

CHIA HSIN CEMENT CORPORATION

2023 Annual Meeting of Shareholders

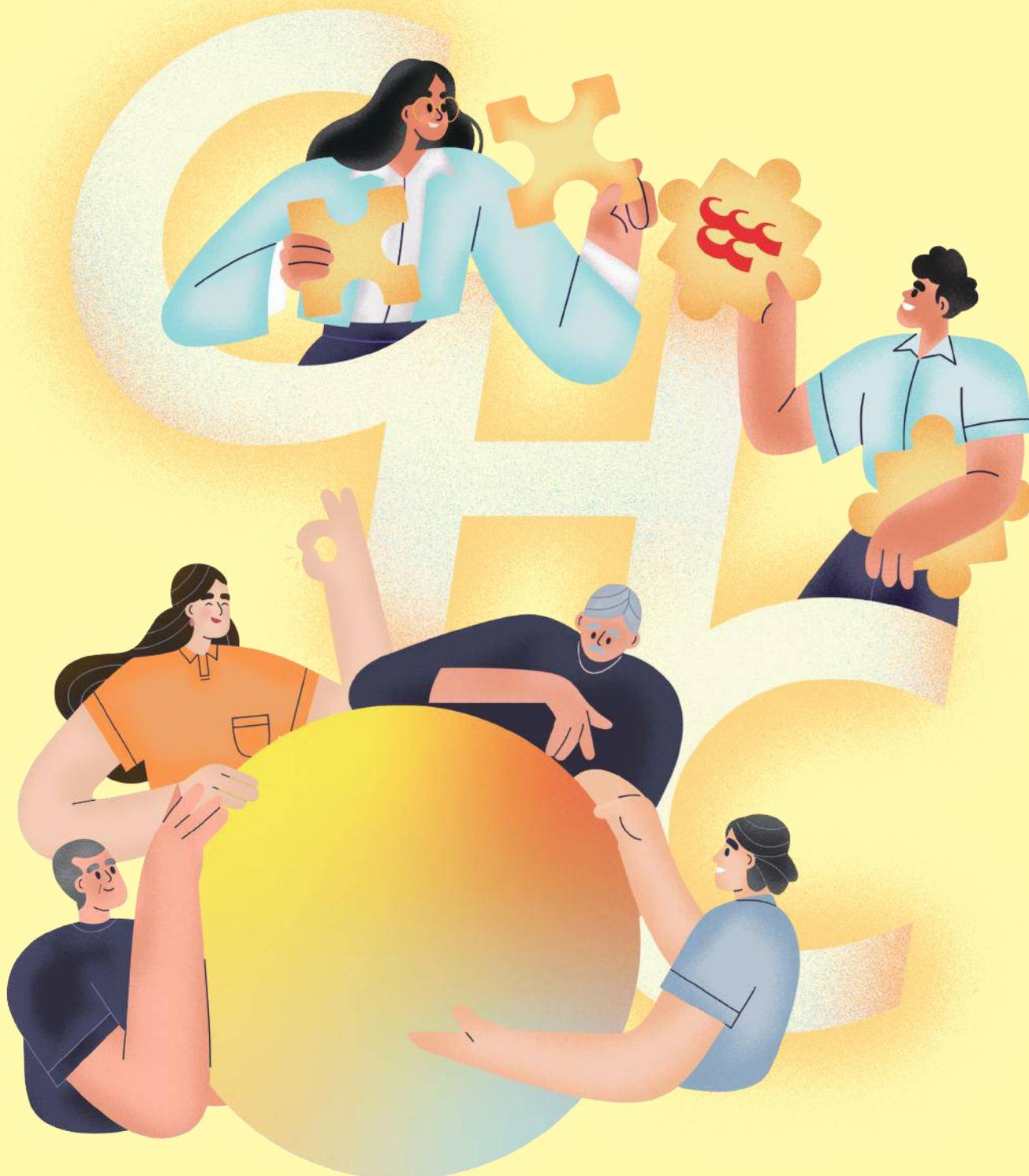


Meeting Minutes

Meeting Date : 9:00 a.m Tuesday, May 30, 2023

Meeting Venue: 6F., No.66, Wugong Rd., Xinzhuang Dist.

New Taipei City 242, Taiwan (Gala De Chine Xinzhuang Jindeng Room)




Chia Hsin Cement Corporation
Minutes of 2023 Annual General Shareholders' Meeting

Date: 9:00 a.m., Tuesday, May 30, 2023

Venue: 6F, No.66, Wugong Rd., Xinzhuang Dist. New Taipei City 242, Taiwan
(Gala De Chine Xinzhuang, Jindeng Room)

Meeting type: hybrid shareholders' meeting

E-Meeting Platform: Meeting by Taiwan Depository & Clearing Corporation

Website: <https://www.stockvote.com.tw>

Attendance of Shareholders:

Total outstanding shares of the Company is 645,975,228 shares (excluding the number of shares held by shareholders with no voting rights as stipulated in Article 179 of the Company Law); total shares of attending shareholders or by proxy (including 70,001 shares attended by visual communication assisted method and 38,926,688 shares attended by electronic means) is 536,803,138 shares; percentage of attending shareholders or by proxy is 83.09% out of the Company' s total outstanding shares.

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

Independent Directors Present: Pao-Chu Lin, Robert K. Su, Kevin Kuo-I Chen

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

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

Recorder: Hsiao-Yun Yu

- I. Announce the total shares of attending shareholders and the meeting :
Shareholders' Meeting secretariat reported that as of 9:00 a.m., there are 536,747,138 shares of attending shareholders (including 16,001 shares attended by visual communication assisted method and 38,926,688 shares attended by electronic means), which has exceeded half of the total number of outstanding shares of the Company (excluding the number of shares held by shareholders with no voting rights as stipulated in Article 179 of the Company Law). Announce the meeting
- II. Meeting Start
- III. Chairman's Address (Omitted)

IV. Matters to Report

1. 2022 Employees' and Directors' Compensation

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.

Pursuit to the aforementioned article of incorporation, the Company will not allocate compensation for employees and the directors as the Company shows a net loss before tax for the year 2022.

2. 2022 Business and Financial Statements

【 Business Report 】

In 2022, it was originally expected that the global economy would continue to recover. However, the onset of the Russian-Ukrainian war in the first quarter led to a sharp rise in global energy and raw material prices. Following this, China implemented even stricter control measures in the second quarter due to its zero-tolerance COVID policy, which further impacted the global supply chain.

Although the domestic epidemic-related control measures gradually eased in the second half of the year, driving a slow recovery in domestic demand, the high prices of oil, natural gas, and coal have led to a significant increase in the purchasing cost of cement, impacting on the profitability of the cement business for the whole year. As for the warehousing business, during the initial onset of the war in Ukraine, the volume of coal transshipment at the port decreased sharply. Although we see a gradual recovery towards year end, it has not reached the scale of previous years. On the other hand, other building materials such as cement, sand, and gravel have been less affected by the epidemic, even showing a slight growth. We will closely monitor changes in coal transportation volume in the future and continue to strive for more bulk cargo unloading capacity. The real estate leasing business has maintained its growth through actively expanding its customer base. Finally, in the service industries such as hospitality and healthcare, although operations have been constrained by epidemic development in recent years, with the gradual relaxation of relevant control measures, operations have gradually warmed up, especially with the rapid growth of business and tourism activities in Okinawa, Japan. Hotel Collective business has surged significantly.

The construction of the Toyosaki Project in Okinawa has been delayed due to the impact of labor and material shortages as well as increase in construction costs. Currently, we are actively discussing with our partner, InterContinental Hotels Group (IHG), to determine the optimal design plan to ensure that the project is competitive and has good investment returns in the future.

Our main strategic investment is Taiwan Cement Corporation (referred to as "Taiwan Cement" for short). In terms of its operations, Taiwan Cement has accelerated its corporate transformation in response to changes in the external environment, and its operations are divided into two major categories: cement and non-cement businesses. Although the cement business has also expanded into the European and African markets, the main source of revenue and profits still comes from the production and sales of cement in mainland China. Due to the continued weakness of the mainland Chinese real estate market in 2022 and strict epidemic prevention and control policies, the demand for cement has decreased significantly, affecting overall performance. We see continuous revenue growth in Taiwan Cement non-cement businesses (battery, renewable energy, energy storage, and other

businesses, demonstrating that the layout of new energy transformation is effective. Even though the non-cement sector profitability is not yet significant, but it is believed to be forward looking. Our company received a cash dividend of approximately 324 million NTD from "Taiwan Cement" in 2022. Due to the slowed operations of Taiwan Cement in mainland China in 2022, it is expected that the company's dividend income in 2023 will also be affected.

In addition, after establishing the Sustainable Development Committee at the end of 2021, the company has selected to focus on six of the United Nations Sustainable Development Goals (SDGs): Health and Well-being, Gender Equality, Quality Education, Decent Work and Economic Growth, Responsible Consumption and Production, and Climate Action. Based on this, the company developed a sustainable development blueprint and strategy for the future of the corporation. In addition, besides continuing the support of scholarships and various student aid activities organized by CHIA HSIN FOUNDATION, the company also launched various projects, such as deepening employee care and responding to the impact of climate change by joining relevant initiatives, accelerating digital transformation, and other measures. The company hopes to achieve sustainable management goals and expand its social impact.

1. Operating Performance:

The Company's consolidated operating revenue in 2022 was NTD 2,253,659,000 showing an increase of NTD 33,405,000 or 1.5%, compared to NTD 2,220,254,000 in 2021. The Consolidated net loss after tax was NTD 173,886,000; attributable to owners of Company was NTD 180,762,000 and loss per share (after tax) attributable to owners of the Company was NTD 0.28.

2. Main Production and Sales Distribution:

- (1) Sales of Cement: In 2022, the Company sold 360,000 metric tons of cement in Taiwan.
- (2) Real Estate Leasing: The Company's leasing business mainly came from rental revenue of Chia Hsin Building, which has a comprehensive leasing rate of 96%.
- (3) Storage and Logistic: The loading and unloading business at Taipei Port was a total of 1.131 million metric tons of coal and 3.54 million metric tons of aggregate and other bulk cargoes.
- (4) Hospitality Services: The operating revenue in 2022 was approximately NTD 450 million which includes the revenue from Chia Hsin Ryukyu Hotel Collective and JAHO Life Plus+.

3. Financial Report:

The Company's consolidated net loss before tax was NTD121,302,000 and showed a net loss after tax of NTD 173,886,000. The Consolidated net loss after tax was NTD 173,886,000; attributable to owners of Company was NTD 180,762,000 and loss per share (after tax) attributable to owners of the Company was NTD0.28. Total assets in the consolidated financial statements amounted to NTD 36,412,314,000 and total liabilities amounted to NTD 14,412,887,000. Current ratio was 303% and total equity attributable to owners of the Company was NTD 21,285,995,000 with equity ratio of 58%.

Chairman: Chang Kang-Lung

President: Li-Hsin Wang

Accounting Supervisor: Mars Feng

3. Audit Committee's Review of 2022 Business and Financial Statements

Chia Hsin Cement Corporation

Audit Committee's Review Report

The Board of Directors of Chia Hsin Cement Corporation (CHC) has submitted the Company's 2022 business report and financial statements to the Audit Committee. The CPA firm, Deloitte & Touche, was retained by the Board to audit CHC's financial statements and has issued an audit report relating to the financial statements. The business report and financial statements have been reviewed and determined to be correct and accurate by the Audit Committee of CHC. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Independent Directors:

Pao-Chu Lin



Robert K. Su



Kevin Kuo-I Chen



March 9, 2023

Chia Hsin Cement Corporation

Audit Committee's Review Report

The Board of Directors of Chia Hsin Cement Corporation (CHC) has submitted the Company's proposal for distribution of the 2022 earnings to the Audit Committee. The proposal has been reviewed and determined to be correct and accurate by the Audit Committee of CHC. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Independent Directors:

Pao-Chu Lin



Robert K. Su



Kevin Kuo-I Chen



April 18, 2023

4. Other Matters

- (1) Implementation of 2022 Endorsements/Guarantees Report
(Annex 1 – Page 24)
- (2) Report the adjustment of the Company’s organization structure
(Annex 2 – page 25)
- (3) Report on Amendment to Rules of Procedure for Board Meetings
(Annex 3 – Page 27)

Explanatory Notes: For details of the aforementioned, please refer to pages 24~29.

V. Matters for Ratification

【1. 2022 Business and Financial Statements】

(Proposed by the Board of Directors)

Description:

1. The Company's 2022 Business Report and Consolidated Financial Statements have been audited by independent auditors, Chiang Hsun Chen and Sheng Tai Liang of Deloitte & Touche.
2. The aforementioned final accounts have been reviewed and approved by the Audit Committee and the Board.
3. Please accept the aforementioned Business Report and Financial Statements.

Annex:

1. 2022 Business Report: Please refer to pages 3~5.
2. Independent Auditors' Report: Please refer to pages 10~17.
3. Financial Statements: Please refer to pages 30~43. (Annex 4)

Explanatory Notes: The Company's 2022 Business Report and Financial Statements are available on website. (<https://mops.twse.com.tw>)

Resolution: Proposal approved

Voting Results: Total voting rights of attending shareholders: 536,803,138 votes

Voting Result	Percentage out of total attending shareholders with voting rights
Votes in favor: 529,416,498 votes (including 32,183,049 votes casted through visual communication assisted method and e-voting)	98.62%
Votes in against: 19,937 votes (including 19,937 votes casted through visual communication assisted method and e-voting)	0.00%
Votes in invalid: 0 votes (including 0 votes casted through visual communication assisted method and e-voting)	0.00%
Votes abstained: 7,366,703 votes (including 6,793,703 votes casted through visual communication assisted method and e-voting)	1.37%

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Chia Hsin Cement Corporation

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

The key audit matters of the Group's consolidated financial statements for the year ended December 31, 2022 is stated as follows:

Impairment of Property, Plant and Equipment

As of December 31, 2022, the net carrying amount of property, plant and equipment of the hotel operated by the Group located in Ryukyu, Japan was NT\$3,832,598 thousand, representing 11% of total consolidated assets, which was material to the consolidated financial statements. Due to the impact of COVID-19 on the overall economic trend of the industry, the actual operating performance of the hotel was lower than expected, which in turn affected the management's assessment of the impairment of property, plant, and equipment. Since the information used in the **assessment was subject to management's judgment and involved high uncertainty**, we identified the impairment of property, plant and equipment as a key audit matter.

Our key audit procedures performed in respect of the above area included the following:

We obtained from the management an impairment assessment report issued by an external expert, and we performed the following key audit procedures in connection with the above major transactions:

1. We obtained an understanding of the **management's basis of assumptions and sources of relevant data and description used to estimate the value in use of the assets**. We also assessed the **reasonableness of management's adoption of such assumptions and data**.
2. We assessed the appropriateness of the discount rates used by external specialists in their valuation reports.
3. We recalculated the value in use of the assets and verified that the calculation in the valuation report was accurate.

Other Matter

We have also audited the parent company only financial statements of Chia Hsin Cement Corporation as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chiang Hsun Chen and Sheng Tai Liang.

Chingham Chen Sheng-Tai Liang

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 9, 2023

Notice to Readers

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

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Chia Hsin Cement Corporation

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

The key audit matters of the Company's financial statements for the year ended December 31, 2022 is stated as follows:

Impairment of Investment in Subsidiaries Accounted for Using the Equity Method

As of December 31, 2022, the net carrying amount of property, plant and equipment of CHC Ryukyu COLLECTIVE KK was NTS3,832,598 thousand, which was material to the financial statements. Due to the impact of COVID-19 on the overall economic trend of the industry, the actual operating performance was lower than expected, which in turn affected the management's assessment of the impairment of property, plant, and equipment. Since the information used in the assessment **was subject to management's judgment and involved** high uncertainty, it will affect the **Company's recognition** of the share of investment accounted for using the equity method; therefore, we identified the impairment of property, plant and equipment of the investment in subsidiaries accounted for using the equity method as a key audit matter.

Our key audit procedures performed in respect of the above area included the following:

We obtained from the management an impairment assessment report issued by an external expert, and we performed the following key audit procedures in connection with the above major transactions:

1. We obtained an understanding of the management's basis of assumptions and sources of relevant data and description used to estimate the value in use of the assets. We also assessed the reasonableness of management's adoption of such assumptions and data.
2. We assessed the appropriateness of the discount rates used by external specialists in their valuation reports.
3. We recalculated the value in use of the assets and verified that the calculation in the valuation report was accurate.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chiang Hsun Chen and Sheng Tai Liang.

Ching-hsun Chen Sheng-Tai Liang

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 9, 2023

Notice to Readers

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

【2. 2022 Earnings Distribution Proposal】

(Proposed by the Board of Directors)

Description:

1. Pursuant to Article 26 of the Company's Articles of Incorporation, the Table of 2022 earnings distribution is herewith made accordingly. (Please refer to Page 20)
2. Pursuant to Paragraph 3, Article 26 of the Articles of Incorporation, if the Company shows a profit after tax for 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 considered the distributable earnings of the current year.
3. The Company's net loss after tax in 2022 is NTD 180,762,698, adding re-measurement of defined benefit plan recognized in retained earnings of NTD 8,964,689 and retained earnings adjusted for investment accounted for using equity method of NTD 3,836,537; total amount of loss to be offset for the fiscal year is NTD 167,961,472 which shall be made up by the accumulated retained earnings. In addition, NTD 386,672,774 was allocated from the accumulated earnings of previous years as shareholders' stock dividends. The Company will pay a cash dividend of NTD 0.3 and stock dividend of NTD 0.2 per share.
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 authorize the Chairman to fully execute the adjustment of the rate of distribution.
5. To authorize Chairman of the Board with full powers to set the ex-dividend date and deal with distribution matters for cash dividend. The cash dividend distributed to each shareholder will be rounded down to the nearest whole number; all numbers after the decimal will be truncated. The total truncated amount will be recognized in "other income."
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 accept the aforementioned proposal.

Resolution: Proposal approved

Voting Results: Total voting rights of attending shareholders: 536,803,138 votes

Voting Result	Percentage out of total attending shareholders with voting rights
Votes in favor: 529,965,993 votes (including 32,732,544 votes casted through visual communication assisted method and e-voting)	98.72%
Votes in against: 20,978 votes (including 20,978 votes casted through visual communication assisted method and e-voting)	0.00%
Votes in invalid: 0 votes (including 0 votes casted through visual communication assisted method and e-voting)	0.00%
Votes abstained: 6,816,167 votes (including 6,243,167 votes casted through visual communication assisted method and e-voting)	1.26%

Chia Hsin Cement Corporation

Earnings Distribution Table of the Year 2022

Unit: NTD

Item	Amount	
Opening Unappropriated Retained Earnings (Unappropriated Retained Earnings listed in the 2022 Annual General meeting of shareholders)		5,905,194,049
Add (Less):		
Add: Net loss for 2022	(180,762,698)	
Add: re-measurement of defined benefit plan recognized in retained earnings	8,964,689	
Add: retained earnings adjusted for investment accounted for using equity method	3,836,537	
Earnings in 2022 Available for Distribution		(167,961,472)
Retained Earnings Available for Distribution as of December 31, 2022		5,737,232,577
Less: Distribution Item		
Stock Dividends to Common Share Holders (NTD0.2 per share)		(154,669,110)
Cash Dividends to Common Share Holders (NTD0.3 per share)		(232,003,664)
Unappropriated Retained Earnings		5,350,559,803

Chairman: Chang Kang-Lung

President: Li-Hsing Wang

Accounting Supervisor: Mars Feng

VI. Matters for Discussion

【1. The Proposal for Issuance of New Shares Through Capitalization of Earnings】

(Proposed by the Board of Directors)

Description:

1. The Company's total capital is NTD15,000,000,000, divided into 1,500,000,000 shares, NTD 10 per share, issued in installments; a total of 774,780,548 common shares issued and 725,219,452 unissued shares
2. To replenish capital and strengthen financial structure, it is proposed that the Company allocate from the accumulated distributable earnings of previous years in the amount of NTD 154,669,110 as shareholders' stock dividends and issue 15,466,911 new shares through capitalization (par value at NT\$10 per share). Total capital after issuance of new shares will be increased to NTD 7,902,474,590.
3. It is proposed that stock dividends be calculated on the basis of 773,345,548 outstanding shares, i.e., 20 shares for each 1,000 shares held.
4. Regarding any amount less than one share, the shareholders may go through the Company's stock affairs agency "Capital Securities Corporation, Stock Affairs Department" within five days from the first day on which the transfer of shares is closed at the time of ex-rights for combination. If the combination is not completed within the aforementioned period or if the combination is still less than one share, the dividends will be distributed in cash with minimum calculation unit rounded down in one NT dollar. The Chairperson of the Board of Directors will be authorized to approach specific persons of the purchase of these shares based on the face value.
5. The rights and obligations of new shares issued through the capital increase are identical to those of the existing shares.
6. Upon the approval the competent authority and after the resolution by the 2023 Annual General Shareholders' Meeting, the Board of Directors is authorized to determine the distribution record date and handle necessary related matters. It is also proposed that the Board of Directors be authorized to adjust the aforementioned terms, due to the circumstances of change of environment of need as well as to adjust the stock to be distributed to each share based on the number of actual shares outstanding on the record date for distribution; and to adjust the capital increase plan as a result of any amendment to applicable laws or regulations or as required by the competent authorities.
7. Please discuss the matter.

Resolution: Proposal approved

Voting Results: Total voting rights of attending shareholders: 536,803,138 votes

Voting Result	Percentage out of total attending shareholders with voting rights
Votes in favor: 529,946,947 votes (including 32,713,498 votes casted through visual communication assisted method and e-voting)	98.72%
Votes in against: 27,487 votes (including 27,487 votes casted through visual communication assisted method and e-voting)	0.00%
Votes in invalid: 0 votes (including 0 votes casted through visual communication assisted method and e-voting)	0.00%
Votes abstained: 6,828,704 votes (including 6,255,704 votes casted through visual communication assisted method and e-voting)	1.27%

VII. Special Motions: None

VIII. Meeting Adjourned: 09:45 AM May 30th, 2023

Note: There was neither questions raised by the shareholders present at the site of the shareholders' meeting nor questions raised in writing at the virtual meeting platform by shareholders attending the virtual meeting on line.

Annex 1: Implementation of 2022 Endorsements/Guarantees Report

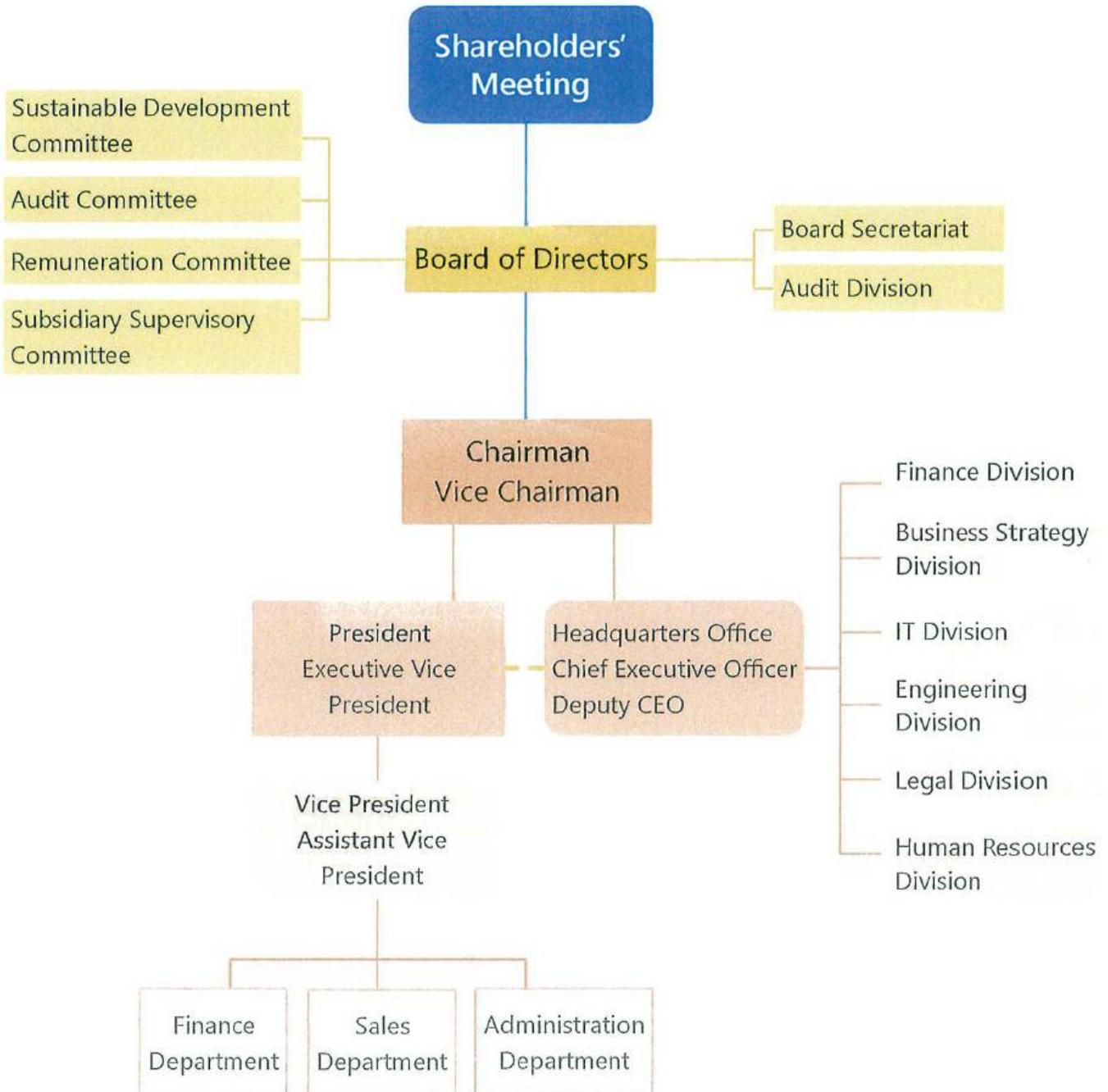
Other than to LDC ROME HOTELS S.R.L where the Company holds 40% shares of the entity and issuance of guarantee is based relatively on the ratio of shareholding, most of the other guarantees were issued to its 100% owned subsidiaries. It is considered reasonable and necessary in view of overall business developments.

As of December, 31, 2022, the total endorsements/guarantees issued by the Company and its subsidiaries amounted to NTD 9,076,375,000 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:

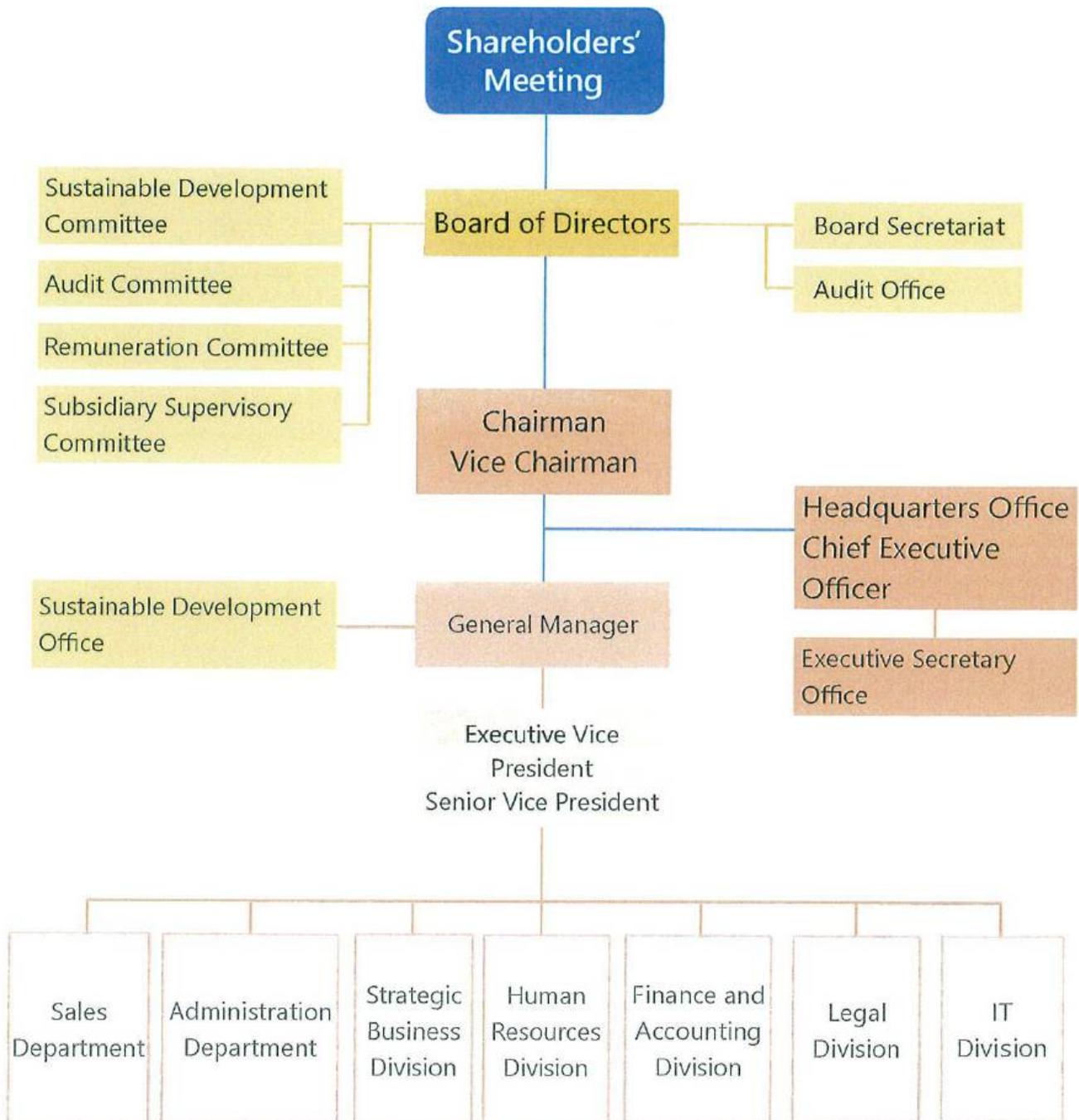
Endorsements / Guarantees Offered by	Endorsements / Guarantees Received	Balance of Endorsements / Guarantees (NTD / Thousand)
Chia Hsin Cement Corporation	LDC ROME HOTELS S.R.L.	340,000
	CHC Ryukyu Development GK	766,920
	CHC Ryukyu COLLECTIVE KK	1,525,955
The Company Total		2,632,875
Chia Hsin Property Management & Development Corporation	Chia Hsin Cement Corporation	6,440,000
Jaho Life Plus+ Management Corp., Ltd.	Gemcare Maternity Center	2,500
	Gemcare Dunhua Maternity Center	1,000
Subsidiaries Total		6,443,500
The Company and Its Subsidiaries Total		9,076,375

Annex 2: Report the adjustment of the Company's organization structure

**Chia Hsin Cement Corporation
Organization Chart (Before Adjustment)**



**Chia Hsin Cement Corporation
Organization Chart (After Adjustment)**



Annex 3: Comparison Table for the Rules of Procedure for Board Meetings Before and After Amendment

Chia Hsin Cement Corporation The Rules of Procedure for Board Meetings Amendments

After Amendment	Before Amendment	Description
<p>Article 2: The Company's board directors shall meet once every quarter. The reasons for calling a board of directors meeting shall be notified to each director seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice and in such case the directors may not raise any objections. The notice set forth in the preceding paragraph may be effected by means of electronic transmission after obtaining prior consent from the recipients thereof.</p> <p>All matters set out in the subparagraphs of Article 11, paragraph 1 shall be specified in the notice of reasons for calling a board of directors meeting; none of them may be raised by an extraordinary motion.</p>	<p>Article 2: The Company's board directors shall meet once every quarter. The reasons for calling a board of directors meeting shall be notified to each director seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice and in such case the directors may not raise any objections. The notice set forth in the preceding paragraph may be effected by means of electronic transmission after obtaining prior consent from the recipients thereof.</p> <p>All matters set out in the subparagraphs of Article 11, paragraph 1, <u>with the exception of emergency cases or unless there is some legitimate reason to do otherwise</u>, shall be specified in the notice of reasons for calling a board of directors meeting; none of them may be raised by an extraordinary motion.</p>	<p>In compliance with Order No. 1110383263 of the Financial Supervisory Commission Public Announcement for amendment</p>
<p>Article 11: The Company shall submit the following items for discussion by the board of directors:</p> <ol style="list-style-type: none"> 1. Company business plan 2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by a certified public accountant (CPA). 3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and an assessment of the effectiveness of the internal control system. 4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others. 5. The offering, issuance, or private placement of any equity-type securities. 6. Appointment or discharge of 	<p>Article 11: The Company shall submit the following items for discussion by the board of directors:</p> <ol style="list-style-type: none"> 1. Company business plan 2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by a certified public accountant (CPA). 3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and an assessment of the effectiveness of the internal control system. 4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others. 5. The offering, issuance, or private placement of any equity-type securities. 6. The appointment or discharge of a 	<p>In compliance with Order No. 1110383263 of the Financial Supervisory Commission Public Announcement for amendment</p>

After Amendment	Before Amendment	Description
<p><u>Chairman of the Board of Directors</u></p> <p><u>7.</u> The appointment or discharge of a financial, accounting, or internal audit officer.</p> <p><u>8.</u> A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.</p> <p><u>9.</u> Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or board of directors meeting, or any such significant matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.</p> <p>At least one independent director shall attend each meeting in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors under paragraph 1, each independent director shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. If an independent director expresses any objection or reservation about a matter, it shall be recorded in the board meeting minutes. An independent director intending to express an</p>	<p>financial, accounting, or internal audit officer.</p> <p><u>7.</u> A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.</p> <p><u>8.</u> Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or board of directors meeting, or any such significant matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.</p> <p>At least one independent director shall attend each meeting in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors under paragraph 1, each independent director shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. If an independent director expresses any objection or reservation about a matter, it shall be recorded in the board meeting minutes. An independent director intending to express an objection or reservation but is unable to attend the meeting in person shall,</p>	

After Amendment	Before Amendment	Description
objection or reservation but is unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.	unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.	
<p>Article 18: These Rules and Procedures shall be approved at the board of directors meeting; and to be reported at the General Shareholders' Meeting. In the future, any amendments shall be resolved at the board of directors meeting.</p> <p>These Regulations came into force effectively from March 22nd, 2007; and subsequently first amendment made on March 20th, 2008, second amendment made on January 28th, 2013, third amendment made on June 5th, 2013, fourth amendment made on July 11th, 2016, fifth amendment made on November 9th, 2017, sixth amendment made on May 6th, 2020 <u>and seventh amendment made on April 18th, 2023.</u></p>	<p>Article 18: These Rules and Procedures shall be approved at the board of directors meeting; and to be reported at the General Shareholders' Meeting. In the future, any amendments shall be resolved at the board of directors meeting.</p> <p>These Regulations came into force effectively from March 22nd, 2007; and subsequently first amendment made on March 20th, 2008, second amendment made on January 28th, 2013, third amendment made on June 5th, 2013, fourth amendment made on July 11th, 2016, fifth amendment made on November 9th, 2017 <u>and</u> sixth amendment made on May 6th, 2020.</p>	Additional dates of amendment

Annex 4: 2022 Financial Statements

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

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

	2022		2021	
	Amount	%	Amount	%
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 4,463,396	12	\$ 3,685,347	9
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	1,317,483	4	1,387,308	4
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	2,347,407	7	2,582,413	8
Financial assets at amortized cost - current (Notes 4 and 9)	1,689,701	5	2,638,297	7
Notes receivable from unrelated parties (Notes 4, 10 and 26)	141,706	-	137,437	-
Trade receivables from unrelated parties (Notes 4, 10 and 26)	108,919	-	78,308	-
Trade receivables from related parties (Notes 4, 26 and 35)	4,876	-	10,864	-
Finance lease receivables - current (Notes 4 and 12)	2,916	-	2,852	-
Other receivables from unrelated parties (Notes 4 and 11)	37,579	-	28,546	-
Other receivables from related parties (Notes 4 and 35)	68	-	317	-
Current tax assets (Notes 4 and 28)	1,021	-	467	-
Inventories (Notes 4 and 13)	163,658	1	55,320	-
Prepayments (Note 20)	114,900	-	149,047	-
Refundable deposits - current (Note 4)	15	-	20	-
Other current assets (Note 20)	1,702	-	117	-
Total current assets	10,395,347	29	11,156,660	28
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	9,533,730	26	12,152,445	30
Financial assets at amortized cost - non-current (Notes 4, 9 and 36)	27,428	-	25,856	-
Investments accounted for using the equity method (Notes 4 and 15)	3,540,258	10	3,445,290	9
Property, plant and equipment (Notes 4, 5, 16 and 36)	4,848,433	13	5,282,102	13
Right-of-use assets (Notes 4 and 17)	1,545,094	4	1,632,742	4
Investment properties (Notes 4, 18 and 36)	6,194,334	17	6,120,417	15
Intangible assets (Notes 4 and 19)	6,651	-	7,580	-
Deferred tax assets (Notes 4 and 28)	268,635	1	333,077	1
Refundable deposits - non-current (Note 4)	29,304	-	31,539	-
Finance lease receivables - non-current (Notes 4 and 12)	1,111	-	4,027	-
Net defined benefit assets - non-current (Notes 4 and 24)	18,579	-	4,834	-
Other non-current assets (Notes 10 and 20)	3,320	-	21,082	-
Total non-current assets	26,016,967	71	29,090,991	72
TOTAL	\$ 36,412,314	100	\$ 40,247,651	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 21 and 36)	\$ 1,673,664	5	\$ 914,000	2
Short-term bills payable (Note 21)	127,614	-	134,842	1
Contract liabilities (Notes 4 and 26)	27,860	-	23,704	-
Notes payable to unrelated parties (Note 22)	1,907	-	3,351	-
Trade payables to unrelated parties (Note 22)	86,994	-	118,141	-
Trade payables to related parties (Note 35)	83,229	-	124,010	-
Other payables to unrelated parties (Notes 23 and 32)	206,644	1	227,742	1
Other payables to related parties (Note 35)	-	-	72	-
Current tax liabilities (Notes 4 and 28)	108,242	-	121,492	-
Lease liabilities - current (Notes 4 and 17)	139,172	1	132,442	-
Advance receipts (Note 23)	6,536	-	8,820	-
Current portion of long-term borrowings (Notes 21 and 36)	933,090	3	947,847	3
Guarantee deposits - current (Note 35)	29,759	-	29,995	-
Other current liabilities (Note 23)	6,773	-	2,870	-
Total current liabilities	3,431,484	10	2,789,328	7
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 21 and 36)	7,439,628	21	7,908,939	20
Deferred tax liabilities (Notes 4 and 28)	1,594,249	4	1,583,897	4
Lease liabilities - non-current (Notes 4 and 17)	1,514,484	4	1,599,272	4
Deferred revenue - non-current (Notes 23 and 31)	342,402	1	367,431	1
Guarantee deposits - non-current (Note 35)	90,640	-	88,551	-
Total non-current liabilities	10,981,403	30	11,548,020	29
Total liabilities	14,412,887	40	14,337,418	36
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 25)				
Share capital				
Ordinary shares	7,747,805	21	7,747,805	19
Capital surplus	1,238,426	3	1,139,256	3
Retained earnings				
Legal reserve	2,571,235	7	2,503,173	6
Special reserve	2,257,996	6	2,257,996	6
Unappropriated earnings	5,737,333	16	6,475,930	16
Total retained earnings	10,566,464	29	11,237,092	28
Other equity	3,811,330	8	5,979,118	15
Treasury shares	(1,077,950)	(3)	(1,077,950)	(3)
Total equity attributable to owners of the Company	21,285,995	58	25,025,368	62
NON-CONTROLLING INTERESTS (Note 25)	713,432	2	884,865	2
Total equity	21,999,427	60	25,910,233	64
TOTAL	\$ 36,412,314	100	\$ 40,247,651	100

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

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 26 and 35)	\$ 2,253,659	100	\$ 2,220,254	100
OPERATING COSTS (Notes 13, 27 and 35)	<u>(2,121,073)</u>	<u>(94)</u>	<u>(2,189,455)</u>	<u>(99)</u>
GROSS PROFIT	<u>132,586</u>	<u>6</u>	<u>30,799</u>	<u>1</u>
OPERATING EXPENSES (Notes 10, 11, 27 and 35)				
Selling and marketing expenses	(42,016)	(2)	(32,965)	(1)
General and administrative expenses	(485,687)	(22)	(523,691)	(24)
Expected credit gain (loss)	<u>(253)</u>	<u>-</u>	<u>221</u>	<u>-</u>
Total operating expenses	<u>(527,956)</u>	<u>(24)</u>	<u>(556,435)</u>	<u>(25)</u>
LOSS FROM OPERATIONS	<u>(395,370)</u>	<u>(18)</u>	<u>(525,636)</u>	<u>(24)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 15, 27 and 35)				
Interest income	76,114	3	52,932	2
Other income	445,728	20	1,262,036	57
Other gains and losses	(218,231)	(10)	311,367	14
Finance costs	(169,438)	(7)	(159,902)	(7)
Share of profit or loss of associates and joint ventures	<u>139,895</u>	<u>6</u>	<u>(121,277)</u>	<u>(5)</u>
Total non-operating income and expenses	<u>274,068</u>	<u>12</u>	<u>1,345,156</u>	<u>61</u>
(LOSS) PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	(121,302)	(6)	819,520	37
INCOME TAX EXPENSE (Notes 4 and 28)	<u>(52,584)</u>	<u>(2)</u>	<u>(71,985)</u>	<u>(3)</u>
NET (LOSS) PROFIT FOR THE YEAR	<u>(173,886)</u>	<u>(8)</u>	<u>747,535</u>	<u>34</u>
OTHER COMPREHENSIVE INCOME (Notes 4, 24, 25 and 28)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	13,484	1	5,776	-
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(3,355,102)	(149)	1,441,456	65

(Continued)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Share of the other comprehensive (loss) income of associates and joint ventures accounted for using the equity method	\$ (93,915)	(4)	\$ 52,959	3
Income tax related to items that will not be reclassified subsequently to profit or loss	<u>(2,696)</u>	<u>-</u>	<u>(1,155)</u>	<u>-</u>
	<u>(3,438,229)</u>	<u>(152)</u>	<u>1,499,036</u>	<u>68</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	199,110	9	(554,584)	(25)
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	6,412	-	(4,289)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>(44,016)</u>	<u>(2)</u>	<u>147,470</u>	<u>6</u>
	<u>161,506</u>	<u>7</u>	<u>(411,403)</u>	<u>(19)</u>
Other comprehensive (loss) income for the year, net of income tax	<u>(3,276,723)</u>	<u>(145)</u>	<u>1,087,633</u>	<u>49</u>
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	<u>\$ (3,450,609)</u>	<u>(153)</u>	<u>\$ 1,835,168</u>	<u>83</u>
NET (LOSS) PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ (180,762)	(8)	\$ 657,848	30
Non-controlling interests	<u>6,876</u>	<u>-</u>	<u>89,687</u>	<u>4</u>
	<u>\$ (173,886)</u>	<u>(8)</u>	<u>\$ 747,535</u>	<u>34</u>
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ (3,335,828)	(148)	\$ 1,702,814	77
Non-controlling interests	<u>(114,781)</u>	<u>(5)</u>	<u>132,354</u>	<u>6</u>
	<u>\$ (3,450,609)</u>	<u>(153)</u>	<u>\$ 1,835,168</u>	<u>83</u>
(LOSS) EARNINGS PER SHARE (Note 29)				
From continuing operations				
Basic	<u>\$ (0.28)</u>		<u>\$ 1.02</u>	
Diluted	<u>\$ (0.28)</u>		<u>\$ 1.02</u>	

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

(Concluded)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

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

	Share Capital	Capital Surplus	Legal Reserve	Retained Earnings		Unappropriated Earnings	Exchanges Differences on Translating Foreign Operations	Other Equity			Non-controlling Interests	Total Equity
				Special Reserve	Special Reserve			Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Total		
BALANCE, JANUARY 1, 2021	\$ 7,747,805	\$ 960,402	\$ 2,319,663	\$ 2,275,704	\$ 7,058,362	\$ (404,225)	\$ 5,343,439	\$ (1,119,023)	\$ 24,182,147	\$ 835,202	\$ 25,017,349	
Appropriation of 2020 earnings (Note 25)	-	-	183,510	-	(183,510)	-	-	-	-	-	-	
Legal reserve	-	-	-	-	(1,079,560)	-	-	-	(1,079,560)	-	-	
Cash dividends	-	-	-	(17,708)	17,708	-	-	-	-	-	-	
Reverse of special reserve	-	-	-	-	-	-	-	-	-	-	-	
Changes in equity of associates accounted for using the equity method (Note 25)	-	3,461	-	-	-	-	-	-	3,461	-	3,461	
Unallocated dividends extinguished by prescription (Note 25)	-	344	-	-	-	-	-	-	344	29	373	
Net profit for the year ended December 31, 2021	-	-	-	-	657,848	-	-	-	657,848	89,687	747,535	
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	5,062	(395,011)	1,435,215	-	1,045,266	52,667	1,087,682	
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	662,910	(395,011)	1,435,215	-	1,702,814	132,354	1,835,168	
Changes in capital surplus due to cash dividends of the Company paid to subsidiaries (Note 25)	-	155,010	-	-	-	-	-	-	155,010	-	155,010	
Share-based payment (Notes 25 and 30)	-	20,175	-	-	-	-	-	-	20,175	412	20,587	
Decrease in non-controlling interests (Note 25)	-	-	-	-	-	-	-	-	-	(83,132)	(83,132)	
Reinstatement of treasury shares (Note 25)	-	(58)	-	-	-	-	-	41,072	40,977	-	40,977	
BALANCE, DECEMBER 31, 2021	7,747,805	1,139,296	2,503,173	2,257,996	6,475,930	(800,236)	6,779,254	(1,077,950)	25,025,368	884,865	25,910,233	
Appropriation of 2021 earnings (Note 25)	-	-	63,062	-	(63,062)	-	-	-	-	-	-	
Legal reserve	-	-	-	-	(502,675)	-	-	-	(502,675)	-	-	
Cash dividends	-	-	-	-	-	-	-	-	-	-	-	
Changes in equity of associates and joint ventures accounted for using the equity method (Note 25)	-	26,158	-	-	-	-	-	-	26,158	-	26,158	
Unallocated dividends extinguished by prescription (Note 25)	-	795	-	-	-	-	-	-	795	29	824	
Net (loss) profit for the year ended December 31, 2022	-	-	-	-	(180,762)	-	-	-	(180,762)	6,876	(173,886)	
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	12,802	151,514	(3,319,382)	-	(3,155,066)	(121,657)	(3,276,723)	
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	(167,960)	151,514	(3,319,382)	-	(3,335,828)	(114,781)	(3,450,609)	
Changes in capital surplus due to cash dividends of the Company paid to subsidiaries (Note 25)	-	72,177	-	-	-	-	-	-	72,177	-	72,177	
Decrease in non-controlling interests (Note 25)	-	-	-	-	-	-	-	-	-	(56,681)	(56,681)	
BALANCE, DECEMBER 31, 2022	\$ 7,747,805	\$ 1,238,426	\$ 2,571,235	\$ 2,257,996	\$ 5,737,233	\$ (648,722)	\$ 3,459,972	\$ (1,077,950)	\$ 21,285,995	\$ 713,432	\$ 21,999,427	

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

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

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

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) income before income tax	\$ (121,302)	\$ 819,520
Adjustments for:		
Depreciation expenses	494,834	524,834
Amortization expenses	2,605	2,629
Expected credit loss (gain)	253	(221)
Net loss (gain) on fair value changes of financial assets at fair value through profit or loss	264,762	(102,103)
Finance costs	169,438	159,902
Interest income	(76,114)	(52,932)
Dividend income	(352,303)	(1,128,413)
Compensation costs arising from share-based payment	-	20,587
Share of (profit) loss of associates and joint ventures	(139,895)	121,277
Loss on disposal of property, plant and equipment	19,623	143
Investment property transferred to expenses	-	1,492
Gain on disposal of associates and joint ventures accounted for using the equity method	-	(3,245)
Gain on disposal of right-of-use assets	-	(140)
(Gain) loss on lease modification	(5,469)	95
Gain on disposal of subsidiaries	-	(291,167)
Impairment loss recognized on non-financial assets	38,780	404
Realized gain on deferred revenue	(12,387)	(13,884)
Net (gain) loss on foreign currency exchange	(71,069)	105,410
Changes in operating assets and liabilities:		
Financial assets mandatorily classified as at fair value through profit or loss	(153,417)	(194,128)
Notes receivable from unrelated parties	(4,296)	10,070
Trade receivables from unrelated parties	(30,865)	28,116
Trade receivables from related parties	5,988	(6,823)
Other receivables from unrelated parties	6,349	3,018
Inventories	(112,168)	5,315
Prepayments	(7,140)	(49,828)
Other current assets	(1,548)	(124)
Contract liabilities	4,186	10,778
Notes payable to unrelated parties	(1,444)	340
Trade payables to unrelated parties	(31,064)	42,083
Trade payables to related parties	(40,781)	50,878
Other payables to unrelated parties	(54,795)	(47,597)
Other payables to related parties	(72)	-
Advanced receipts	(2,394)	(2,960)
Other current liabilities	3,854	(4,412)
Net defined benefit liability	(261)	(65)
Cash (used in) generated from operations	(208,112)	8,849

(Continued)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

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

	2022	2021
Interest paid	\$ (144,019)	\$ (129,874)
Income tax paid	<u>(39,706)</u>	<u>(73,691)</u>
Net cash used in operating activities	<u>(391,837)</u>	<u>(194,716)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(91,485)	(90,000)
Purchase of financial assets at amortized cost	(2,659)	(74,951)
Proceeds from sale of financial assets at amortized cost	1,012,087	1,467,434
Purchase of associates accounted for using the equity method	(48,698)	(50,000)
Cash return of capital due to liquidation of associates and joint ventures accounted for using the equity method	-	66,327
Payments for property, plant and equipment	(39,616)	(105,482)
Payments for and proceeds from disposal of property, plant and equipment	(14,696)	178
Decrease in refundable deposits paid	2,284	2,747
Decrease in other receivables from related parties	249	19,118
Payments for intangible assets	(1,968)	(184)
Payments for investment properties	(82,477)	(71,967)
Decrease in finance lease receivables	2,852	2,047
Decrease in other non-current assets	2,724	1,708
Increase in prepayments for equipment	(1,196)	(4,149)
Interest received	60,808	53,296
Dividends received	<u>390,054</u>	<u>1,144,142</u>
Net cash generated from investing activities	<u>1,188,263</u>	<u>2,360,264</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (repayments of) short-term borrowings	757,900	(650,000)
Repayments of short-term bills payable	(7,000)	(2,000)
Proceeds from long-term loans	1,683,707	1,679,000
Repayments of long-term loans	(2,067,665)	(1,619,271)
Proceeds of guarantee deposits received	1,830	4,749
Repayments of the principal portion of lease liabilities	(109,949)	(117,847)
Dividend paid to owners of the Company	(430,498)	(924,550)
Proceeds from reissuance of treasury shares	-	40,977
Dividends paid to non-controlling interests	(55,600)	(83,132)
Return of unclaimed dividends extinguished by prescription	<u>824</u>	<u>373</u>
Net cash used in financing activities	<u>(226,451)</u>	<u>(1,671,701)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>208,074</u>	<u>(184,481)</u>

(Continued)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

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

	2022	2021
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 778,049	\$ 309,366
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>3,685,347</u>	<u>3,375,981</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 4,463,396</u>	<u>\$ 3,685,347</u>

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

(Concluded)

CHIA HSIN CEMENT CORPORATION

BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,445,328	5	\$ 1,039,240	3
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 32)	814,418	3	702,571	2
Financial assets at fair value through other comprehensive income - current (Notes 4, 8 and 32)	1,146,083	4	1,424,469	5
Financial assets at amortized cost - current (Notes 4 and 9)	347,231	1	887,458	3
Notes receivable from unrelated parties (Notes 4, 10 and 25)	141,265	-	136,134	1
Trade receivables from unrelated parties (Notes 4, 10 and 25)	28,010	-	20,536	-
Trade receivables from related parties (Notes 4, 25 and 33)	9,637	-	16,795	-
Finance lease receivables - current (Notes 4, 12 and 33)	73,719	-	58,825	-
Other receivables from unrelated parties (Notes 4 and 11)	3,399	-	585	-
Other receivables from related parties (Notes 4 and 33)	36,240	-	43,974	-
Current tax assets	624	-	395	-
Inventories (Notes 4 and 13)	154,220	1	47,024	-
Prepayments (Note 19)	2,392	-	45,472	-
Total current assets	4,202,566	14	4,423,478	14
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 32)	7,295,724	25	9,253,483	28
Financial assets at amortized cost - non-current (Notes 4, 9 and 34)	9,476	-	9,476	-
Investments accounted for using the equity method (Notes 4, 14 and 33)	15,247,296	53	16,602,015	50
Property, plant and equipment (Notes 4, 5 and 15)	622,127	2	724,113	2
Right-of-use assets (Notes 4 and 16)	5,784	-	10,289	-
Investment properties (Notes 4 and 17)	265,186	1	266,420	1
Intangible assets (Notes 4 and 18)	1,534	-	169	-
Deferred tax assets (Notes 4 and 27)	184,091	1	242,361	1
Refundable deposits (Notes 4 and 19)	7,006	-	7,006	-
Finance lease receivables - non-current (Notes 4, 12 and 33)	1,246,591	4	1,226,741	4
Net defined benefit assets - non-current (Notes 4 and 23)	842	-	-	-
Other non-current assets (Note 19)	87	-	1,859	-
Total non-current assets	24,885,744	86	28,343,932	86
TOTAL	\$ 29,088,310	100	\$ 32,767,410	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4, 20 and 34)	\$ 1,340,000	5	\$ 804,000	3
Short-term bills payable (Notes 4 and 20)	127,614	1	134,842	1
Contract liabilities (Notes 4 and 25)	12,753	-	12,278	-
Notes payable to unrelated parties (Note 21)	1,907	-	3,351	-
Trade payables to unrelated parties (Note 21)	64,037	-	91,987	-
Trade payables to related parties (Note 33)	89,022	-	129,596	-
Other payables to unrelated parties (Note 22)	27,294	-	49,643	-
Other payables to related parties (Note 33)	19,818	-	20,899	-
Current tax liabilities (Notes 4 and 27)	-	-	25,084	-
Lease liabilities - current (Notes 4 and 16)	77,999	-	63,370	-
Current portion of long-term borrowings (Notes 4, 20 and 34)	577,500	2	577,500	2
Guarantee deposits - current	540	-	2,660	-
Total current liabilities	2,338,484	8	1,915,210	6
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 4, 20 and 34)	3,888,750	14	4,266,250	13
Deferred tax liabilities (Notes 4 and 27)	304,447	1	296,290	1
Lease liabilities - non-current (Notes 4 and 16)	1,248,248	4	1,232,677	4
Net defined benefit liabilities - non-current (Notes 4 and 23)	-	-	10,528	-
Guarantee deposits - non-current	22,386	-	21,087	-
Total non-current liabilities	5,463,831	19	5,826,832	18
Total liabilities	7,802,315	27	7,742,042	24
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)				
Share capital				
Ordinary shares	7,747,805	27	7,747,805	24
Capital surplus	1,238,426	4	1,139,296	3
Retained earnings				
Legal reserve	2,571,235	9	2,503,173	7
Special reserve	2,257,996	8	2,257,996	7
Unappropriated earnings	5,737,233	19	6,475,930	20
Total retained earnings	10,566,464	36	11,237,099	34
Other equity	2,811,250	10	5,979,118	18
Treasury shares	(1,077,950)	(4)	(1,077,950)	(3)
Total equity attributable to owners of the Company	21,285,995	73	25,025,368	76
Total equity	21,285,995	73	25,025,368	76
TOTAL	\$ 29,088,310	100	\$ 32,767,410	100

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

CHIA HSIN CEMENT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 25 and 33)				
Sales	\$ 986,402	84	\$ 1,062,850	85
Rental revenue	4,730	-	4,695	-
Service revenue	33,896	3	22,174	2
Other operating revenue	<u>151,322</u>	<u>13</u>	<u>159,212</u>	<u>13</u>
Total operating revenue	<u>1,176,350</u>	<u>100</u>	<u>1,248,931</u>	<u>100</u>
OPERATING COSTS (Notes 13, 26 and 33)				
Cost of goods sold	(987,044)	(84)	(1,073,360)	(86)
Rental costs	(1,746)	-	(1,684)	-
Service costs	(29,758)	(3)	(20,180)	(2)
Other operating costs	<u>(133,202)</u>	<u>(11)</u>	<u>(138,140)</u>	<u>(11)</u>
Total operating costs	<u>(1,151,750)</u>	<u>(98)</u>	<u>(1,233,364)</u>	<u>(99)</u>
GROSS PROFIT	24,600	2	15,567	1
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Note 4)	(1,100)	-	(72)	-
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Note 4)	<u>895</u>	<u>-</u>	<u>895</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>24,395</u>	<u>2</u>	<u>16,390</u>	<u>1</u>
OPERATING EXPENSES (Notes 26 and 33)				
Selling and marketing expenses	(11,417)	(1)	(11,753)	(1)
General and administrative expenses	(174,713)	(15)	(226,728)	(18)
Expected credit gain (loss) (Note 10)	<u>(128)</u>	<u>-</u>	<u>231</u>	<u>-</u>
Total operating expenses	<u>(186,258)</u>	<u>(16)</u>	<u>(238,250)</u>	<u>(19)</u>
LOSS FROM OPERATIONS	<u>(161,863)</u>	<u>(14)</u>	<u>(221,860)</u>	<u>(18)</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 26 and 33)				
Interest income	34,026	3	23,187	2
Other income	268,635	23	785,507	63
Other gains and losses	<u>(70,310)</u>	<u>(6)</u>	<u>(88,705)</u>	<u>(7)</u>

(Continued)

CHIA HSIN CEMENT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Finance costs	\$ (102,470)	(9)	\$ (89,277)	(7)
Share of profit or loss of subsidiary, associates and joint ventures	<u>(154,239)</u>	<u>(13)</u>	<u>265,777</u>	<u>21</u>
Total non-operating income and expenses	<u>(24,358)</u>	<u>(2)</u>	<u>896,489</u>	<u>72</u>
PROFIT BEFORE (LOSS) INCOME TAX FROM CONTINUING OPERATIONS	(186,221)	(16)	674,629	54
INCOME TAX BENEFIT (EXPENSE) (Notes 4 and 27)	<u>5,459</u>	<u>-</u>	<u>(16,781)</u>	<u>(1)</u>
NET (LOSS) PROFIT FOR THE YEAR	<u>(180,762)</u>	<u>(16)</u>	<u>657,848</u>	<u>53</u>
OTHER COMPREHENSIVE INCOME (Notes 4, 23, 24 and 27)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	11,206	1	5,730	-
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(2,327,630)	(198)	992,174	79
Share of the other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for using the equity method	(987,915)	(84)	444,219	36
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(2,241)</u>	<u>-</u>	<u>(1,146)</u>	<u>-</u>
	<u>(3,306,580)</u>	<u>(281)</u>	<u>1,440,977</u>	<u>115</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	165,564	14	(306,820)	(25)
Share of the other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using the equity method	23,830	2	(188,194)	(15)
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>(37,880)</u>	<u>(3)</u>	<u>99,003</u>	<u>8</u>
	<u>151,514</u>	<u>13</u>	<u>(396,011)</u>	<u>(32)</u>
Other comprehensive (loss) income for the year, net of income tax	<u>(3,155,066)</u>	<u>(268)</u>	<u>1,044,966</u>	<u>83</u>
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	<u>\$ (3,335,828)</u>	<u>(284)</u>	<u>\$ 1,702,814</u>	<u>136</u>

(Continued)

CHIA HSIN CEMENT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	<u>2022</u>		<u>2021</u>	
	Amount	%	Amount	%
(LOSS) EARNINGS PER SHARE (Note 28)				
Basic	<u>\$ (0.28)</u>		<u>\$ 1.02</u>	
Diluted	<u>\$ (0.28)</u>		<u>\$ 1.02</u>	

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

(Concluded)

CHIA HSIN CEMENT CORPORATION

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

	Retained Earnings				Other Equity			Total Equity	
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income		Treasury Shares
BALANCE, JANUARY 1, 2021	\$ 7,747,805	\$ 960,402	\$ 2,319,663	\$ 2,275,704	\$ 7,058,382	\$ (404,225)	\$ 5,343,459	\$ (1,119,023)	\$ 24,182,147
Appropriation of 2020 earnings (Note 24)	-	-	183,510	-	(183,510)	-	-	-	-
Legal reserve	-	-	-	-	(1,079,560)	-	-	-	-
Cash dividends	-	-	-	(17,708)	17,708	-	-	-	-
Reverse of special reserve	-	-	-	-	-	-	-	-	-
Changes in equity of associates accounted for using the equity method (Note 24)	-	8,406	-	-	-	-	-	-	8,406
Unclaimed dividends extinguished by prescription (Note 24)	-	146	-	-	-	-	-	-	146
Proceeds from redemptions of treasury shares (Notes 24 and 29)	-	(96)	-	-	-	-	-	41,073	40,977
Net profit for the year ended December 31, 2021	-	-	-	-	657,848	-	-	-	657,848
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	5,062	(396,011)	1,435,915	-	1,044,966
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	662,910	(396,011)	1,435,915	-	1,702,814
Change in capital surplus due to cash dividends of the Company paid to subsidiary (Notes 14 and 24)	-	155,010	-	-	-	-	-	-	155,010
Share-based payment (Notes 24 and 29)	-	15,428	-	-	-	-	-	-	15,428
BALANCE, DECEMBER 31, 2021	7,747,805	1,139,296	2,503,173	2,257,996	6,475,930	(800,236)	6,779,354	(1,077,950)	25,025,368
Appropriation of 2021 earnings (Note 24)	-	-	68,062	-	(68,062)	-	-	-	-
Legal reserve	-	-	-	-	(502,675)	-	-	-	-
Cash dividends	-	-	-	-	-	-	-	-	-
Changes in equity of associates accounted for using the equity method (Note 24)	-	26,355	-	-	-	-	-	-	26,355
Unclaimed dividends extinguished by prescription (Note 24)	-	598	-	-	-	-	-	-	598
Net loss for the year ended December 31, 2022	-	-	-	-	(180,762)	-	-	-	(180,762)
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	12,802	151,514	(3,319,382)	-	(3,155,066)
Total comprehensive (loss) income for the year ended December 31, 2022	-	-	-	-	(167,960)	151,514	(3,319,382)	-	(3,335,828)
Change in capital surplus due to cash dividends of the Company paid to subsidiary (Notes 14 and 24)	-	72,177	-	-	-	-	-	-	72,177
BALANCE, DECEMBER 31, 2022	\$ 7,747,805	\$ 1,238,426	\$ 2,571,235	\$ 2,257,996	\$ 5,737,233	\$ (648,722)	\$ 3,459,972	\$ (1,077,950)	\$ 21,285,595

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

CHIA HSIN CEMENT CORPORATION

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

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) income before income tax	\$ (186,221)	\$ 674,629
Adjustments for:		
Depreciation expenses	108,629	109,860
Amortization expenses	243	15
Expected credit loss (gain)	128	(231)
Net loss (gain) on fair value changes of financial assets at fair value through profit or loss	120,353	(36,661)
Finance costs	102,470	89,277
Interest income	(34,026)	(23,187)
Dividend income	(235,473)	(747,616)
Compensation costs arising from share-based payment	-	15,428
Share of loss (profit) of subsidiaries, associates and joint ventures	154,239	(265,777)
Gain on disposal of property, plant and equipment	-	(29)
Write-down of inventories	3,587	-
Unrealized gain on transactions with subsidiaries, associates and joint ventures	1,100	72
Realized gain on transactions with subsidiaries, associates and joint ventures	(895)	(895)
Net (gain) loss on foreign currency exchange	(67,393)	106,243
Changes in operating assets and liabilities:		
Financial assets mandatorily classified as at fair value through profit or loss	(190,680)	(194,128)
Notes receivable from unrelated parties	(5,183)	9,506
Trade receivables from unrelated parties	(7,550)	13,599
Trade receivables from related parties	7,158	(4,915)
Other receivables from unrelated parties	(11)	11
Other receivables from related parties	3,668	57
Inventories	(110,783)	5,824
Prepayments	1,560	(42,270)
Contract liabilities	475	7,354
Notes payable to unrelated parties	(1,444)	340
Trade payables to unrelated parties	(27,950)	42,349
Trade payables to related parties	(40,574)	49,981
Other payables to unrelated parties	(23,192)	(19,553)
Other payables to related parties	(1,081)	1,319
Net defined benefit liabilities	(164)	(8)
Cash used in operations	(429,010)	(209,406)
Interest paid	(101,855)	(90,064)
Income tax refunds (paid)	10,518	(2,961)
Net cash used in operating activities	(520,347)	(302,431)

(Continued)

CHIA HSIN CEMENT CORPORATION

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

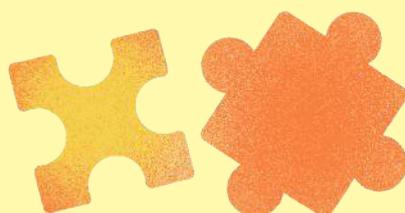
	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ (91,485)	\$ (90,000)
Proceeds from sale of financial assets at amortized cost	540,227	290,208
Acquisition of investments accounted for using the equity method	(48,698)	(50,000)
Payments for property, plant and equipment	(904)	(7,725)
Proceeds from disposal of property, plant and equipment	-	29
Decrease in other receivables from related parties	-	20,575
Payments for intangible assets	(1,608)	(184)
Decrease in finance lease receivables	36,925	41,039
Decrease in other non-current assets	1,772	151
Interest received	31,223	25,134
Dividends received from subsidiaries, associates and joint ventures	548,984	2,036,756
Other dividends received	<u>235,473</u>	<u>747,616</u>
Net cash generated from investing activities	<u>1,251,909</u>	<u>3,013,599</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	536,000	-
Repayments of short-term borrowings	-	(615,000)
Repayment of short-term bills payable	(7,000)	(2,000)
Repayments of long-term loans	(377,500)	(457,500)
Refund of guarantee deposits received	(821)	(823)
Repayment of the principal portion of lease liabilities	(41,469)	(45,515)
Cash dividends paid	(502,675)	(1,079,560)
Proceeds from reissuance of treasury shares	-	40,977
Return of unclaimed dividends extinguished by prescription	<u>598</u>	<u>146</u>
Net cash used in financing activities	<u>(392,867)</u>	<u>(2,159,275)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>67,393</u>	<u>(106,244)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	406,088	445,649
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,039,240</u>	<u>593,591</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,445,328</u>	<u>\$ 1,039,240</u>

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

(Concluded)



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