redefined the party entitled to receive employees' remuneration for the purpose of corporation's operational need.



After Amendment	Before Amendment	Description
<p>The Company may, by resolution adopted by a majority vote at the Board Meeting attended by two-thirds of the total number of Directors, to determine the distribution of employee's and directors' compensation and a report of such distribution shall be submitted to the shareholders' meeting.</p> <p>When the Corporation makes the final accounting to obtain a net income, after losses have been covered and at the time of allocating surplus profits, it shall first set aside part of such profits as a legal reserve. It may set aside or reverse a special reserve or retain surplus earnings with discretion in accordance with the relevant laws from the balance plus undistributed earnings. After that, it may adjust the amount of current unallocated surplus and calculate the current divisible surplus, after adding up the unappropriated retained earnings, the board of directors shall draw up a surplus earnings distribution proposal containing the distribution ratio calculated in accordance with the dividend policies under Paragraph 4 and Paragraph 5 of this Article to be resolved by the Annual General Shareholders' Meeting.</p> <p>The Corporation shall adopt the Residual Dividend Policy. a reasonable retained surplus amount shall be reserved in consideration of cash expenditure and capital requirement of the upcoming fiscal year. Where there is remaining surplus, it may then be distributed as shareholder dividends.</p> <p>The shareholder cash dividend shall be not less than 10% of the shareholders' dividend distributed in the same year. The remaining surplus will be distributed as stock dividend.</p>	<p>The Company may, by resolution adopted by a majority vote at the Board Meeting attended by two-thirds of the total number of Directors, to determine the distribution of employee's and directors' compensation and a report of such distribution shall be submitted to the shareholders' meeting.</p> <p>When the Corporation makes the final accounting to obtain a net income, after losses have been covered and at the time of allocating surplus profits, it shall first set aside part of such profits as a legal reserve. It may set aside or reverse a special reserve or retain surplus earnings with discretion in accordance with the relevant laws from the balance plus undistributed earnings. After that, it may adjust the amount of current unallocated surplus and calculate the current divisible surplus, after adding up the unappropriated retained earnings, the board of directors shall draw up a surplus earnings distribution proposal containing the distribution ratio calculated in accordance with the dividend policies under Paragraph 4 and Paragraph 5 of this Article to be resolved by the Annual General Shareholders' Meeting.</p> <p>The Corporation shall adopt the Residual Dividend Policy. a reasonable retained surplus amount shall be reserved in consideration of cash expenditure and capital requirement of the upcoming fiscal year. Where there is remaining surplus, it may then be distributed as shareholder dividends.</p> <p>The shareholder cash dividend shall be not less than 10% of the shareholders' dividend distributed in the same year. The remaining surplus will be distributed as stock dividend.</p>	
<p>Article 29</p> <p>The Articles were established on November 8, 1954; the 1st amendment was on February 6, 1957; the 2nd amendment was on February 23, 1959..... the 47th amendment was on June 18, 2015; the 48th amendment was on June 27, 2016; <u>the 49th amendment was on June 21, 2019.</u></p>	<p>Article 29</p> <p>The Articles were established on November 8, 1954; the 1st amendment was on February 6, 1957; the 2nd amendment was on February 23, 1959..... the 47th amendment was on June 18, 2015; the 48th amendment was on June 27.</p>	<p>Added the amendment date of the Articles and alteration in wording</p>

## Annex 7: List of Director Candidates Approved by the Board of Directors' Meeting

Category	Name	Nationality	Education	Experience	Current Positions
Director	Jason K. L. Chang	ROC	Master of Massachusetts Institute of Technology	Chairman and CEO of Chia Hsin Cement Corp.  Director and Supervisor of Taiwan Cement Corp.	Chairman and Representative of:  Chia Hsin Property Management Development Corp. YJ Int'l Corp. Chia Pei Int'l Corp.  Chairman of Tong Yang Chia Hsin Int'l Corp.  Director and Representative of Taiwan Cement Corp.  Director of Epoch Foundation  Director of Chia Hsin Foundation
	Chi-Te Chen	ROC	MBA, University of California, Santa Clara	Director of Chia Hsin Cement Corp.  Chairman of Chien Kuo Construction Co. Ltd  Director and Supervisor of Taiwan Cement Corp.	Director and Representative of Chia Hsin Property Management Development Corp.  Vice Chairman of Chien Kuo Construction Co. Ltd  Director and Supervisor Of Taiwan Cement Corp.
	Tong Yang Chia Hsin Int'l Corp.  Pan Howard Wei-Hao	USA	Master, Massachusetts Institute of Technology	Director of Chia Hsin Cement Corp.  Strategic Investment Manager, Intel Capital  Senior Production Manager, Intel Corp.  Vice Chairman of CFA ociety of Taiwan  Director of Epoch Foundation  Director of Chengchen Foundation  Director of Bamboo Curtain Studio	Director and Representative of :  Chia Hsin Property Management Development Corp. .... Jaho Life Plus + Management Corp. Ltd.  Director of CFA Society of Taiwan  Director of Chia Hsin Foundation
	Tong Yang Chia Hsin Int'l Corp.	ROC	AAS, Fashion Institute of Technology,	Director of Chia Hsin Cement Corp.	Chairman and President of Suzhou Chung-Hwa Chemical &

Category	Name	Nationality	Education	Experience	Current Positions
	Jeffrey H. H. Wang		The State University of New York	Chairman of Suzhou Chung-Hwa Chemical & Pharmaceutical Industrial Co. Ltd.	Pharmaceutical Industrial Co. Ltd.  Director and Representative of China Chemical & Pharmaceutical Co. Ltd.  Director of Chunghwa Chemical Synthesis & Biotech Co. Ltd.  Supervisor of Sino-Japan Chemical Co., Ltd.
	CHUN-YI, HUANG	ROC	Master, Industrial Engineering Management Institute, Tsing Hua University	Project Manager of NXP Semiconductor Co., Taiwan	Product Development Manager of NXP Semiconductor Co., Taiwan
Independent Director	Robert K. Su	ROC	Ph. D., Accounting, Louisiana State University	Independent Director of Chia Hsin Cement Corp.  Chairman of Chinese Association of Business and Intangible Assets Valuation  Professor, Department of Accounting of National Cheng Chi University	Independent Director of Ta-Yuan Cogen Co., Ltd.  Independent Director of Adimmune Corp.  Director of Chinese Business Ethics Education Association  Member of Compensation Committee, Chien Kuo Construction Co. Ltd.
	Chia-Shen Chen	ROC	Ph.D., Psychology, National Taiwan University	Independent Director of Chia Hsin Cement Corp.	Professor, Graduate Institute of Business Administration, College of Management, NTU  Member of Taiwan Power Company Promotion Development Committee  Advisor to Industrial Technology Research Institute
	Kuan-Ming Chen	ROC	BBA, University of Southern California	Independent Director of Chia Hsin Cement Corp.  Director, TSEC Corporation	Chairman of Ladybees Int'l Ltd.  Representative of Shanghai Zhen Wang Management Consulting Co., Ltd.