CHIA HSIN CEMENT CORPORATION 2023 ANNUAL REPORT

CHC
嘉新企業團
CHIA HSIN CEMENT GROUP

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1 Letter to Shareholders

Dear Shareholders,

In recent years, impactful events such as the United States-China trading tensions and the COVID-19 pandemic, alongside ongoing geopolitical uncertainties, have stimulated both national and corporate leaders to adapt their strategic approaches. Shifting from prioritizing cost reduction to emphasizing risk mitigation strategies, the goal has now become shortening supply chain distances and increasing local production capabilities. This strategic realignment has prompted a restructuring of global supply chains, further introducing diverse challenges for countries across the globe.

The Russian-Ukrainian war has driven up prices of energy and raw materials, while factors such as labor shortages and loosened monetary policies in response to the pandemic have fueled inflation and have forced Central Banks of Europe and the United States to tighten monetary policies since 2022. In consequence, the continuance of raising interest curbed rising demands, showing signs of easing inflation in the latter half of 2023. However, the recent escalation of the conflict between Israel and Hamas has resulted in the Red Sea crisis and increasing freight costs, which temporarily supported material prices. As long as the conflict does not escalate further, there is a high possibility that the cycle of interest rate hikes will end in 2024 and enter a rate-cutting period.

Nonetheless, the recovery of the global economy still comes with numerous challenges and unpredictability. For instance, China remains mired in a monetary-tightened situation. Not only encountering a downturn in the real estate market, but they are also facing rising unemployment rates and a lack of investment and consumer confidence. The outcome of the 2024 U.S. presidential election will likely influence whether the U.S.-China trade war escalates and will determine geopolitical dynamics, as well as global trade trends.

Additionally, CBAM is set to be formally implemented in 2026, following the conclusion of COP28 in Dubai, which urges governments to pay more attention to climate change impacts. Officially entering a new era of climate governance in 2023, Taiwan also introduced the Climate Change Response Act. In the latter half of 2023, the Executive Yuan underwent organizational restructure, appointing the Environmental Protection Administration as the Ministry of Environment and establishing a Climate Bureau responsible for climate governance and achieving the ultimate net-zero goal in 2050. As a result, when formulating future development strategies, companies are obligated to take these indispensable factors into consideration, including setting carbon emission targets, reducing carbon emissions, developing and promoting low-carbon products, and choosing investment regions.

In the face of changing circumstances, our company will approach this year's operations with caution, although we do hold an optimistic view towards the hospitality businesses. Benefiting from the depreciation of the Japanese yen and the abundance of tourism resources, the Japan National Tourism Organization recorded data that showed the number of foreign visitors had exceeded 20 million for four consecutive months, from May to September 2023, and had reached levels last seen in 2019. Coupled with the stable domestic tourism market, Hotel Collective in Okinawa has demonstrated pleasing occupancy rates and room rates. Nonetheless, the industry is still facing challenges when it comes to bridging the gap between labor supply and demand.

1. Financial Performance

The Company's consolidated revenue reached NT$2,911,583,000 in 2023, an increase of 29.2%, or NT$657,924,000, over NT$2,253,659,000 in 2022. Consolidated net income was NT$96,038,000, with net profit attributable to owners of the Company at NT$81,082,000. Diluted earnings per share attributable to the owners of the company (after tax) amounted to NT$0.12.

(1) Main Production and Sales Distribution

1. Cement Sales: In 2023, a total of 436,000 metric tons of cement were sold in the Taiwan region.
2. Real Estate Leasing: The primary revenue came from Chia Hsin Building, with a comprehensive leasing rate of 99%
3. Warehousing and Storage: Taipei Port unloaded a total of 1.185 million metric tons of coal and 4.615 million metric tons of aggregates and other bulk cargo.
4. Hospitality Service: The operating revenue amounted to approximately NT$720 million in 2023, with primary revenue coming from Chia Hsin Ryukyu Hotel Collective and Jaho Life Plus+ Management Corp.

(2) Budget Execution

Unit: NTD thousands

Item	2023 Actual Figure	2023 Budget (Note)	Achievement Rate
Operating Revenue	2,911,583	2,738,755	106%
Operating Costs	2,545,152	2,460,838	103%
Gross Profit	366,431	277,917	132%
Operating Expenses	513,955	501,277	103%
Gain (Loss) From Operations	(147,524)	(223,360)	66%
Non-Operating Income and Expenses	230,291	350,474	66%
Profit (Loss) Before Income Tax	82,767	127,114	65%
Income Tax Benefit or (Expense)	13,271	(10,774)	223%
Net Profit (Loss) for the Year	96,038	116,340	83%
Net Income (Loss) Attributable to Owners of the Company	81,082	91,591	89%

Note: The budget is for internal use only. Financial forecast is not disclosed.

(3) Profitability Analysis (Note)

Item	2023	2022
Return on Assets	0.71%	-0.10%
Return on Equity	0.43%	-0.73%
Profit before Income Tax over Paid-In Capital	1.05%	-1.57%
Net Profit Margin	3.30%	-7.72%
Earnings per Share (after Tax) (NTD)	0.12	-0.27

Note: The above calculations are based on consolidated financial statements prepared under IFRS.

(4) Research and Development (R&D) Status

The Company in the cement sector through a distributorship model. Other businesses such as warehousing, loading and unloading, real estate leasing, hospitality, and healthcare are not applicable for R&D due to the different nature of their industries.

2.Company's Future Development Strategy and Impact of External Environment Changes

Climate change stands as one of the paramount global risks today. Finding ways to reduce greenhouse gas emissions and curb global warming are crucial challenges in pursuit of human sustainability. We are now entering an era where carbon holds value and the increase of consumer awareness regarding carbon reduction is reflected in preferences towards low-carbon products. Therefore, effective reduction measures will determine the competitiveness and development of businesses.

In response to prevailing trends, the Company's future development strategies will be closely aligned with carbon reduction efforts. Thus, in 2023 we have proactively completed all greenhouse gas inventory and verification procedures for the corporate group, as required by regulatory authorities. The next step involves committing to future carbon reduction goals through our participation in the SBTi (Science Based Targets initiative) and current drafting of a carbon reduction roadmap for the corporation.

As low-carbon cement is gradually gaining acceptance in the market, the Ministry of the Interior is planning on launching low-carbon building certificates, primarily focusing on architectural materials, in the first quarter of 2024; the Public Construction Commission is also organizing carbon emission programs. In terms of operation, the Company is actively expanding in the low-carbon cement market to stay aligned with these trends. Our Gangshan properties will incorporate solar panels installation on the roofs of factory buildings rented to clients to provide the group with a stable source, self-generated green energy, further becoming a vital pillar in emission reduction efforts. In the future, newly constructed hotels and buildings within the corporate group will include carbon reduction designs in pursuit of Green Building Certifications.

As for our significant equity investment in Taiwan Cement Corporation, a company that has spared no effort in its investment in low-carbon architectural materials, green energy, and resource recycling, we have witnessed its development trajectory prioritizing sustainability. Moreover, the company has combined operations and core strengths together to introduce new business models. Therefore, as the largest institutional investor of Taiwan Cement, we wholeheartedly support these efforts in preserving our environment.

In addition to the carbon reduction initiatives mentioned previously, the Company has been actively promoting various operations in accordance with our sustainability blueprint and strategy throughout 2023 and has showcased initial results. Emphasis on sustainable talents, and commitment to employee welfare, have earned us several sustainability-related awards presented by Common Wealth Magazine. Our published 2022 Sustainability Report also earned the Platinum Award in the Taiwan Corporate Sustainability Award. Looking forward, we will continue to prioritize caring for the underprivileged and social welfare promotion, foster talents through industry-academia collaboration, promote humanities and culture, and support students through Chia Hsin Foundation.

3. 2024 Business Plan Summary

In 2024, we anticipate steady growth in the corporate group's cement and warehousing businesses, with continued revenue growth in the leasing business stimulated by the increased occupancy rate at the Gangshan properties. As the Japanese tourism industry continues to prosper, we also expect a further peak in revenue for the hospitality business. Overall, we are confident to achieve better performance in 2024 compared to 2023.

In respect of the global trend of achieving net-zero emissions and in response to the growing demand of low-carbon cement, the Company will implement technical improvement on the storage and transportation center at Port of Keelung through installing low-carbon cement shipping facilities. As for green energy, Chia Hsin Property Management & Development Corporation will be utilizing solar panels installed on the roofs of rented properties at the Gangshan plant this fiscal year, with plans to place 2MW facilities that are expected to generate 2 million kWh of electricity annually. Meanwhile, renovations will be carried out on the first and second floors of the Chia Hsin Building to apply for LEED green building and WELL healthy building certifications, aiming to achieve net-zero emissions at all company office locations by 2030.

Dear shareholders, the Company's operating performance in 2023 and future business plans are presented above. We thank you for your support and please do not hesitate to offer your suggestions.

Jason K. L. Chang

Chairman

2 Company Profile

2.1 Date of Incorporation

The Company was established in December 1954 with an initial capital of NTD 24 million. The Company's current paid-in capital is NTD 7,902,474,000.

2.2 Company History

(1) The Company's first set of production equipment at the Gangshan plant commenced operation in 1957. By 1980, a total of four sets of production equipment was completed, with a total output of 2.2 million metric tons. However, at the end of 1997, the government ceased mining operations in the western regions of Taiwan, which resulted in a significant surge in production costs at the Gangshan plant. Consequently, in January, 2002, the Company terminated cement production and shifted to external purchases to ensure the stability of our operations.

(2) Tong Yang Chia Hsin International Cooperation, one of the Company's subsidiaries, began constructing cement silos with a capacity of 45,000 metric tons at the Port of Taichung in 1990. Construction was completed and put into operation in October 1992, with an annual operating capacity of 1.2 million metric tons.

(3) In 1992, the Company conducted market analysis in Southeast Asia and China. Through careful evaluation, it decided to focus future investments in China in order to explore the emerging markets. Upon government approval, the Company commenced its investments in China in 1993 and subsequently completed investments in cement manufacturing, warehousing, shipping, concrete, building materials, and trade businesses.

(4) To facilitate the expansion of the cement market in Northern Taiwan, the Company started construction of cement silos with a capacity of 38,000 metric tons at the Port of Keelung in 1998. Construction was completed and put into operation in August, 1999, with an annual operating capacity of 900,000 metric tons.

(5) To enhance competitiveness and promote specialized division of labor as part of corporate restructuring, the Company spun-off its independently operated real estate development and management businesses (herein referred to as Asset Management Business) to its 100% owned subsidiary, Chia Hsin Property

Management & Development Corporation (herein referred to as CHPMD). The transfer was effective as of December 3, 2003, with a net asset value of NT1,568,470,000. CHPMD was incorporated on December 15, 2003.

(6) To develop its logistics business, the Company signed a contract with the Keelung Harbor Bureau to lease the East 13, 14, and 15 Wharfs at Taipei Bulk/General Cargo Center No.1 on December 29, 2006. Both parties agreed to jointly construct East 16 Wharf and its warehouse facilities, auxiliary offices, and transfer equipment. Mainly operating the loading and unloading of coal, sand, gravel, and general bulk cargo, the construction was completed by the end of June, 2009, conducted a trial run in the next month, and received operating license issued by the Taipei County Government on November 25, 2009. Full operation began on December 11, 2009. Current operations of this center are managed and operated by the Company's subsidiary, Chia Pei International Corporation.

(7) Since 1993, the Company had invested in cement production, warehousing, shipping, and other businesses in China. In order to expand market reach, enhance competitiveness, and rise to become one of the most promising, large-scale cement groups in the Chinese market, the Company pioneered the concept of forming a strategic alliance among Taiwan, Hong Kong, and China, and exchanged its equity interest in Chia Hsin Cement Greater China Holding Corporation (herein referred to as CHCGC) for the interest of TCC International Holding Limited (herein referred to as TCCIH), which is a subsidiary of Taiwan Cement Corporation (herein referred to as TCC). Through leveraging both parties' production capabilities, resource utilization, and cooperative sales networks, the Company aimed to achieve the leading position in the markets of Yangtze River Delta and Pearl River Delta. Following the completion of the transfer, CHCGC was delisted in Hong Kong, while its subsidiary, Chia Hsin Pacific Limited (herein referred to as CHPL) held a 28.87% equity stake in TCCIH.

In April, 2017, TCC and its subsidiary, TCC International Limited (herein referred to as TCCI), jointly proposed a public offer to privatize TCCIH through a Scheme of Arrangement. Selectable options were given to privatized shareholders, as the Company and its subsidiary, CHPL, chose to exchange their holdings of TCCIH for newly-issued ordinary shares of TCC. The share exchange transfer was completed in November, 2017, with the Company and CHPL acquiring 3,708,290 and 201,536,685 newly issued ordinary shares of TCC, respectively.

Regarding the share exchange mentioned above and considering the operational strategy to maintain investments in the cement industry, simplify investment structure, and elevate management performance of equity investments, CHPL distributed, through earnings and share premium, its entire shares of TCC to its shareholders based on their shareholding percentages. Upon the distribution, which was completed in March, 2018, the Company and its subsidiary, Tong Yang Chia Hsin International Corp., together with their original holdings, collectively held approximately 258 million shares of TCC.

(8) Since 2015, the Company has been focusing on asset revitalization and investment development as the core of its transformational growth. Currently, the primary focus is on its hospitality businesses. The development progress is as follows:

Hotel

- **A. Roma Lifestyle Hotel:** Investment in A.Roma Lifestyle Hotel includes a 40% stake; the hotel is located in Rome, Italy, and was opened in October, 2015.
- **Hotel Collective:** Located on Kokusai-dori in Naha City, Okinawa, Hotel Collective completed construction in October, 2019 and opened in January, 2020.
- **InterContinental Okinawa Chura Sun Resort Project:** During the COVID-19 pandemic, numerous development projects in Japan were put on hold. As projects restart in a short period of time, labor shortages become a problem. Additionally, the ongoing conflict since 2022 between Russia and Ukraine has caused labor and material shortages, which further led to rising construction costs and delays in the overall development schedule of this project. In the face of current environmental changes, the Company is continuously optimizing design plans, while closely monitoring international developments to ensure steady progress and maintaining favorable investment returns for this project.
- **LDC Hotels & Resorts:** At the end of 2020, the Company made a strategic investment in LDC Hotels & Resorts and holds a 23.1% stake.

Health Care

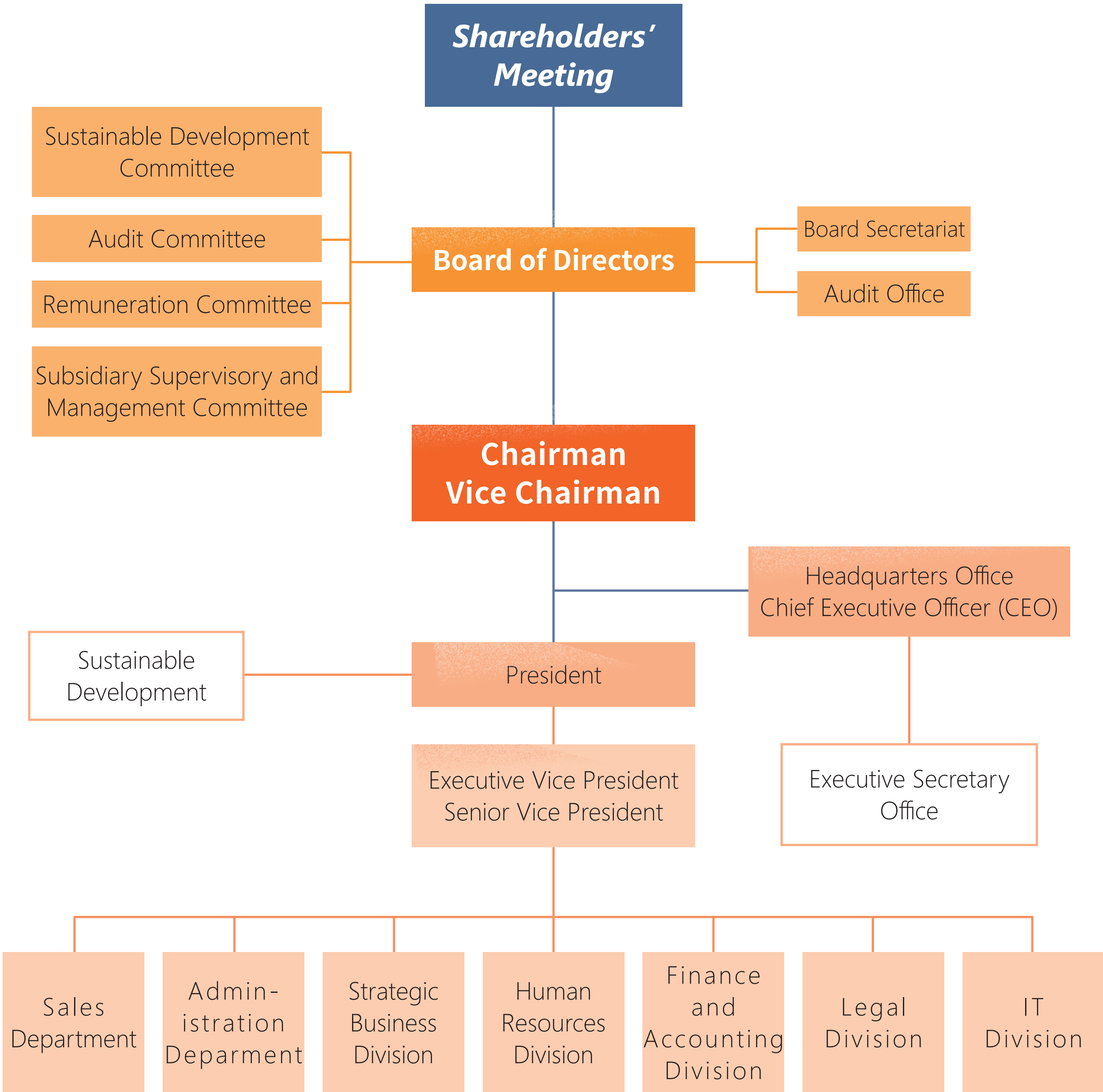
- **Gemcare Maternity Center Taiwan:** A subsidiary of the Company, Jaho Life+ Management Corp. strategically collaborates with professional nursing teams and medical professionals to build Gemcare Maternity Center. The Zhongshan location was opened in early 2017, while the Dunhua location began operations in the second quarter of 2020.

- Gemcare Maternity Center China: Regarding the development of healthcare businesses in China, the Company had established maternity centers in Yangzhou, Jiangsu province and officially began operations in the fourth quarter of 2021.

3 Corporate Governance

3.1 Company Structure

3.1.1 Organization Chart (Note)



Note: The latest organization chart above was approved by the Board of Directors on March 9, 2023, effective since April 1, 2023.

3.1.2 Major Corporate Functions

Department	Functions
Sustainable Development Office	▸ Promote the sustainable development of the corporate and its principles to employees and stakeholders, while planning and implementing sustainable development strategies and initiatives, and regularly report progress to the Sustainable Development Committee. ▸ Maintain the brand image of the corporation by unifying external visual designs and public relations activities. Communicate sustainable development achievements through the official website, social media, and sustainability reports.
Board Secretariat	▸ Convene shareholders' meetings and Board of Director meetings and arrange related matters ▸ Propose amendments to the Company's Articles of Association and rules and regulations related to corporate governance. ▸ Manage affairs relating to shareholders' meetings, Board meetings, and business registration changes. ▸ Supervise affairs related to shareholders' meetings and Board meetings; monitor related risks and timely issue warnings.
Audit Office	▸ Formulate an audit plan based on the corporate risk assessment, carry out audits in accordance with internal audit implementation regulations, draft audit records, and submit audit reports for review. ▸ Supervise, evaluate, and promote the internal control system and its related regulations; make recommendations for necessary revisions. ▸ Plan and promote self-assessments, reviews, and tracking of improvements among divisions. ▸ Handle the convening and agenda arrangement of the Audit Committee meetings and related matters.
Headquarters Office	▸ Outline and supervise the corporate vision, development, and overall business management. ▸ Monitor strategic risks; promote and supervise information and communication security. ▸ Coordinate and integrate cross-departmental communication.
Executive Secretary Office	▸ Assist in arranging schedules of senior executives, handle external contracts, and accommodate visiting guests. ▸ Organize, retain, and file important documents, reports, and seals for senior executives. ▸ Arrange meetings for senior executives and track meeting resolutions and respective action items.
Sales Department	▸ Conduct domestic and international market research, formulate marketing strategies, and explore and seize market opportunities. ▸ Handle procurement for domestic and international sales, manage sales fluctuations, collect receivables, and follow-up on accounts receivable; issue and control bills of lading, coordinate procurement and sales, approve shipments, and conduct post-sales services. ▸ Monitor and manage operational risks in relation to procurement and sales.
Administration Department	▸ Support and assist in corporate documentation tasks, seal management, greenhouse gas inventory verification, and duties related to general affairs. ▸ Assist or manage domestic and international procurement according to company procurement policies, as well as maintenance and management of office equipment and company vehicles. ▸ Compile and execute company affairs management regulations and budget planning, petty cash management, and financial management. ▸ Organize occupational safety and health management and firefighting contingency teams, conduct fire drills and disaster response training, and oversee statutory firefighting matters for subsidiaries within the headquarters building.

Department	Functions
Strategic Business Division	▸ Analyze overall economic trends and monitor industry dynamics. ▸ Assess risks associated with corporate asset allocation; plan and manage investments. ▸ Conduct research and development on subsidiary business strategies, evaluate operational performances, and oversee risk management.
Human Resources Division	▸ Formulate and execute human resources policies, including recruitment, training, utilization and retention planning. ▸ Implement organizational design, establish talent management systems, manage performance and remuneration systems, maintain employee relations, and handle laborrelated issues. ▸ Execute social responsibility initiatives regarding sustainable development; plan and carry out items on the agenda of the Remuneration Committee meetings. ▸ Manage corporate human resources-related business; monitor HR-related risks and issue timely warnings.
Finance and Accounting Division	▸ Integrate, plan, raise, schedule, manage, and support corporate resources and financing. ▸ Assist in evaluating, planning, and tracking investment plans, risks, and controls. ▸ Execute financial planning, accounting, financial statement, and budget drafting and analysis. ▸ Plan, safeguard, insure, and manage various financial instruments and real estate documents. ▸ Outline and execute financial, accounting, tax, regulatory compliance, and disclosure-related matters.
Legal Division	▸ Draft and review contracts, provide internal legal advice and consultation, and handle legal litigation cases. ▸ Examine relevant legal actions involving the corporate and external parties, identify potential compliance risks, devise response measures to mitigate legal risks, and ensure timely handling of legal matters to prevent escalation. ▸ Plan and execute measures for legal compliance, including registration, maintenance, and management of intellectual property rights. ▸ Handle corporate legal affairs and cases; assist subsidiaries in external communication and dispute resolution. ▸ Plan and establish interactive mechanisms for legal compliance planning, management, and execution; improve risk identification capabilities of the corporate group.
IT Division	▸ Develop short, medium, and long-term strategies and plans for information technology and make sure they align with the group's operational development strategies. ▸ Establish and update regulations for information security, cybersecurity risk management, information system operation management. ▸ Plan, design, and maintain the overall structure of the group's information systems, network systems, and databases. ▸ Manage, coordinate, and execute information-related projects within the group.

3.2 Directors and Management Team

3.2.1 Board of Directors

1. 1. Board of Directors Profile

Title (Note 1)	Nationality or Place of Registration	Name	Gender Age	Date Elected or Inaugurated	Term (Years)	Date First Elected (Note 2)	Shareholding When Elected		Current Shareholding		Current Shareholding of Spouse & Minor Children	
							Shares	%	Shares	%	Shares	%
Chairman	ROC	Jason K. L. Chang	M 51-60	06/ 14/ 2022	3	05/ 31/ 2001	4,808,396	0.62%	4,904,563	0.62%	4,566,540	0.58%
Director	ROC	Chi-Te Chen	M 61-70	06/ 14/ 2022	3	04/ 27/ 1988	692,955	0.09%	706,814	0.09%	0	0.00%

Insiders' shareholdings information as of 02/29/2024

	Shareholding by Nominee Arrangement		Experience & Education (Note 3)	Current Positions within the Group and/or Other Companies (IR: Institution Representative)	Executive, Directors, or Supervisors Who are Spouses or within Two Degrees of Kinship			Other Rem-arks (Note 4)
	Shares	%			Title	Name	Rela-tion	
	1,055,700	0.13%	Master, Massa-chusetts Institute of Technology	• Chairman, YJ Int'l Corp. (IR) • Chairman, Bluesky Co., Ltd. (IR) • Chairman, Chia Sheng Construction Corp. (IR) • Chairman, Tong Yang Chia Hsin Int'l Corp. • Chairman, Chia Hsin Foundation • Taiwan Cement Manufacturers' Association • Chairman, Chia Hsin Green Electricity Corporation (IR) • Vice Chairman, EPOCH Foundation • Director, Chia Pei Int'l Corp. (IR) • Director, Chia Hsin Property Management & Development Corp. (IR) • Director, Chia Hsin Business Consulting (Shanghai) Co., Ltd. (IR) • Director, Shanghai Jia Huan Concrete Co., Ltd. (IR) • Director, Shanghai Chia Hsin Ganghui Co., Ltd. (IR) • Director, Chia Hsin Pacific Ltd. • Director, Effervesce Investment Pte. Ltd. • Director, Sparksview Pte. Ltd. • Director, Tong Yang Chia Hsin Marine Corp. (IR) (also President) • Director, Taiwan Cement Corp. (IR)	-	-	-	-
	0	0.00%	MBA, University of California, Santa Clara	• Chairman, Chien Kuo Development Co., Ltd. • Chairman, Chien Hwei Investment Co. Ltd. • Chairman, Golden Canyon Venture Capital Investment Co., Ltd. • Chairman, Golden Canyon II Venture Capital Investment Co., Ltd. • Chairman, Rock Publishing International • Chairman, Chien Huei Cultural & Educational Foundation • Chairman, Chien Kuo Foundation for Arts And Culture • Chairman, Ten-Cheng International Co., Ltd. • Vice Chairman, Chien Kuo Construction Co., Ltd. • Director, Chia Hsin Property Management & Development Corp. (IR) • Director, China Real Estate Management Co., Ltd. • Director, Taiwan Cement Corp. (IR) • Director, Silver Shadow Holdings Co., Ltd. • Director, Golden Canyon Co., Ltd. • Director, Chien Kuo Asia Co., Ltd. • Director, Shun Long International Electrical Engineering Co., Ltd.	-	-	-	-

Title (Note 1)	Nationality or Place of Registration	Name	Gender Age	Date Elected or Inaugurated	Term (Years)	Date First Elected (Note 2)	Shareholding When Elected		Current Shareholding		Current Shareholding of Spouse & Minor Children	
							Shares	%	Shares	%	Shares	%
Director	ROC	Tong Yang Chia Hsin International Corp.		06/ 14/ 2022	3	05/ 31/ 2001	127,370,320	16.44%	129,917,726	16.44%	0	0.00
IR of Tong Yang Chia Hsin Int'l Corp.	USA	Pan Howard Wei-Hao	M 51-60	06/ 14/ 2022	3	06/ 19/ 2013	0	0.00	0	0.00	0	0.00
IR of Tong Yang Chia Hsin Int'l Corp.	ROC	I-Cheng Liu	M 51-60	06/ 14/ 2022	3	04/ 28/ 2020	0	0.00	0	0.00	0	0.00

Shareholding by Nominee Arrangement		Experience & Education (Note 3)	Current Positions within the Group and/or Other Companies (IR: Institution Representative)	Executive, Directors, or Supervisors Who are Spouses or within Two Degrees of Kinship			Other Rem-arks (Note 4)
Shares	%			Title	Name	Rela-tion	
0	0.00	-	-	-	-	-	-
0	0.00	Master of EE and MBA, Massa-chusetts Institute of Technology	• Vice Chairman, Chia Hsin Foundation • Director, Chia Hsin property Management & Development Corp, (IR) • Director, Jaho Life Plus+ Management Corp. (IR) • Director, Bluesky Co., Ltd. (IR) • Director, Chia Sheng Construction Corp. (IR) • Director, Chia Hsin Pacific Ltd. • Director, Effervesce Investment Pte Ltd. • Director, Sparksview Pte Ltd. • Director, Cheng Yeh Chemical Works Ltd. (also President) • Director, Hao An Enterprise Co., Ltd. (IR) • Director, Micro Tech Enterprise Co., Ltd. • Director, CFA Society of Taiwan • Director, Chia Hsin Property Management & Development Corp. (IR) • Director, China Real Estate Management Co., Ltd. • Director, Taiwan Cement Corp. (IR) • Director, Silver Shadow Holdings Co., Ltd. • Director, Golden Canyon Co., Ltd. • Director, Chien Kuo Asia Co., Ltd. • Director, Shun Long International Electrical Engineering Co., Ltd.	-	-	-	-
0	0.00	MBA, Wharton School of the University of Pennsy-lvania	• Vice Chairman and President, Pegatron Venture Capital Co., Ltd. • Director, Sunsino Innovation Technology Inc. Independent • Director, PlayNitride Inc. • Director, Taiwan Film and Audiovisual Institute • Director, Taiwan Cultural & Creativity Development Foundation • Independent Director, Pili International Multimedia • Vice President, T1 League • Business Consultant, CTBC Bank	-	-	-	-

Title (Note 1)	Nation-ality or Place of Regi-stration	Name	Gender Age	Date Elected or Inaugu-rated	Term (Years)	Date First Elected (Note 2)	Shareholding When Elected		Current Shareholding		Current Shareholding of Spouse & Minor Children	
							Shares	%	Shares	%	Shares	%
Inde-pendent Director	ROC	Robert K. Su	M 61-70	06/ 14/ 2022	3	06/ 27/ 2016	0	0.00	0	0.00	0	0.00
Inde-pendent Director	ROC	Pao-Chu Lin	F 61-70	06/ 14/ 2022	3	06/ 14/ 2022	0	0.00	0	0.00	0	0.00
Inde-pendent Director	ROC	Kevin Kuo-I Chen	M 61-70	06/ 14/ 2022	3	06/ 14/ 2022	0	0.00	0	0.00	0	0.00

Note 1: For institutional shareholders, the name and their representatives should be listed separately and the following Table 1 shall be completed.

Note 2: State the first date the person served as director or supervisor and provide related explanation for periods of discontinuity, if applicable.

Note 3: Regarding past experiences, if any of the current and past positions involve positions in the auditing CPA firm or its affiliates, additional details of the person's title and responsibilities shall be provided.

Shareholding by Nominee Arrangement		Experience & Education (Note 3)	Current Positions within the Group and/or Other Companies (IR: Institution Representative)	Executive, Directors, or Supervisors Who are Spouses or within Two Degrees of Kinship			Other Remarks (Note 4)
Shares	%			Title	Name	Relation	
0	0.00	Ph. D., Accounting Louisiana State University	• Independent Director, DBS Bank (Taiwan) Ltd.	-	-	-	-
0	0.00	Master of Buiness Admini-stration,, National Taiwan University	• Independent Director, APCB Group	-	-	-	-
0	0.00	Master of Law New York University	• Vice President and Adjunct Professor, National Taiwan Sport University • Adjunct Professor, University of Taipei • Consultant, Chinese Taipei Olympic Committee • Executive Board Member and President, Finance Committee of Olympic Council of Asia	-	-	-	-

Note 4: If the Chairman and the President, or person of equivalent duties (top manager) happen to be the same person, spouse, or first kinship relatives, the reason, rationality, necessity and corresponding measures (e.g., increasing number of independent directors, having more than half of directors who are not part-time employees or managers of the Company, etc) shall be provided.

Table 1 Major Shareholders of Institutional Shareholders

As of the ex-dividend date: 08/02/2023

Institutional Shareholder	Major Shareholders
Tong Yang Chia Hsin International Corporation	Chia Hsin Cement Corporation (87.18%) Chia Hsin Construction & Development Corporation (10.41%) Chia Min Corporation (0.52%) Sung Ju Investment Corporation (0.42%) Ju-Ping Chang (0.25%) Yung-Ping Chang (0.22%) Chung-Lien Chung (0.19%) International Chia Hsin Corporation (0.16%) Nelson An-Ping Chang (0.12%) Robert C.K. Wang (0.11%)

Note 1: If directors or supervisors represent institutional shareholders, the name of the juridical shareholder shall be listed.

Note 2: The name of the major shareholder of the institutional shareholder (whose shareholding ratio ranks in the top ten) and their shareholding ratio shall be listed. If its major shareholder is a corporation, please also fill in Table 2.

Note 3: If the institutional shareholder is not a company organization, the name and shareholding ratio to be disclosed shall be names and contribution ratios of investors or donors.

Note 4: The above information is provided by juridical shareholders; the Company is only responsible for disclosing the information.

Table 2 Major Shareholders of Institutional Shareholders in Table 1

As of the ex-dividend date: 08/02/2023

Name of Institutional Shareholders	Major Shareholders
Chia Hsin Cement Corporation	Tong Yang Chia Hsin International Corporation (16.44%) Sung Ju Investment Corporation (8.88%) Yung-Ping Chang (5.39%) Taiwan Cement Corporation (3.54%) Ta-Ho Maritime Corporation (3.33%) Nutri Vita Inc. (2.23%) Chia Hsin Foundation (1.92%) International Chia Hsin Corporation (1.89%) Guo-Huei Gu (1.74%) Chia Hsin R.M.C. Corporation (1.70%)

Note 1: If the major shareholder in the table above is a institutional shareholder, the name of the juridical shareholder shall be listed.

Note 2: The name of the major shareholder of the institutional shareholder (whose shareholding ratio ranks in the top ten) and their shareholding ratio shall be listed.

Note 3: If the institutional shareholder is not a company organization, the name and shareholding ratio to be disclosed shall be names and contribution ratios of investors or donors.

Note 4: The above information is provided by institutional shareholders; the Company is only responsible for disclosing the information.

2. Director Profile

(1) Directors' Professional Qualifications and Independent Directors' Independence Status

Condition / Name (Note 1)	Professional qualifications and work experience (Note 1)	Independence Status (Note 2)	Number of Other Public Companies Concurrently Serving as an Independent Director
Jason K. L. Chang	1. Serving as the Chairman of the Company and the convener of the Sustainable Development Committee. 2. Other positions include Director of Taiwan Cement Corp., Director of Chia Hsin Property Management & Development Corp., Chairman of YJ Int'l Corp, and more. 3. Extensive cross-industry leadership experience in cement, construction, hospitality, and more.	No spouse or relatives within the second degree of kinship currently on the Board.	0
Chi-Te Chen	1. Serving as the Director of the Company. 2. Other positions include Vice Chairman of Chien Kuo Construction Co., Ltd., Director of Taiwan Cement Corp., Director of Chia Hsin Property Management & Development Corp., and more. 3. Extensive cross-industry leadership experience in cement, engineering, construction, and more.	No spouse or relatives within the second degree of kinship currently on the Board.	0
Pan Howard Wei-Hao	1. Serving as the Director of the Company. 2. Other positions include Jaho Life Plus+ Management Corp.. Director of Chia Hsin Property Management & Development Corp., and more. 3. Extensive cross-industry leadership experience in construction, big health, and more.	No spouse or relatives within the second degree of kinship currently on the Board.	0
I-Cheng Liu	1. Serving as the Director of the Company. 2. Other positions include Director of Taiwan Film and Audiovisual Institute, Independent Director of Play Nitride Inc., Independent Director of Pili International Multimedia, and more; served as the former CEO of Next Bank, former CTO of CTBC Holding, and more. 3. Extensive cross-industry leadership experience in traditional finance, financial technology, and more.	No spouse or relatives within the second degree of kinship currently on the Board.	1

Condition / Name (Note 1)	Professional qualifications and work experience (Note 1)	Independence Status (Note 2)	Number of Other Public Companies Concurrently Serving as an Independent Director
Robert K. Su	1. Serving as the Independent Director of the Company, convener of the Remuneration Committee, member of the Audit Committee, and member of the Sustainable Development Committee. 2. Other positions include Independent Director of DBS Bank (Taiwan) Ltd.; served as the former Dean of NCCU College of Commerce and former Director of NCCU Department of Accounting. 3. Extensive professional experience in intangible assets and enterprise valuation fields.	1. Meets the criteria of Independent Director. 2. Fully complied with Independence status: (1) The individual, his/her spouse, or relatives within the second degree of kinship does not hold position as director, supervisor, or employee of the Company or its affiliates. (2) The individual, his/her spouse, or relatives within the second degree of kinship does not own any shares of the Company. (3) During the two years before appointment and throughout the tenure, there was no involvement in any of the situations defined in Article 3, Paragraph 1 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	1
Pao-Chu Lin	1. Serving as the Independent Director of the Company, convener of the Audit Committee, and member of the Remuneration Committee. 2. Other positions include Independent Director of APCB Inc.; served as CPA of KPMG and former Consultant to the KPMG Chairman/CEO Office. 3. Extensive practical experience in risk management, internal audit, and compliance.	1. Meets the criteria of Independent Director. 2. Fully complied with Independence status: (1) The individual, his/her spouse, or relatives within the second degree of kinship does not hold position as director, supervisor, or employee of the Company or its affiliates. (2) The individual, his/her spouse, or relatives within the second degree of kinship does not own any shares of the Company. (3) During the two years before appointment and throughout the tenure, there was no involvement in any of the situations defined in Article 3, Paragraph 1 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	1

Condition / Name (Note 1)	Professional qualifications and work experience (Note 1)	Independence Status (Note 2)	Number of Other Public Companies Concurrently Serving as an Independent Director
Kevin Kuo-I Chen	1. Serving as the Independent Director of the Company, member of the Audit Committee, and member of the Sustainable Development Committee. 2. Other positions include Vice President of National Taiwan Sport University, Consultant of Chinese Taipei Olympic Committee, and more. 3. Extensive professional experience in legal, business, and international affairs.	1. Meets the criteria of Independent Director. 2. Fully complied with Independence status: (1) The individual, his/her spouse, or relatives within the second degree of kinship does not hold position as director, supervisor, or employee of the Company or its affiliates. (2) The individual, his/her spouse, or relatives within the second degree of kinship does not own any shares of the Company. (3) During the two years before appointment and throughout the tenure, there was no involvement in any of the situations defined in Article 3, Paragraph 1 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	0

Note 1: The Directors of the Company have not been involved in any of the circumstances described in Article 30 of the Company Act.

Note 2: The Directors listed in this table are current directors of the Company.

(2) Board Diversity and Independence

Board Diversity Policy

The objectives of diversifying the backgrounds of Board members, regarding professional knowledge, expertise, industry experience, and enhancement of female participation in decision-making, are as followed:

1. Members of the Board shall include at least one member with professional qualifications in accounting or law, respectively.
2. Members of the Board shall include at least one single gender (female) member.
3. Members of the Board shall have at least two in each of the following fields of expertise but not limited to financial accounting, legal affairs, investment and mergers and acquisitions, risk management, operational management, hospitality, information technology, sustainable development, and global market perspective, etc.

Board Diversity Policy Implementation

The Company's Board of Directors consists of seven directors (including three independent directors), appointed from the list of director nominees according to Article 192-1 of the Company Law by the Annual General Meeting. The Board of Directors convenes at least once every quarter, but may also be convened at any time in case of emergency.

1. Chairman, Mr. Jason K.L. Chang: Extensive leadership experience in cement, construction, and hospitality industries, and comprehensive administrative experience in all aspects of the business of the group.
2. Director, Mr. Chi-Te Chen: Extensive leadership experience in engineering, construction, and business industries.
3. Director, Pan Howard Wei-Hao: Extensive leadership experience in health and construction industries.
4. Director, I-Cheng Liu: Renowned banker with extensive experience in traditional finance and financial technology.
5. Independent Director, Robert K. Su: Renowned accounting scholar with extensive professional experience in intangible assets and enterprise valuation fields.
6. Independent Director, Pao-Chu Lin: Former practicing accountant with extensive practical experience in auditing, risk management, internal auditing, and compliance.
7. Independent Director, Kevin Kuo-I Chen: Extensive practical experience in legal fields and sports industry.

As a collective, the seven directors hold extensive experience in cross-industries including business, cement, construction, hospitality, finance, auditing, risk management, law, and information technology. The Board, as a whole, possess the necessary knowledge, expertise, and competence to fulfill their respective duties. With ample experience in management and operational decision-making, the Chairman possesses the ability to lead the Company and obtain the largest interest for its shareholders.

Board Diversity

Title	Name	Diversified Ability							
		Accounting, Finance, and Legal Affairs	Risk Management	Business Operations	Global Market	Investment and M&A	Hospitality	Information Technology	Sustainability Development
Chairman	Jason K. L. Chang	✓	✓	✓	✓	✓	✓	✓	✓
Director	Chi-Te Chen	✓	✓	✓	✓	✓			✓
	Pan Howard Wei-Hao	✓	✓	✓	✓	✓		✓	✓
	I-Cheng Liu	✓	✓	✓	✓	✓		✓	✓
Independent Director	Robert K. Su	✓	✓	✓	✓	✓			✓
	Pao-Chu Lin	✓	✓	✓	✓	✓			✓
	Kevin Kuo-I Chen	✓	✓	✓	✓				✓

Independence Status

1. The Company's Board includes three Independent Directors, approximately 43% of the total board composition.
2. The Company's Chairman and CEO, or any position of equal status, are not of the same individual and not a spouse or relative within the first degree of kinship to each other.
3. Board members are elected through nomination and all directors, including Independent Directors, have not been involved in any of the situations defined in Article 26-3 of the Securities and Exchange Act, as of the time of appointment.
4. All directors, including Independent Directors, are not a spouse or a relative within the second degree of kinship to any director.

3.2.2 Management Team

Profile on President, Vice President, Director, and Department Heads

Title (Note 1)	Nationality	Name	Gender	Elective Date	Current Shareholdings (Note 4)		Current Share-holdings of Spouse & Minor Children		Shareholdings by Nominee Arrangement	
					Shares	%	Shares	%	Shares	%
President, Also CEO of Headquarters Office, Chief Sustainability Officer, Information Security Supervisor	ROC	Li-Hsin Wang	F	07/13/2022 07/11/2019 12/14/2021 12/15/2023	329,391	0.04%	0	0.00%	0	0.00%
Human Resources Vice President	ROC	Wen-Wan Chen	F	06/06/2022	0	0.00%	0	0.00%	0	0.00%
Director and Financial Officer	ROC	Jane Y. C. Chou	F	07/05/2013	120,691	0.02%	0	0.00%	0	0.00%
Director	ROC	Hua-Chou Huang	M	04/18/2023	102,000	0.01%	0	0.00%	0	0.00%

Insiders' shareholdings information as of 02/29/2024

	Experience & Education (Note 2)	Other position (IR: Institution Representative)	Managers Who are Spouses or Within Two Degree of Kinship			Remarks (Note3)
			Title	Name	Relation	
	MBA Waseda University	• Chairman, Jaho Life Plus+ Management Corp. (IR) • Chairman, Chia Hisn Pacific Ltd. • Director, YJ Int'l Corp. (IR) • Director, Chia Pei Int'l Corp. (IR) • Director, Tong Yang Chia Hsin Int'l Corp. (IR) • Supervisor, Chia Hsin Property Management & Development Corp. (IR) • Supervisor, Chia Hsin Business Consulting (Shanghai) Co., Ltd. (IR) • Supervisor, Bluesky Co., Ltd. (IR) • Director, Chia Hsin Green Electricity Corporation (IR) • Director, Chia Hsin Business Consulting (Shanghai) Co., Ltd. (IR) • Director, Shanghai Chia Hsin Ganghui Co., Ltd. (IR) • Director, Shanghai Chia Peng Health care Management Consulting • Co., Ltd. (IR) • Director, Chia Peng Gemcare Maternity (Yangzhou) Co., Ltd. (IR) • Director, Effervesce Investment Ptd. Ltd. • Director, Sparksview Pte. Ltd. • Director, Tong Yang Chia Hsin Marine Corp. (IR) • Director, LDC ROME HOTELS S.R.L • Executive Officer, CHC Ryukyu Development GK • Representative Director, CHC Ryukyu COLLECTIVE KK	-	-	-	-
	Master of Communication, Washington State University	None	-	-	-	-
	Dept. of Industrial Management, National Taiwan University of Science & Technology	• Supervirsor, YJ Int'l Corp. (IR) • Supervisor, Chia Pei Int'l Corp. (IR) • Supervisor, Chuang Neng Technology Co., Ltd (IR) • Supervisor, Chia Hsin Green Electricity Corporation (IR) • Representative Director, CHC Ryukyu COLLECTIVE KK	-	-	-	-
	School of Management, National Taiwan University	• Director, Tong Yang Chia Hsin Int'l Corp. (IR) • Director, Chia Pei Int'l Corp. (IR) • Supervisor, Shanghai Chia Peng Health care Management Consulting • Co., Ltd. (IR) • Supervisor, Chia Peng Gemcare Maternity (Yangzhou) Co., Ltd. (IR)	-	-	-	-

Title (Note 1)	Nationality	Name	Gender	Elective Date	Current Shareholdings (Note 4)		Current Share-holdings of Spouse & Minor Children		Shareholdings by Nominee Arrangement	
					Shares	%	Shares	%	Shares	%
Director and Corporate Governance Officer	ROC	Hsiao-Yun Yu	F	04/18/2023	85,768	0.01%	0	0.00%	0	0.00%
Director	ROC	Puo-Chien Lin	M	04/18/2023	78,540	0.01%	3,060	0.00%	0	0.00%
Manager and Accounting Officer	ROC	Mars Feng	M	07/11/2019	44,880	0.01%	2,040	0.00%	0	0.00%

Note 1: Information about President, Vice President, Director, Managers, Department Heads, or any other equivalent positions within the Company shall be disclosed, regardless of job title.

Note 2: Regarding past experiences, if any of the current and past positions involve positions in the auditing CPA firm or its affiliates, additional details of the individual's title and responsibilities shall be provided.

Experience & Education (Note 2)	Other position (IR: Institution Representative)	Managers Who are Spouses or Within Two Degree of Kinship			Remarks (Note3)
		Title	Name	Relation	
Dept. of Economics, Tamkang University	None	-	-	-	-
MBA, Suffolk University	• Director, YJ Int'l Corp. (IR) • Executive Officier, CHC Ryukyu Development GK • Representative Director, CHC Ryukyu COLLECTIVE KK	-	-	-	-
Dept. of Accounting, Tamkang University	None	-	-	-	-

Note 3: If the President or person of equivalent duties (top manager), and the Chairman happen to be the same person, spouse, or first kinship relatives, the reason, rationality, necessity and corresponding measures (e.g., increasing number of independent directors, having more than half of directors who are not part-time employees or managers of the Company, etc) shall be provided.

3.3 Renumeration of Directors, President, and Vice President

3.3.1 Renumeration of Directors and Independent Directors

Remuneration of Directors and Independent Directors

Title		Name	Remuneration							
			Base Compensation (A)		Severance/ Pension (B)		Directors Compensation (C)		Executive Expenses (D)	
			The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report
Director	Chairman	Jason K. L. Chang	10,566	11,412	0	0	318	696	876	916
	Director	Chi-Te Chen	5,643	5,643	0	0	127	127	72	112
	Director	Pan Howard Wei-Hao (Note 1)	1,105	1,105	0	0	0	0	72	112
	Director	I-Cheng Liu (Note 1)	1,105	1,105	0	0	0	0	72	72
Independent Director	Independent Director	Robert K. Su	1,350	1,350	0	0	0	0	72	72
	Independent Director	Pao-Chu Lin	1,350	1,350	0	0	0	0	72	72
	Independent Director	Kevin Kuo-I Chen	1,350	1,350	0	0	0	0	64	64

1. The Company's Director remuneration policy, standard, criteria, and structure in relation to job responsibilities, risk, time invested, and renumeration offered as stated below:
   (1) The Company's Chairman and Director remuneration are decided in accordance with Company's Articles of Association.
   (2) The Company's Articles of Association stipulate that the provision of annual profits as director remuneration shall not exceed 3%.
   (3) The recipient of director remuneration shall follow Company's regulation regarding distribution and payment of director remuneration.
   (4) The Board of Directors is authorized to pay a fixed monthly compensation to Independent Directors based on the level of participation and contribution and referenced to industry average. They are also entitled to receive travel allowances based on the number of meetings attended. Additional year-end bonuses are given according to responsibilities and individual performance.

Note 1: Institutional Representative of Tong Yang Chia Hsin International Corporation.

Unit: NTD thousands

Total Remuneration of item A, B, C, and D and Ratio to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Total Remuneration of item A, B, C, D, E, F, and G and Ratio to Net Income (%)		Renumeration from Non-Consolidated Affiliates or from the Parent Company
		Salary, Bonuses and Allowances (E)		Severance/ Pension (F)		Salary, Bonuses, and Allowances (G)						
The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company		All Companies in the Financial Report		The Company	All Companies in the Financial Report	
						Cash	Stock	Cash	Stock			
11,760 14.50%	13,024 16.06%	0	0	0	0	0	0	0	0	11,760 14.50%	13,024 16.06%	0
5,842 7.21%	5,882 7.25%	0	0	0	0	0	0	0	0	5,842 7.21%	5,882 7.25%	0
1,177 1.45%	1,217 1.50%	0	1,120	0	0	0	0	0	0	1,177 1.45%	2,337 2.88%	0
1,177 1.45%	1,177 1.45%	0	0	0	0	0	0	0	0	1,177 1.45%	1,177 1.45%	0
1,422 1.75%	1,422 1.75%	0	0	0	0	0	0	0	0	1,422 1.75%	1,422 1.75%	0
1,422 1.75%	1,422 1.75%	0	0	0	0	0	0	0	0	1,422 1.75%	1,422 1.75%	0
1,414 1.74%	1,414 1.74%	0	0	0	0	0	0	0	0	1,414 1.74%	1,414 1.74%	0

2. In addition to information listed in the table above, the remuneration received by the directors of the company in the most recent fiscal year for services provided (such as serving as consultant for parent company/all companies within the financial report/invested enterprises, not as an employee) is: None.

3.3.2 Remuneration of President and Vice President

Remuneration of President and Vice President

Title	Name	Base Compensation (A)		Severance/ Pension (B)	
		The Company	Companies in the consolidate financial statements	The Company	Companies in the consolidate financial statements
President, Also CEO of Headquarters Office, Chief Sustainability Officer, Information Security Supervisor (Note 1)	Li-Hsin Wang	6,841	6,841	0	0
Vice President	Wen-Wan Chen				

Note 1: Started concurrently serving as Information Security Supervisor on December 15, 2023; relieved from Chief Officer of Corporate Governance since April 18, 2023.

Range of Remuneration

Range of President and Vice President Remuneration	President and Vice President	
	The Company	All Companies included in Financial Report (E)
Lower than NT$1,000,000		
NT$1,000,000(including)~NT$2,000,000(not including)		
NT$2,000,000(including)~NT$3,500,000(not including)		
NT$3,500,000(including)~NT$5,000,000(not including)	Li-Hsin Wang, Wen-Wan Chen	Wen-Wan Chen
NT$5,000,000(including)~NT$10,000,000(not including)		Li-Hsin Wang
NT$10,000,000(including)~NT$15,000,000(not including)		
NT$15,000,000(including)~NT$30,000,000(not including)		
NT$30,000,000(including)~NT$50,000,000(not including)		
NT$50,000,000(including)~NT$100,000,000(not including)		
Greater than or Equal to NT$100,000,000		
Total	2	2

Unit: NTD thousands

Bonuses and Special Disbursement (C)		Employee Compensation (D)				Total Remuneration of item A, B, C, D and Ratio to Net Income (%)		Renumeration from Non-Consolidated Affiliates or from the Parent Company
The Company	Companies in the consolidate financial statements	The Company		Companies in the consolidate financial statements		The Company	Companies in the Consolidated Financial Statements	
		Cash	Stock	Cash	Stock			
1,832	2,292	121	0	121	0	8,794 10.85%	9,254 11.41%	None

Managers Assigned to Distribute Employee Compensation and the Distribution Status

02/29/2024

Unit: NTD thousands

	Title	Name	Stock	Cash	Total	Ratio to Net Income (%)
Manager	President, Also CEO of Headquarters Office, Chief Sustainability Officer, and Information Security Supervisor	Li-Hsin Wang	0	203	203	0.25%
	Vice President	Wen-Wan Chen				
	Financial Officer	Jane Y.C Chou				
	Accounting Officer	Mars Feng				
	Director and Corporate Governance Officer	Hsiao-Yun Yu				
	Director	Hua-Chou Huang				
	Director	Puo-Chien Lin				
	Director	Wu Tien Chang (Note 1)				

Note 1: Resigned on January 1, 2024.

3.3.3 Comparative Analysis of Remuneration Paid to Directors, President, and Vice President for the Past Two Years as a percentage of net Income in the Single and Consolidates Financial Statements, Including Details on Remuneration Policies, Procedures, and its Link to Operational Performance and Future Risks

Analysis of the Company's recent two fiscal years of Director, President, and Vice President Remuneration ratio to net income

Year	Director, President, and Vice President Total Remuneration (in thousands)		Ratio to Net Income (Note 1)	
	The Company	All Companies included in Financial Report	The Company	All Companies included in Financial Report
2022	48,671	52,150	-26.93%	-28.85%
2023	33,008	35,932	40.71%	44.32%

Note 1: Net profit refers to the net profit of the Company's individual financial statements, prepared in accordance with International Financial Reporting Standards, for the most recent fiscal year.

3.3.4 Remuneration Policies and Standards

1. Article 26 of the Company's Articles of Association stipulates that if there is profit made in the current year, 0.01% to 3% shall be allocated for employee remuneration, and up to 3% for director remuneration. However, if the Company still has accumulated losses, the amount shall be reserved in advance to offset the deficit before carrying out the remuneration mentioned previously.
2. Director remuneration is allocated in accordance with the Company's Articles of Association and is linked to performance, which is evaluated by the Board's Performance Evaluation Regulation based on six factors: "achievement of Company targets and goals," "understanding of Board responsibilities," "participation in Company operations," "internal communication," "professional capability and continuous improvement," and "internal control." Distribution of remuneration shall be reviewed by the Remuneration Committee, submitted to the Board for approval, and reported at the shareholders' meeting.
3. The President and Executive Vice President remuneration is determined based on individual capabilities, contributions to Company businesses, performance,

effectiveness in sustainable development and risk management, market value of respective positions, and consideration of future operational risks. Distribution of remuneration shall be reviewed by the Remuneration Committee and submitted to the Board of Directors for approval. According to the Company's regulation regarding performance management and distribution of year-end bonuses, the performance evaluation mentioned earlier shall include at least six factors in assessment, including effective authorization, innovative management, cross-team collaborations, strategic thinking, crisis management, and talent development; year-end bonuses shall be calculated based on the 'job coefficient,' 'performance coefficient,' 'management coefficient,' and/or other additional coefficients. This ensures that the Company's President and Executive Vice President remuneration policy and standards effectively balance individual performance and Company's operational status, further achieving the goal of sustainable development.

4. Director remuneration approved by the Board of Directors shall be allocated only to those holding directorship on the day of remuneration distribution. However, for Directors who were not re-elected, remuneration may still be distributed in proportion to their tenure.
5. Distribution of remuneration is based on the Company's overall operational and profit status, which is positively correlated with operational performance, and is carried out in accordance with legal requirements and Company regulations, in the hopes of minimizing the chance and impact of future risks while achieving a balance between sustainable operations and risk management.

3.4 Corporate Governance Implementation

3.4.1 Board of Directors Meeting

1. Board of Directors Meeting Results

(1) A total of 11 Board of Directors meetings took place during January 1, 2023 to February 27, 2024, attendance of Directors are as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate in Person (%) (B/A) (Note 2)	Additional Notes
Chairman	Jason K.L. Chang	11	0	100%	-
Director	Chi-Te Chen	11	0	100%	
Director	Tong Yang Chia Hsin Int'l Corp. Representative: Pan Howard Wei-Hao	11	0	100%	
Director	Tong Yang Chia Hsin Int'l Corp. Representative: I-Cheng Liu	11	0	100%	
Independent Director	Robert K. Su	11	0	100%	
Independent Director	Pao-Chu Lin	11	0	100%	
Independent Director	Kevin Kuo-I Chen	10	1	90.91%	

Other matters to be recorded:

1. When one of the following situations occurs in regarding operations of the Board, the date and term of the Board meeting, content of proposals, opinions of all Independent Directors, and the Company's actions in response to the respective opinions shall be stated:
   (1) Matters included in Article 14-3 of the Securities and Exchange Act: Since the Company has already established an Audit Committee, the regulations from Article 14-3 are not applicable. For detailed explanations on matters listed in Article 14-5 of the Securities and Exchange Act, please refer to 3.4.2 Audit Committee Meeting Status in this annual report.
   (2) In addition to the matters mentioned above, any other resolutions on which an independent director had an objection or reservation: None

2. The execution status of Directors recused from resolutions due to conflict of interest shall include the names of the Directors, content of motion, reasons for recusal, and their participation in the voting process:

Date of Board Meeting	Name of Director	Content of Motion	Reason for Recusal	Participation in Voting Process
01 / 06 / 2023 450th	Jason K.L. Chang	To discuss bonuses for Chairman and managers of 2022.	Chairman Jason K.L. Chang and all managers of the Company recused themselves from the discussion; Independent Director Robert K. Su served as the acting chairman.	Chairman Jason K.L. Chang recused himself from the discussion and voting of the resolution; the motion was approved by 5th term, 2nd meeting of the Remuneration Committee and was passed with no objection from other attending directors after consultation by the acting chairman.
	Chi-Te Chen Pan Howard Wei-Hao I-Cheng Liu Kevin Kuo-I Chen	To discuss additional re-muneration for Directors for the 2022 Lunar New Year	To approve additional remuneration of 2022 Lunar New Year for Directors (not including Independent Directors concurrently serving as members of the Remuneration Committee).	Director Chi-Ten Chen, Pan Howard Wei-Hao, and I-Cheng Liu, and Independent Director Kevin Kuo-I Chen recused themselves from the discussion and voting of the resolution; the motion was approved by 5th term, 2nd meeting of the Remuneration Committee and was passed with no objection from other attending directors after consultation by the acting chairman.
	Robert K. Su Pao-Chu Lin	To discuss additional re-muneration members of the Remuneration Committee for the 2022 Lunar New Year.	To approve additional remuneration of 2022 Lunar New Year for the Remuneration Committee (including Independent Directors concurrently serving as members of the Remuneration Committee).	Independent Director Robert K. Su and Pao-Chu Lin recused themselves from the discussion and voting of the resolution; the motion was passed with no objection from other attending directors after consultation by the acting chairman.
04 / 18 / 2023 452th	Jason K.L. Chang	To discuss the annual remuneration of the Chairman and manager of 2023	Chairman Jason K.L. Chang and all managers of the Company recused themselves from the discussion; Independent Director Robert K. Su served as the acting chairman.	Chairman Jason K.L. Chang recused himself from the discussion and voting of the resolution; the motion was approved by 5th term, 3rd meeting of the Remuneration Committee and was passed with no objection from other attending directors after consultation by the acting chairman.
08 / 08 / 2023 455th	Jason K.L. Chang Chi-Te Chen	To discuss remu-neration for direc-tor and super-visors in relation to affiliated enter-prises and external investment projects for 2022	Chairman Jason K.L. Chang and Director Chi-Te Chen recused themselves from the discussion; Independent Director Robert K. Su served as the acting chairman.	Chairman Jason K.L. Chang and Director Chi-Te Chen recused themselves from the discussion and voting of the resolution; the motion was approved by the Remuneration Committee on 2023/07/28 and was passed with no objection from other attending directors after consultation by the acting chairman.

Date of Board Meeting	Name of Director	Content of Motion	Reason for Recusal	Participation in Voting Process
10/05/2023 456th	Jason K.L. Chang Pan Howard Wei-Hao	To inquire Tong Yang Chia Hsin International Cooperation shareholders and their willingness to exchange shares	Chairman Jason K.L. Chang and Director Pan Howard Wei-Hao recused themselves from the discussion; Independent Director Pao-Chu Lin served as the acting chairman. In addition, President Li-Hsin Wang recused herself in accordance with regulations.	Chairman Jason K.L. Chang and Director Pan Howard Wei-Hao recused themselves from the discussion and voting of the resolution; the motion was passed with no objection from other attending directors after consultation by the acting chairman.
	Jason K.L. Chang	To inquire CHPL shareholders and their willingness to exchange shares	Chairman Jason K.L. Chang recused himself from the discussion and Independent Director Pao-Chu Lin served as the acting chairman.	Chairman Jason K.L. Chang recused himself from the discussion and voting of the resolution; the motion was passed with no objection from other attending directors after consultation by the acting chairman.
11/08/2023 457th	Jason K.L. Chang Pan Howard Wei-Hao	To propose the discontinuance of share exchange with Tong Yang Chia Hsin International Cooperation shareholders	Chairman Jason K.L. Chang and Director Pan Howard Wei-Hao recused themselves from the discussion; Independent Director Pao-Chu Lin served as the acting chairman. In addition, President Li-Hsin Wang recused herself in accordance with regulations.	Chairman Jason K.L. Chang and Director Pan Howard Wei-Hao recused themselves from the discussion and voting of the resolution; the motion was passed with no objection from other attending directors after consultation by the acting chairman.
	Jason K.L. Chang	To propose the discontinuance of share exchange with CHPL shareholders	Chairman Jason K.L. Chang recused himself from the discussion and Independent Director Pao-Chu Lin served as the acting chairman.	Chairman Jason K.L. Chang recused himself from the discussion and voting of the resolution; the motion was passed with no objection from other attending directors after consultation by the acting chairman.
01/09/2024 459th	Jason K.L. Chang	To discuss remuneration of the Chairman and managers of 2023	Chairman Jason K.L. Chang and all managers of the Company recused themselves from the discussion; Independent Director Robert K. Su served as the acting chairman.	Chairman Jason K.L. Chang recused himself from the discussion and voting of the resolution; the motion was approved by 5th term, 5th meeting of the Remuneration Committee and was passed with no objection from other attending directors after consultation by the acting chairman.
	Chi-Te Chen Pan Howard Wei-Hao I-Cheng Liu Kevin Kuo-I Chen	To discuss additional remuneration for Directors for the 2023 Lunar New Year	Director Chi-Te Chen, Pan Howard Wei-Hao, I-Cheng Liu, and Independent Director Kevin Kuo-I Chen recused themselves from the discussion.	Director Chi-Ten Chen, Pan Howard Wei-Hao, and I-Cheng Liu, and Independent Director Kevin Kuo-I Chen recused themselves from the discussion and voting of the resolution; the motion was approved by 5th term, 5th meeting of the Remuneration Committee and was passed with no objection from other attending directors after consultation by the acting chairman.

Date of Board Meeting	Name of Director	Content of Motion	Reason for Recusal	Participation in Voting Process
01 / 09 / 2024 459th	Robert K. Su Pao-Chu Lin	To discuss additional remuneration for members of the Remuneration Committee for the 2023 Lunar New Year	Independent Director Robert K. Su and Pao-Chu Lin recused themselves from the discussion	Independent Director Robert K. Su and Pao-Chu Lin recused themselves from the discussion and voting of the resolution; the motion was passed with no objection from other attending directors after consultation by the acting chairman.
02 / 27 / 2024 460th	Jason K.L. Chang Chi-Te Chen Pan Howard Wei-Hao I-Cheng Liu	To discuss the distribution of Director remuneration of 2023	Chairman Jason K.L. Chang, Director Chi-Te Chen, Pan Howard Wei-Hao, and I-Cheng Liu recused themselves from the discussion and Independent Director Robert K. Su served as the acting chairman.	Chairman Jason K.L. Chang, Director Chi-Te Chen, Pan Howard Wei-Hao, and I-Cheng Liu recused themselves from the discussion and voting of the resolution; the motion was passed with no objection from other attending directors after consultation by the acting chairman.

3. The information regarding self-assessment (or peer evaluation) of the Board of Directors includes the cycle and period, scope, method, and content of the assessment:

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Contents of Evaluation
Annually	01/01/2023 to 12/31/2023	Board of Directors, functional committees (including the Audit Committee, Remuneration Committee, Sustainable Development Committee), and their individual members	Self-assessment from the Board of Directors, functional committees (including the Audit Committee, Remuneration Committee, Sustainable Development Committee), and their individual members	With reference to the sample published by authorities, the assessments of the Company are as follows: 1. Board Performance Assessment 1-1 Participation in Company operations 1-2 Quality of decisions 1-3 Structure and organization 1-4 Election and continuing education 1-5 Internal control 2. Individual Director Performance Assessment 2-1 Alignment of the goals and targets of the Company 2-2 Understanding of director duties 2-3 Participation in Company operations 2-4 Management of internal communication and relationships. 2-5 Director professional qualifications and continuing education 2-6 Internal control 3. Functional Committee Performance 3-1 Participation in Company operations 3-2 Understanding of functional committee duties 3-3 Quality of decision 3-4 Structure and election 3-5 Internal control 4. Functional Committee Individual Member Performance 4-1 Function of functional committee 4-2 Understand of functional committee member duties 4-3 Participation in functional committee operations 4-4 Management of internal relationships and communication

4. Assessment of the goals to enhance functions of the Board of Directors (e.g., establishing the Audit Committee, improving information transparency) and status of implementation:
   (1) The Company has completed the goal of increasing female participation in decision-making. Upon the shareholders' meeting on June 14, 2022, one female director was appointed to join the Board of Directors. The Board members possess the professional knowledge, expertise, and industry experience required for their respective positions. Through the composition of a diverse Board of Directors, the decision-making process is further optimized. In response to rapid changes in the external environment, the Company conducted a series of education courses for diversified Directors in the second half of the year. The courses covered topics such as information security, corporate carbon neutrality, cross-border investment structures, tax rules, and family business succession and transformation, all in the hopes of continuously enhancing the Board's professional competence as a whole. For details regarding the yearly educational improvement status of Directors, please refer to Section 3.4.1 of this annual report.
   (2) In 2023, the Company held a total of 9 Board meetings, with an attendance rate of 98.41% for all Directors. Information regarding significant agenda items and Director attendance was announced on the Market Observation Post System in accordance with regulations to ensure realtime and transparent information dissemination. Motions and resolutions all had undergone thorough discussion conducted by Directors before making a decision, especially paying attention to issues in relation to risk management of all kinds, further showcasing smooth overall operation process.
   (3) The Company established the Remuneration Committee in 2011, the Audit Committee in 2013, and the Sustainable Development Committee in 2021 to implement the accountability and elevate the functions of the Board of Directors. To assist the Directors in understanding the Company's risk forms for evaluation and supervision, the Sustainable Development Committee incorporated risk management as a crucial function of the Sustainable Development Committee, with the scope of risk assessment covering the Company and its major subsidiaries. To help the Board fulfill its risk management responsibilities, the Audit Committee established a Risk Management Subcommittee. The subcommittee conducts comprehensive assessments of the Company's strategic, operational, compliance, financial, emerging, and other risks and reports on the status of risk management to the Audit Committee and the Board of Directors at least once a year. The risk assessment report for 2024 has been submitted to the Audit Committee and the Board on December 15, 2023.

2. Directors and Independent Directors Training:

Name of Director	Course	Organizer	Date	Hours	2022 TotalHours
Jason K.L. Chang	Global Future Risks and Opportunities for Sustainable Transformation	Taiwan Corporate Governance Association	07/26/2023	3	6
	How should the board of directors formulate ESG sustainable governance strategies	Taiwan Corporate Governance Association	09/13/2023	3	
Chi-Te Chen	Impact Alpha for SDGs & You	Taiwan Corporate Governance Association	08/29/2023	3	6
	Open path to International Carbon Trading: Carbon Risk and Carbon Asset Management	Taiwan Corporate Governance Association	09/19/2023	3	
Pan Howard Wei-Hao	Emerging Trends in Green Energy Investment: Taiwan's Renewable Energy Market and Trends - Insights from Renewable Energy Industry Players	Taiwan Insurance Institute	05/25/2023	3	12

Name of Director	Course	Organizer	Date	Hours	2022 TotalHours
Pan Howard Wei-Hao	Sustainable Transformation Series: Global Circular Economy Trends, Challenges, and Opportunities	Chinese National Association of Industry and Commerce	05/31/2023	3	12
	A New Era of Global Conflicts: Strategic Change & Transformation for Taiwanese Companies	Taiwan Institute of Directors	06/07/2023	3	
	Global Future Risks and Opportunities for Sustainable Transformation	Taiwan Corporate Governance Association	07/26/2023	3	
I-Cheng Liu	A Comprehensive Intellectual Property Protection Strategy: Leveraging AI for Innovative Technology IP Layout	Taiwan Corporate Governance Association	08/16/2023	3	6
	Common Legal Issues in Corporate M&A Transaction Documents	Taiwan Corporate Governance Association	10/18/2023	3	
Robert K. Su	Directors and Supervisors Seminar: Enhancing Corporate Resilience for Taiwan's Competitiveness	Chinese National Association of Industry and Commerce	03/27/2023	3	15
	A Comprehensive Intellectual Property Protection Strategy: Leveraging AI for Innovative Technology IP Layout	Taiwan Corporate Governance Association	08/16/2023	3	
	Common Legal Issues in Corporate M&A Transaction Documents	Taiwan Corporate Governance Association	10/18/2023	3	
	Deep diving the cybersecurity tactics of listed companies from the perspective of ESG development	Taiwan Corporate Governance Association	11/01/2023	3	
	How to Think Like Investors: Exploring Corporate Sustainable Transformation through ESG Investment	Taiwan Corporate Governance Association	12/13/2023	3	
Pao-Chu Lin	Global Future Risks and Opportunities for Sustainable Transformation	Taiwan Corporate Governance Association	07/26/2023	3	6
	How should the board of directors formulate ESG sustainable governance strategies	Taiwan Corporate Governance Association	09/13/2023	3	

Name of Director	Course	Organizer	Date	Hours	2022 TotalHours
Kevin Kuo-I Chen	Global Future Risks and Opportunities for Sustainable Transformation	Taiwan Corporate Governance Association	07/26/2023	3	18
	A Comprehensive Intellectual Property Protection Strategy: Leveraging AI for Innovative Technology IP Layout	Taiwan Corporate Governance Association	08/16/2023	3	
	How should the board of directors formulate ESG sustainable governance strategies	Taiwan Corporate Governance Association	09/13/2023	3	
	Common Legal Issues in Corporate M&A Transaction Documents	Taiwan Corporate Governance Association	10/18/2023	3	
	Deep diving the cybersecurity tactics of listed companies from the perspective of ESG development	Taiwan Corporate Governance Association	11/01/2023	3	
	Corporate Governance: Fair Treatment Principles in the Financial Services Industry	Taiwan Corporate Governance Association	11/24/2023	3	

3.4.2 Audit Committee Meeting

1. Keys to the Audit Committee

- For the professional qualifications and experiences of the three members of the Audit Committee, please refer to Section 3.2.1 in this annual report.
- The Audit Committee aims to assist the Board of Directors in overseeing the quality and integrity of the Company's accounting, auditing, financial reporting processes, and finance controls.
- Key objectives supervised by the Audit Committee are as follows:
- Review Financial reports; auditing and accounting policies and procedure; internal control systems and related policies and procedures; significant asset or derivative transactions; significant loans, endorsements, or guarantees; raise or issuance of securities; related party transactions and potential conflicts of interest involving managers and directors; company risk management; assessing effectiveness of internal control systems; qualifications, independence, and performance evaluation of CPAs; appointment, dismissal, or compensation of CPAs; appointment or dismissal of financial, accounting, or internal audit executives; other significant matters as required by the Company or regulatory authorities.
- According to regulations, the members of the Audit Committee shall consist of all Independent Directors. The composition of the Company's Audit Committee complies with the aforementioned legal requirements.

- The Company's Audit Committee fully understands its responsibility to necessary audits and investigations in accordance with the organizational charter. The Committee shall maintain direct channels of communication with the Company's internal auditors, CPAs, and all employees. In addition, the Committee has the authority to hire and oversee law-yers, accountants, or other consultants to assist in fulfilling auditing duties.
- For further details on the organizational regulations of the Audit Committee, please refer to the Company's official website.

2. Audit Committee Meeting Results

A total of 7 Audit Committee meeting (A) (Note 3) was held in the latest fiscal year, attendance of Audit Committee members are as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate in Person (%) (B/A)	Additional Notes
Independent Director	Pao-Chu Lin	7	0	100%	Re-elected on 2022/06/14
Independent Director	Robert K. Su	7	0	100%	Re-elected on 2022/06/14
Independent Director	Kevin Kuo-I Chen	6	1	86%	Re-elected on 2022/06/14

Other mentionable items:

1. When one of the following situations occurs regarding operations of the Audit Committee, the date and term of the Audit Committee meeting, content of motion, opinions of all members of the respective committee, and the Company's actions in response to the respective opinions shall be listed.

(1) Items listed in Article 14-5 of the Securities and Exchange Act:

Meeting Date (Session)	Content of Motion	Items Listed in Article 14-5 of the Securities and Exchange Act	Resolution of the Audit Committee and the Company's Response
03/09/2023 5^{th} Meeting of the 4^{th} Term	1. The 2022 Internal Control Statement. 2. The 2022 business report and financial statements. 3. The continuing appointment of the current CPAs and their remuneration. 4. Established the Company's preapproved policy of non-assurance services provided by the certified public accountant. 5. Adjusted the proposal for restructuring the Company's organization. 6. Amendments to the Internal Control System.	✓	All attending members of the committee approved and passed the motion; the motion was reported to the Board of Directors and unanimously approved by all attending Directors.
04/18/2023 6^{th} Meeting of the 4^{th} Term	1. The proposal of 2022 earnings distribution. 2. Issuance of new shares for capital increase from retained earnings in 2022. 3. Partial amendments to the Company's "Position Authorization Management Measures" and the Approval Authority Form.	✓	

Meeting Date (Session)	Content of Motion	Items Listed in Article 14-5 of the Securities and Exchange Act	Resolution of the Audit Committee and the Company's Response
05/09/2023 7th Meeting of the 4th Term	1. Review the Company's consolidated financial statements for the first quarter of 2023.	✓	All attending members of the committee approved and passed the motion; the motion was reported to the Board of Directors and unanimously approved by all attending Directors.
08/08/2023 8th Meeting of the 4th Term	1. 1. CPA to review the 2023 quarterly financial report service fee of CHC Ryukyu COLLECTIVE KK. 2. Review the Company's consolidated financial statements for the second quarter of 2023. 3. Appointment of independent experts for the acquisition of minority shares of a subsidiary. 4. Amendments to the 2023 Audit Plan. 5. The drafting of the second Supplementary Agreement to the Cement Storage Service Agreement, signed with Taiwan Cement Corporation.	✓	
10/05/2023 9th Meeting of the 4th Term	The drafting of a tentative share exchange ratio to facilitate the Board of Directors in discussion with the remaining shareholders of CHPL and Tong Yang Chia Hsin International Corporation regarding their willingness to exchange shares.	✓	
11/08/2023 10th Meeting of the 4th Term	1. Review the Company's consolidated financial statements for the third quarter of 2023. 2. Established the rules of the Company's governing financial and business matters between this corporation and its affiliated enterprises. 3. Established the Company's Tax Policy and management rules. 4. The endorsement of the loan taken out from Taishin International Bank Tokyo Branch for the Company's two subsidiaries CHC Ryukyu COLLECTIVE KK and CHC Ryukyu Development GK in Japan.	✓	
12/15/2023 11th Meeting of the 4th Term	1. The 2024 Audit Plan. 2. The extension of management contracts signed by Tong Yang Chia Hsin International Corporation and Keelung Storage and Transport Center and Cement Storage Service at the Port of Taichung. 3. The drafting of a management contract for the Company's subsidiary Tong Yang Chia Hsin International Corporation. 4. The drafting of the 2024 annual equipment usage fee agreement for the Company's subsidiary Chia Pei International Corp. 5. The extension of Storage and Transport Agreement with the Company's subsidiary Chia Pei International Corp. 6. Amendments to the Risk Management Policy and Procedure.	✓	
02/27/2024 12th Meeting of the 4th Term	1. The 2023 Internal Control Statement. 2. The drafting of 2023 business report and financial statement. 3. The continuing appointment of the current CPAs and their service fee.	✓	

(2) Other decisions that have not been approved by the Audit Committee but have been agreed upon by two-thirds or more of all Directors shall include details such as the date and session of the meeting, content of motion, the decision of the Audit Committee, and the Company's response: None.

2. Regarding the execution of status of Independent Directors recused from the meeting, the name of the Independent Director, content of motion, reason of recusal, and participation in voting process shall be listed: None.

3. Regarding communication between Independent Directors and the internal audit manager and auditors (such as matters discussed, methods, and results related to the Company's finances and business conditions): Internal audit manager and auditors regularly communicate with the Independent Directors regarding the Company's finances, operations, and internal control status, or provide relevant written reports.
   (1) Independent Directors and auditors hold meetings at least 3-4 times a year. The auditors report to the Independent Directors on the Company's financial status, financial situation and overall operations of subsidiaries in Taiwan and abroad, discussions on key audit matters for the year, and the status of internal control audits. Both parties also thoroughly discuss matters regarding the impact on accounting and finances caused by amendments on entries and regulations. The communication between Independent Directors and CPAs is healthy and effective.
   (2) The Audit Office compiles monthly audit reports and tracking reports, which are submitted to each Independent Director for review and approval. If Independent Directors have any questions or suggestions upon reviewing the audit reports, they communicate directly with the Audit Office as needed, while maintaining a good working relationship.
   (3) Communications between Independent Directors and the audit division officer for 2023 are listed as follows:

Meeting Date	Main Communication Item	Discussion Result
01/06/2023 (BOD)	Execution report and communications regarding the audit for October, 2022.	Understood and noted.
03/09/2023 (Individual symposium)	1. Execution report and communications regarding the audit for November and December, 2022. 2. The 2022 Internal Control Statement. 3. The amendments to the Internal Control System.	1. Understood and noted. 2. After discussion, the statement was proposed to the BOD for decision.
04/18/2023 (BOD & Audit committee meeting)	1. Execution report and communications regarding the audit for January, 2023. 2. Partial amendment to the company's "Position Authorization Management Measures" and the Approval Authority Form.	1. Understood and noted. 2. After discussion, the statement was proposed to the BOD for decision.
05/09/2023 (BOD)	Execution report and communications regarding the audit for February, 2023.	Understood and noted.
06/30/2023 (BOD)	Execution report and communications regarding the audit for March and April, 2023.	Understood and noted.
08/08/2023 (BOD & Audit committee meeting)	1. Execution report and communications regarding the audit for May, 2023. 2. The amendments to the 2023 Audit Plan.	1. Understood and noted. 2 After discussion, the statement was proposed to the BOD for decision.
10/05/2023 (BOD)	1. Execution report and communications regarding the audit for June and July, 2023.	Understood and noted.
11/08/2023 (BOD)	1. Execution report and communications regarding the audit for August, 2023.	Understood and noted.
11/21/2023 (Individual symposium)	Business visits to subsidiaries with Independent Directors.	Further steps were taken to learn more about the subsidiary's on-site operations.
12/15/2023 (BOD & Audit committee meeting)	1. Execution report and communications regarding the audit for September, 2023. 2. The 2024 Audit Plan.	1. Understood and noted. 2. After discussion, the statement was proposed to the BOD for resolution.
01/09/2024 (BOD)	Execution report and communications regarding the audit for October, 2023.	Understood and noted.
02/23/2024 (Individual symposium)	Discussion and communication between Audit Office officer and Independent Directors.	Internal auditor followed the advice given by Independent Directors.
02/27/2024 (BOD & Audit committee meeting)	1. Execution report and communications regarding the audit for November and December, 2023. 2. The 2023 Internal Control Statement.	1. Understood and noted. 2. After discussion, the statement was proposed to the BOD for decision.

The three Independent Directors of the Company have frequently provided suggestions during Audit Committee or Board meetings, but they have not expressed opposition or reservation. Any specific instructions or handling of situations have been explained in the table above.

(4) Communications between Independent Directors and CPAs for 2023 are listed as follows:

Meeting Date	Main Communication Item	Discussion Result
03/03/2023 (Individual symposium)	1. Independent Directors and CPAs held a meeting to understand the CPA's communication with the Company's managers and the audited departments. 2. The CPAs communicated and discussed the content of the management letter issued.	Well communicated.
03/09/2023 (BOD & Audit committee meeting)	1. The CPAs explained the contents of the 2022 consolidated financial report, key audit matters, and types of audit opinion issued. 2. The CPAs explained and communicated the questions raised by the participants.	Approved by the participants and proposed to BOD for decision.
08/08/2023 (BOD & Audit committee meeting)	1. The CPAs explained the contents of the review of the consolidated financial report for the second quarter of 2023. 2. The CPAs explained and communicated the questions raised by the participants.	Approved by the participants and proposed to BOD for decision.
12/15/2023 (BOD)	1. The CPAs evaluated and explained the possible "Key Audit Matters" for the Company's financial report for 2023. 2. The CPAs explained and communicated the questions raised by the participants.	Well communicated.
02/23/2024 (Individual symposium)	1. Independent directors and the CPAs held a meeting to understand the CPA's communication with the Company's managers and the audited departments.	Well communicated.
02/27/2024 (BOD & Audit committee meeting)	1. The CPAs explained the contents of the 2023 consolidated financial report, key audit matters, and types of audit opinion issued. 2. The CPAs explained and communicated the questions raised by the participants.	Approved by the participants and proposed to BOD for decision.

Note 1: Date of resignation for Independent Directors who resigned before the end of the fiscal shall be listed. while the attendance rate in person (%) shall be calculated based on the number of Audit Committee meetings held during their tenure and their attendance rate in person. (There were no such occurrences in the current fiscal year)

Note 2: If there were changes in Independent Directors before the end of the fiscal year, both the outgoing and in-coming Independent Directors shall be listed, and in the remarks column, it shall be noted whether the Independent Director is outgoing, incoming, or re-elected, along with the date of the change. The attendance rate in person (%) shall be calculated based on the number of Audit Committee meetings held during their tenure and their actual attendance in person.

Note 3: Number of meetings are ones that took place during the most recent fiscal year up to the publication of this annual report: 7 meetings in 2023, and 1 meeting in 2024 (as of February 29, 2024).

3.4.3 Corporate Governance Implementation and Deviations from the "Corporate Governance Best Practice Principles" of the TWSE/TPEx Listed Companies

Corporate governance implementation and deviation from practice principles regarding TWSE/TPEx listed companies as required by Taiwan Stock Exchange

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
1. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	✓		The Company's Corporate Governance Practice Principles was established in reference to the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" by the Taiwan Stock Exchange and first approved by the Board of Directors at the Board meeting held on March 25, 2015. Recently, on April 18, 2023, amendments on partial articles were approved by the Board. The information was disclosed on the Market Observation Post System (herein referred to as MOPS) and also available to investors on the Company's official website. The Company's corporate governance regulation is established in compliance with the legal regulations and Articles of Association. At the same time, it protects investors' rights, strengthens the supervision of the Board of Directors, utilizes the functional committees, respects conflicts of interests, and enhances information transparency.	None
2. Shareholding Structure and Shareholders' Rights				
(1) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	✓		(1) The Company's Corporate Governance Practice Principles specifies internal control procedures for handling shareholders' suggestions, concerns, and disputes and establishes a spokesperson and deputy spokesperson system for investor relations, which is fully supported by the Board secretariat. Capital Securities Corporation also helps with handling The Company also shareholders' suggestions, concerns, disputes and litigation matters. During Board meetings, participating shareholders are all given appropriate time to speak and discuss motions. The Company accepts any undisputed and feasible suggestions and makes improvements accordingly. However, suggestions with disputes are to be resolved by voting in accordance with the rules and procedure of shareholders' meetings.	None
(2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	✓		(2) The Board Secretariat and Capital Securities Corporation are always monitoring shareholding status regarding the Directors, managers, and major shareholders holding more than 10% of the shares.	None
(3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	✓		(3) Asset management, finance and accounting operations of the Company's affiliates are conducted independently. However, the Company has a subsidiary supervisory committee (consists of 2 to 4 directors selected by the Board of Directors and the President), with divisions responsible for risk management, sales, finance, information system, Board secretariat, operation management and investment planning to regularly monitor business activities of subsidiaries and their affiliates and any potential risk. Furthermore, all communications with affiliated companies are conducted in accordance with "the established procedures for acquisition or disposal of assets," "the operation procedures for fund lending and endorsements," and "the regulations for financial transactions between related parties." Adequate risk management and firewalls have been established to avoid any adverse effects on malpractices directed towards the Company.	None

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
(4) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	✓		(4) To protect the rights and interests of the shareholders and to ensure equal treatment, the Company's Corporate Governance Practice Principles, approved by the Board of Directors, prohibit Directors from trading Company stock or other securities with equity nature during the closed period of 30 days before the annual financial report is published and the closed period of 15 days before the announcement of the quarterly financial report. In addition, in order to improve timeliness, accuracy and completeness of important information, correctness, the "Internal Material Information Process Procedures for Management of the Prevention of Insider Trading" is established to reaffirm the above-mentioned regulations and approved by the Board of Directors at the 449th Board Meeting on December 14, 2022. The regulation clearly prohibits any insiders from using undisclosed information on trading of securities and is fully handled by the Board Secretariat regarding dissemination of requirements for both pre- and post-trade transactions, provided at least once every quarter. Educational materials on the procedures and related legal regulations are disseminated on a monthly basis via online platforms. In order to provide the Company's internal employees, as well as other high-level managers of its affiliates, to better understand the above-mentioned relevant documentation promoting the prevention of insiders trading, on May 10, August 25, and September 15, 2023, the Company conducted three courses on the Prevention of Insider Trading and Awareness. In the same year, from October to December, six inperson and online training courses on Code of Integrity Management were given by professional and experienced instructors from Deloitte Taiwan. Not only focusing on crucial regulations (such as the United Nations Convention against Corruption, Integrity Guidelines for TWSE/TPEx listed companies), but the courses also discussed workplace integrity and legal responsibilities, and case studies on the breach of integrity guidelines and insider trading prevention. A total of 219 employees of the CHC Group attended the courses, which reached a 100% training rate for all employees (including new employees) in Taiwan. Moreover, all presentations and lesson materials were kept in the Company's internal educational system for employees to study and review anytime they wish..	None
3. Composition and responsibilities of the board of directors				
(1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	✓		(1) The structure of the Company's Board of Directors is determined based on the operational mode and development requirements of the Company, while the number of Directors is decided in accordance with the Company's Articles of Association and practical operational needs; Board members are selected with a focus on diversity and competence regarding the knowledge, skills, and diverse backgrounds required for their roles. This includes Director and Independent Directors who are serving as executives with extensive business experience from various industries and professors with specialized expertise in their respective field of study. In order to reach the ideal goals of corporate governance, the Board of Directors shall be equipped the following abilities:	None

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
			1. Business operational judgment 2. Accounting and financial analysis 3. Business management 4. Crisis management 5. Industry knowledge 6. Global market vision 7. Leadership 8. Decision-making For Individual Directors' diversified core abilities, please refer to the table attached.	
(2) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?	✓		(2) In addition to establishing the Remuneration Committee and Audit Committee as required by regulations, the Company also has a Subsidiary Supervision and Management Committee established according to the Internal Control System. The respective committee consists of 2 to 4 professional Directors and Presidents and a convener appointed to form task forces from various departments, aiming to fulfill the responsibility of supervising and managing subsidiaries. Furthermore, to actively promote and strengthen sustainable business strategies and address significant concerns raised by stakeholders, the Sustainable Development Committee was founded and approved by the 441st Board meeting on December 14th. For details regarding the composition, responsibilities, and operations of this committee, please refer to Section 3.4.9 Additional Company Corporate Governance Practices in this annual report.	None
(3) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?	✓		(3) At the Board meeting held on May 9, 2019, the Board of Director approved the Board Performance Evaluation Regulations, which states that performance evaluations shall be conducted regularly each year. The 2023 performance evaluation of the Board was completed and reported to the Board on February 27, 2024; the overall performance was better compared to the previous year. The Board Performance Evaluation Regulation includes five aspects, as stated below: a. Participation in business operations b. Improvement of Board decision quality c. Structure and organization of the Board of Directors d. Director elections and continuing improvements e. Internal Control Results of the 2023 performance evaluation of the Board are as follows: a. Self-assessment of the Board of Directors' performance, with a rating of "excellent" or above, are nearly 100%. b. Self-assessment of functional committees, except for the Sustainable Development Committee, which temporarily received a lower rating due to internal policy revisions, also have a near 100% rating of "excellent" or above. For details regarding the Board performance evaluation methods, procedure, and results, please refer to the Company's official website and MOPS.	None

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
(4) Does the Company regularly evaluate its external auditors' independence?	✓		(4) Every year, the Company's Audit Committee evaluates the independence and suitability of the CPAs. In addition to requesting auditors to provide a Statement of Independence and Audit Quality Indicators (AQIs), the evaluation is also conducted based on the standards outlined in Note 1 and 13 AQI indicators. After confirming that the external auditors have no financial interests or business relationships other than auditing fees and tax matters, it is confirmed that both the auditors and their family members do not violate independence requirements. In consideration of AQI indicator information, it is also confirmed that both the auditors and their firms have showcased audit experience and training hours superior to the industry average. Additionally, in the past 3 years, digital audit tools have been implemented to enhance audit quality. Evaluation results for the most recent year were approved by the Audit Committee on February 27, 2024, and were reported to and passed by the Board of Director on the same date. For information regarding evaluation criteria, audit fee, and independence evaluation, please refer to Section 3.5 Auditor Fee in this annual report.	None
4. Does the TWSE/TPEx listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	✓		On July 11, 2019, the Board of Directors appointed President Li-Hsin Wang as the Corporate Governance Officer. On April 18, 2023, at the 452nd Board meeting, Director Hsiao-Yun Yu was appointed as the Corporate Governance Officer to continue overseeing corporate governance operations. Director Hsiao-Yun Yu has extensive experience in handling stock affairs for publicly traded companies and has served as the head of the Board Secretariat for over three years. Responsibilities of the Corporate Governance Officer are as follows (minimum requirement): (1) Handle all matters relating to Board of Directors' meetings and shareholders' meetings in compliance with regulations. (2) Prepare minutes of Board of Director meetings and the general shareholders' meetings. (3) Assist in onboarding and continuing education of the Directors and supervisors. (4) Provide all information required for performance of duties requested by Directors and supervisors. (5) Assist Directors and supervisors regarding compliance. (6) To report the compliance result of the qualification, nomination, election, and headship of the independent directors for relevant regulations. (7) To handle the relevant matter for the change of directors. (8) Other matters specified by the Articles of Association. Items | Time or Period | Description Corporate Governance Evaluation Results | 2022-2023 | The result of the 9th (2022) annual corporate governance evaluation results were announced on April 27, 2023; the Company showed a result of 6 - 20% (the second level) for 3 consecutive years, which is the same as last year.	None

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	

Items	Time or Period	Description
Appointment of the chief corporate governance officer	Completed by 04/18/2023	At the 452nd Board meeting, the Board approved the appointment of Director Hsiao-Yun Yu as the Chief Corporate Governance Officer.
Implementation Progress of Sustainable Development	05/09/2023	Report on the corporate group's sustainable development blueprint progress and greenhouse gas inventory for the 453rd Board meeting.
	12/15/2023	The 458th Board Meeting Report a. 2024 Risk Evaluation Report b. Sustainable development blueprint progress Part 1: Stakeholder communication - data, result, evaluation, development, and focus of 2024 Part 2: Progress report on important projects - execution status on four main objectives: responsible sales, sustainable management, enhancing partnership relations, and promoting social inclusion c. Greenhouse gas inventory d. Information Security e. Intellectual property-related affairs The Sustainable Development Blueprint for Important Subsidiaries has been approved by the Board of Directors.
Performance Evaluation of the Board of Directors Meeting	02/27/2024	The 2023 Performance evaluation (self-assessment) on the Board of Directors and functional committees resulted as "excellent," and was reported at the 460th Board meeting.
The General Share-holders' Meeting	05/30/2023	Shareholders' meeting was conducted and preregistration procedures before the scheduled date were handled.
Directors' Liability Insurance	06/30/2023	Purchased Directors' liability insurance in compliance with regulations and reported at the 454th Board meeting.
Continuing education of the directors	Annual and irregularly	In 2023, the Chinese Corporate Governance Association arranged Director training courses and periodic updates on other relevant courses from various institutions were forwarded to Directors for their reference.
Other important matters	Announcement on the latest laws and regulations or referral of information on policy advocacy for the Directors' reference.	

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
			The Continuing Education Summary of Chief Corporate Governance Officer Hsiao-Yun Yu, for 2023 is as follows:	

Organizer	Time	Course	Hours
Chinese National Association of Industry and Commerce	06/05/2023	Corporate Information Security Governance in the Boardroom: Performance and Risk Agenda	3
	06/06/2023	Corporate Legal Compliance and Director Duties	3
	07/12/2023	Trends, Challenges, and Opportunities in Global Nature and Biodiversity	3
	07/18/2023	Utilization in the Hype: Generative Artificial Intelligence and Responsible Innovation	3
	07/21/2023	The Origin, Prevention, and Case Studies of Management Disputes"	3
	10/02/2023	The Operation and Potential Business Opportunities of Natural Carbon Sinks and Carbon Trading,	3
Taiwan Corporate Government Assocation	07/26/2023	Global Future Risks and Opportunities for Sustainable Transformation	3
	08/16/2023	A Comprehensive Intellectual Property Protection Strategy: Leveraging AI for Innovative Technology IP Layout	3
	09/13/2023	How should the board of directors formulate ESG sustainable governance strategies	3
	10/18/2023	Common Legal Issues in Corporate M&A Transaction Documents	3
	11/01/2023	Deep diving the cybersecurity tactics of listed companies from the perspective of ESG development	3
Financial Supervisory Commission R.O.C. (Taiwan)	09/04/2023	The 14th Taipei Corporate Governance Forum	6
Securities & Futures Institute	11/22/2023	2023 Internal Insider Trading Legal Compliance Awareness Seminar	3

To enhance the quality of corporate governance, the Company's Corporate Governance Officers participated and passed the Basic Competency Test for Corporate Governance Personnel organized by the Securities & Futures Institute.

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
5. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	✓		The Company's official website has an ESG /Sustainable Development Stakeholders page, which is handled by a designated individual to provide investors, as well as other stakeholders, the communication channel to reflect related issues and maintain their rights and interest. The URL is as follows: https://www.chcgroup.com.tw/en/esg-en/	None
6. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	✓		The Company has appointed Capital Securities Corporation as the share agent to handle the affairs of the shareholders' meetings.	None
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status?	✓		(1) The Company's finances, operations, and corporate governance status are disclosed on both the official websites of Taiwan Stock Exchange and the Company. The URL is as follows: www.chcgroup.com.tw	None
(2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, Note: Regardless of whether "Yes" or "No" is ticked regarding the implementation status, an explanation should still be provided in in the explanation column for each item. designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	✓		(2) The Company website is offered in both Chinese and English. A designated individual is responsible for handling information collection and disclosure, while implementing a spokesperson system. Corporate briefing sessions and their included materials are posted on MOPS and on the Company's website.	None

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
(3) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?		✓	(3) a.The Company has undergone improvement and adjustment of the quality of manpower and is now capable of completing the publication of the financial report within two months of the end of the fiscal year. This year's financial report has been reported and submitted by the end of February, 2024. b.The Company has announced and filed the first, second and third quarter financial reports before the deadline; monthly revenue reports are submitted as early as possible and before the deadline as well.	None
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	✓		(1) Regarding employee rights and wellness, the Company compiled a comprehensive employee handbook, ethics regulation and employee benefits, and implemented environmental protection in accordance with regulations. (2) The Company has always respected and protected its stakeholders' interests, including its suppliers, investors and or other interested parties. (3) Training of Director and Independent Directors / supervisors: In addition to self-generated educational improvements taken by Directors and Independent Directors, the Company actively arranges courses offered by Taiwan Corporate Governance Association, Securities & Futures Institute, China National Association of Industry and Commerce, and Taiwan Institute of Directors. The courses topics such as IFRS, corporate governance, risk management, and more. Training records of Directors and Independent Directors have been published on MOPS in accordance with regulations. (4) Implementation of risk management policies and risk measurement standards: a. The Company first established its Risk Management Policy to continue improving, building, and implementing better risk management standards. Amendments to the Policy have been approved by the Board of Directors on December 15th, 2023. b. In accordance with risk management standard procedures, the Company references external expert reports and ESG databases to better identify significant risks. After conducting risk assessments, the Company then formulates relevant response measures and monitoring indicators, while regularly tracking the results of risk management. c. The Company has already presented its 2024 risk assessment report to the Audit Committee and the Board of Directors on December 15, 2023. The URL is as follows: https://www.chcgroup.com.tw/en/%e9%a2%a8%e9%9a%aa%e7%ae%a1%e7%90%86-en/?lang=en. (5) Liability insurance coverage for Directors and Independent Directors/ supervisors: The Company has purchased liability insurance for Directors and Independent Directors/supervisors effective since June, 2012. During their term of office, liabilities of Directors shall be insured within the scope of their duties. (6) The Company's rules of procedure are transparent, in compliance with regulations and allows for shareholder participation.	

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
			(7) Succession planning for members of the Board of Directors and key management personnel, which operates as follows: a. Selection of Board Member Operating from the perspective of corporate governance and corporate heritage, the Company established the Remuneration Committee in December, 2020, the Audit Committee in June, 2013, further optimizing the effectiveness of the Board of Directors. In addition to their professional background and skills, the Board members of the Company should also have expertise in business management planning and business operation. In order to enhance the professionalism and continuously improve the abilities of Board members, the Company has selected a wide range of courses covering finance, risk management, business operations, commerce, legal affairs, accounting, corporate social responsibility or Internal Control System, and financial reporting, all in relation to the Company's industry. Each Board member is required to take at least 6 hours of class to ensure that the members have a substantial degree of industry knowledge and novel information. The succession plan of the Chairman of the Company continues to follow the previous model of nurturing key individuals in the corporate group by assigning critical duties, opportunity to participate in important projects, and training conducted abroad (e.g., participation in the construction of cement plants). As of the re-election in June, 2013, Chairman Jason K.L. Chang has held the position since. The Company also plans to expand the participation of senior managers in the Company's operations through job rotations and assignments, in order to assist them in developing the ability to formulate strategies and macroscopic vision, and familiarizing with the operations of the Board of Directors. In the midst of the Company's corporate transformation, the Company has also assigned executives and reserve talents at various levels to execute new business overseas projects to cultivate their cross-disciplinary functions. As of today, the Company has successfully established its first hospitality brand, Hotel Collective, in Japan, by the end of 2019, and has nurtured many outstanding middle and senior-level talents. b. Key Management Levels The Company emphasizes on the development of human resources and has established a management succession plan. The Company's management succession plan (including the development of talent reserves) is based on cross-company unit rotation/experiential learning and project assignment within the corporate group to strengthen the functions of operational decision-making and development of strategic partnerships. The duration of the program for each key position is divided into three categories: 1 (inclusive) to 3 years, 3 (inclusive) to 5 years, and 5 (inclusive) years or more, and personal development plans are promoted according to the nature of their duties. Through planning, trainees are able to integrate and utilize various resources to develop their abilities to align with management standards. At the same time, the Human Resources Division will plan courses to strengthen management abilities to further prepare reserved talents for management positions in the future. The courses include, but are not limited to, supervisory roles and team building, goal management and annual planning, efficient communication and team-work, performance interview and employee motivation, effective communication, teamwork and sensitivity training, etc.	

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	

9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement. (If the Company was not included among the companies evaluated for the given recent year, this item does not need to be completed.)

No.	Items of Corporate Governance Evaluation	Implementation and Improvement
3.4	Did the Company file its audited annual financial report within 2 months from the end of the fiscal year?	The Company has undergone improvement and adjustment of the quality of manpower and is now capable of completing the publication of the financial report within two months of the end of the fiscal year. This year's financial report has been reported and submitted by the end of February, 2024.
4.12	Did the Company set management policies for reduction of greenhouse gas (GHG) emissions, water use, or other waste/pollutants, including reduction goals, promotional measures and achievement status?	The Company has completed the consolidation and verification of greenhouse gas inventories for all subsidiaries located in Taiwan by June, 2022, and the same for overseas subsidiaries in 2023; continuously maintained the operation of the energy management system; expected to achieve the interim goal of net-zero carbon emission for all office locations by 2030.

Note: An abstract description on the operational status shall be stated in the columns, regardless of whether "Yes" or "No" is selected.

Table 1: Diversified Board Experience

Title	Name	Nationality	Gender	Seniority as the Director of the Company	Diversified Abilities							
					Accounting, Finance and Legal Affairs	Risk Management	Business Management	Global Marketing	Investment and M&A	Hospitality Services	Information Technology	Sustainability Management
Chairman	Jason K. L. Chang	ROC	M	23 years	✓	✓	✓	✓	✓	✓	✓	✓
Director	Chi-Te Chen	ROC	M	32 years	✓	✓	✓	✓	✓			✓
	Pan Howard Wei-Hao	USA	M	11 years	✓	✓	✓	✓	✓		✓	✓
	I-Cheng Liu	ROC	M	4 years	✓	✓	✓	✓	✓		✓	✓
Independent Director	Robert K. Su	ROC	M	8 years	✓	✓	✓	✓	✓			✓
	Pao-Chu Lin	ROC	F	2 years	✓	✓	✓	✓	✓			✓
	Kevin Kuo-I Chen	ROC	M	2 years	✓	✓	✓	✓				✓

3.4.4 Establishment, Responsibilities, and Status of the Remuneration Committee

1. Information regarding members of the Remuneration Committee

Title	Name (Criteria)	Professional Qualification Experiences	Independent criteria (Note 1)	Number of members who are concurrently members of the compensation and remuneration committees of other public offering companies
Convener and President (Independent Director)	Robert K. Su	1. Serving as the Independent Director of the Company, convener of the Remuneration Committee, member of the Audit Committee, and member of the Sustainable Development Committee. 2. Other positions include Independent Director of DBS Bank (Taiwan) Ltd.; served as the former Dean of NCCU College of Commerce and former Director of NCCU Department of Accounting. 3. Extensive professional experience in intangible assets and enterprise valuation fields.	1. Meets the criteria for an Independent Director. 2. Independence status: (1) The individual, his/her spouse, or relatives within the second degree of kinship do not hold position as director, supervisor, or employee of the Company or its affiliates. (2) The individual, his/her spouse, or relatives within the second degree of kinship does not own any shares of the Company. (3) During the two years before appointment and throughout the tenure, there was no involvement in any of the situations defined in Article 3, Paragraph 1 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	0
Member (Independent Director)	Pao-Chu Lin	1. Serving as the Independent Director of the Company, convener of the Audit Committee, and member of the Remuneration Committee. 2. Other positions include Independent Director of APCB Inc.; served as CPA of KPMG and former Consultant to the KPMG Chairman/CEO Office. 3. Extensive practical experience in risk management, internal audit, and compliance.	1. Meets the criteria for an Independent Director. 2. Independence status: (1) The individual, his/her spouse, or relatives within the second degree of kinship do not hold position as director, supervisor, or employee of the Company or its affiliates. (2) The individual, his/her spouse, or relatives within the second degree of kinship does not own any shares of the Company. (3) During the two years before appointment and throughout the tenure, there was no involvement in any of the situations defined in Article 3, Paragraph 1 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	1
Member	Chi-Lin Wea	1. Serving as a member of the Remuneration Committee of the Company. 2. Other positions included Chairman of IBF Financial Holdings Co., Ltd., and Director of Mega Holdings Group. 3. Extensive experience in business, legal affairs, finances, accounting, and more; graduated with a PhD from the Department of Economics, University of Paris, France.	1. Meets the criteria for an Independent Director. 2. Independence status: (1) The individual, his/her spouse, or relatives within the second degree of kinship do not hold position as director, supervisor, or employee of the Company or its affiliates. (2) The individual, his/her spouse, or relatives within the second degree of kinship does not own any shares of the Company. (3) During the two years before appointment and throughout the tenure, there was no involvement in any of the situations defined in Article 6, Paragraph 1 of Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange.	3

Responsibilities of the Remuneration Committee

The responsibilities of the Remuneration Committee are to assess the salary and remuneration policies and regulations of the Directors and managers of the Company from a professional and objective position, and make recommendations to the Board of Directors for reference in their decision-making.

Authorities of the Remuneration Committee

The Remuneration Committee shall, with good intention, faithfully perform the following duties and submit its recommendations to the Board of Directors for discussion:

1. Establish and regularly review the policies, systems, standards, and structures of the performance evaluation and remuneration for the Company's Directors, Independent Directors, and managers.
2. Regularly assess and determine the remuneration of the Company's Directors, Independent Directors, and managers.

2. Remuneration Committee Meeting Results

(1) The Company's Remuneration Committee consists of 3 members.

(2) Term of office of the current members: From June 14, 2022 to June 13, 2025; a total of 5 meetings (A) were held from 2023 to 2024, the qualification and attendance of the members are as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate in Person (%) (B / A) (Note)	Remarks
Convener	Robert K. Su	4	0	100%	
Member	Chi-Lin Wea	4	0	100%	
Member	Pao-Chu Lin	4	0	100%	

Other matters to be recorded:

1. If the Board of Directors does not adopt or modifies a recommendation presented by the Remuneration Committee, it shall specify the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the Company's response to the Remuneration Committee's opinion (e.g., the remuneration passed by the Board of Directors exceeds the recommendation of the Remuneration Committee, the circumstances and cause for the difference shall be specified): None.
2. If resolutions of the Remuneration Committee were objected by members or reservations were expressed with written records or declarations, the date of the meeting, session, content of motion, all members' opinions and the response to the respective opinions shall be listed: None.

Note: (1)If any member of the Remuneration Committee left before the end of the fiscal year, the date of resignation shall be noted in the remarks column. Attendance rate in person (%) shall be calculated based on the number of meetings the member attended divided by the total number of meetings during his/her term of office.

(2)If there was re-election for members of the Remuneration Committee before the end of the fiscal year, the names of both the former and current members shall be listed and specify whether the members are former, new, or re-elected, as well as the date of the election shall be disclosed. Attendance rate in person (%) shall be calculated based on the number of meetings the member attended in person divided by the total number of meetings during his/her term of office.

Motions discussed and resolution reached of the Remuneration Committee, as well as the Company's response to the members' opinions, are as follows:

Remuneration Meeting	Members Attended	Content of Motion	Recusal from Meeting	Participation and Voting Results
03/28/2023 3rd Meeting of the 5th Term	Robert K. Su Chi-Lin Wea Pao-Chu Lin	Revision proposal for job grade and salary range system.		Motion was unanimously resolved and proposed to the Board of Directors for resolution.
		Distribution of annual manager compensation.		Motion was unanimously resolved and proposed to the Board of Directors for resolution.
		Promotion of directors and approved compensation proposals.		Unanimously resolved and proposed to Board of Directors for resolution.
07/28/2023 4th Meeting of the 5th Term	Robert K. Su Chi-Lin Wea Pao-Chu Lin	Proposal for additional compensation for managers with concurrent positions.		Motion was unanimously resolved and proposed to the Board of Directors for resolution.
		Discussion of bonuses for Directors and supervisors who were responsible for affiliated business and external investments in 2022.		Motion was unanimously resolved and proposed to the Board of Directors for resolution.
		The President's subscription of excess earnings for capital increase and issuance of new shares including odd lots cases.		Motion was unanimously resolved and proposed to the Board of Directors for resolution.
		Approval of employee stock trust plan		Motion was unanimously resolved and proposed to the Board of Directors for resolution.
12/27/2023 5th Meeting of the 5th Term	Robert K. Su Chi-Lin Wea Pao-Chu Lin	Year-end bonuses for the Chairman and executives (including employees) in 2023		Motion was unanimously resolved and proposed to the Board of Directors for resolution.
		Additional bonuses for Lunar New Year for Directors in 2023.		Motion was unanimously resolved and proposed to the Board of Directors for resolution.
		Additional bonuses for Lunar New Year for the Remuneration Committee in 2023.	No substantive review conducted due to conflict of interest.	Robert K. Su, Chi-Lin Wea, and Pao-Chu Lin personally attended the meeting but did not participate in the discussion and voting of the motion; the proposal was submitted to the Board of Directors for resolution.

Remuneration Meeting	Members Attended	Content of Motion	Recusal from Meeting	Participation and Voting Results
2/19/2024 6th Meeting of the 5th Term	Robert K. Su Chi-Lin Wea Pao-Chu Lin	Proposal for the distribution of Director and employee compensation for 2023.		Motion was unanimously resolved and proposed to the Board of Directors for resolution.
		Distribution of Director remuneration of 2023.		Motion was unanimously resolved and proposed to the Board of Directors for resolution.
		Distribution of manager employee renumeration of 2023.		Motion was unanimously resolved and proposed to the Board of Directors for resolution.
		Proposal for the distribution of Director and employee compensation for 2023.		Motion was unanimously resolved and proposed to the Board of Directors for resolution.

3.4.5 Sustainable Development Implementation Status and Deviations from the "Sustainable Development Best Practice Principles" of the TWSE/TPEx Listed Companies

Promotion Item	Implementation Status (Note 1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	✓		1. In response to the need to align with international trends and sustainable development, and to address important issues of concern to stakeholders, the Company established the Sustainable Development Committee at the 441st Board of Directors meeting on December 14, 2021. In addition to incorporating the various functions of the existing corporate governance organization (such as risk management, corporate social responsibility, and corporate governance), first established in 2019, into the operation objectives of the Sustainable Development Committee. A Sustainable Development Division has also been set up to be responsible for implementing and promoting sustainable-related initiatives. 2. For information on the composition of the Sustainable Development Committee, including the members' professional capabilities, diversity, and operational details, please refer to Section 3.4.9 in this annual report. 3. Responsibilities of the Sustainable Development Committee include: (1) Integrate corporate culture and important sustainable development issues into future plans, while formulating the mission, vision, and development policies. (2) Review the Company's sustainable development performance and effectiveness and report regularly to the Board of Directors. (3) Address important issues of concern to stakeholders and supervise communication plans. (4) Handle other matters as determined by the Board of Directors.	None

<table>
<tr><th rowspan="2">Promotion Item</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>4. Since 2020, the Company's corporate governance organization (now renamed the Sustainable Development Division) has been regularly reporting to the Board of Directors on the implementation status of various sustainable development (including corporate social responsibility) projects. For details on the recent operation of the Sustainable Development Committee, please refer to Article 2, Section 3.4.9 Additional Company Corporate Governance Practices in this annual report.</td><td></td></tr>
<tr><td>2. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (Note 2)</td><td>✓</td><td></td><td>1. The Company's Risk Management Policy was first approved by the 434th meeting of the Board of Directors on 12/15/2020. To continue to improve and establish a better risk management standard, the Board approved amendments made to the Policy on 12/15/2023.
2. In respect of the Risk Management Policy and in reference to external expert reports and ESG databases, the Company recognizes significant risks, conducts risk assessments, formulates relevant response measures, and monitors indicators.
3. The 2024 Risk Assessment has been reported to the Audit Committee and the Board of Directors on 12/15/2023, major risks are as follows:
<table>
<tr><th>Major Issues</th><th>Risk Assessment Items</th><th>Description</th></tr>
<tr><td rowspan="3">Environmental</td><td>Policy changes aiming for net-zero carbon emissions by 2050</td><td>Setting the SBTi as the goal, implement carbon reduction plans, while continuously tracking and understanding government policies and regulations, and proposing response measures as needed.</td></tr>
<tr><td>Extreme climate</td><td rowspan="2">Establish and regularly review comprehensive plans for sustainable operation, crisis management, and response.</td></tr>
<tr><td>External factors such as geopolitical tensions or infectious diseases that may trigger operational risks.</td></tr>
<tr><td>Societal</td><td>Inflation or other external factors leading to rising operational costs.
Labor shortages due to issues such as declining birth rates and regional factors.</td><td>Regularly review costs and expenses, conduct costbenefit analyses, and implement appropriate response measures.
Enhance employer branding, adopt diverse hiring policies, and create an equal and inclusive workplace environment.</td></tr>
</table></td><td>None</td></tr>
</table>

<table>
<tr><th rowspan="2">Promotion Item</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><th>Major Issues</th><th>Risk Assessment Items</th><th>Description</th></tr>
<tr><td>Corporate Governance</td><td>Building durability, safety, and compliance with regulations.</td><td>Regularly review and assess building safety and compliance with regulations, and plan and implement relevant maintenance and repair projects.</td></tr>
</table>
For detailed information, please visit the Company website: https://www.chcgroup.com.tw/en/%e9%a2%a8%e9%9a%aa%e7%ae%a1%e7%90%86-en/?lang=en</td><td></td></tr>
<tr><td>3. Environmental Issues
(1) Has the Company set an environmental management system designed to industry characteristics?</td><td>✓</td><td></td><td>In terms of environmental management system, the Company conducts environmental management through ISO international standards such as greenhouse gas inventory and energy management systems. For instance, in 2022, all Taiwan locations of the corporate group passed the third-party verification of ISO 14064-1 greenhouse gas inventory, ISO 50001 energy management system (valid through 11/07/2021 - 11/07/2024), and ISO 14001 environmental management system (valid through 12/07/2022 - 12/06/2025). The information above is publicly disclosed in the sustainability report and the Company's website: http://www.chcgroup.com.tw.
For each investment business, the Company has established appropriate environmental management systems based on the characteristics of the industry. The maternity center follows the international WELL Healthy Building Standard (awarded the highest Platinum certification in 2020) and Hotel Collective in Okinawa also adheres to the LEED Green Building Standard (obtained the LEED certification in 2021) for environmental management.</td><td>None</td></tr>
<tr><td>(2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?</td><td>✓</td><td></td><td>1. The Company is committed to improving the efficiency of energy use. In 2021, the head-quarters building introduced the ISO 50001 energy management system, and formulated energy and environmental policies to support environmentally friendly and energy-efficient products, while promoting the rationalization of energy use and distribution, energy conservation, energy use efficiency improvement, and strengthening employee awareness towards energy saving and maintaining a sustainable operation. In 2023, the respective energy management system was adopted by five other more operation locations. In addition to internal promotion of daily energy-saving behaviors, the Company also established annual plans for electricity conservation and equipment replacement.
2. To reduce the impact on the environment, the Company values utilization efficiency of resources. For hospitality services, such as restaurants managed by the corporate group, the use of disposable tableware and conservative animal and plant ingredients are strictly prohibited. Meanwhile, the overseas hotel development projects are reducing the impact on the environment through LEED green building-related environmental protection measures, such as energy conservation and water resources saving.</td><td>None</td></tr>
</table>

Promotion Item	Implementation Status (Note 1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	✓		The Company takes the Sustainable Development Committee as the highest organization for climate change management, reviews the policies and objectives of climate change management, and supervises the relevant implementation progress of the climate change team. The Company has completed the identification of risks and opportunities related to climate change, and has conducted a matrix and response plan for it. The Company will extend this foundation and, under the guidance of external professional consultants, establish and develop a situational impact model and management system for climate change, and regularly review and evaluate the related risks.	None
(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	✓		For details please refer to the Company's 2022 Sustainability Report, Environment Management section (1) Greenhouse gas: the Company calculates greenhouse emissions through ISO 14064-1 annually. (The following carbon dioxide equivalent units: metric tons): Inventory of all locations, both local and overseas, of the corporate group (01/01/2022-12/31/2022) Scope 1: 834.850 Scope 2: 6807.564 Scope 3: 1956.697 (2) Water consumption: *Inventory includes all locations, both local and overseas, of the corporate group (including all tenants of the Chia Hsin Building) 192,562 metric tons (3) Waste: *Inventory: same as above (2) total waste: 344 metric tons For details of Sustainability and Energy Management Policies, please refer to the latest Sustainability Report, environment chapter, or the Company's official website. The URL is as follows: https://www.chcgroup.com.tw	None

Promotion Item	Implementation Status (Note 1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
4. Social issues (1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		The Group is committed to safeguard the basic human rights of employees, recognizes and supports international human rights standards such as "The UN Global Compact", "United Nations Universal Declaration of Human Rights," and "Declaration on Fundamental Principles and Rights at Work and its Follow-up," and formulates human rights policies accordingly. The policy focuses on the implementation of diverse and inclusive workplaces and ensuring equal job opportunities, smooth communication channels, providing a safe and healthy working environment, personal data protection, regular reviews and evaluation of human rightsrelated systems and actions. The respective policy was signed and implemented by the Chairman in January 2020. Subsequently, the Company will conduct human rights due diligence based accordingly. Once the risk assessment confirms the results, we will immediately develop corresponding risk mitigation measures, and then regularly review the effectiveness of these measures. We will also conduct reviews through internal audits and employee feedback to ensure the effective implementation of policies.	None
(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	✓		*Employee welfare measures:* The Company has established diversified employee welfare measures. The working hours and vacations of employees are detailed in the Company's Work Rules, which are in compliance with "Labor Standards Act", "Regulations of Leave-Taking of Workers," and "Act of Gender Equality in Employment." In 2023, the Company implemented flexible working hours, remote work days, and various types of leave policies that exceed the requirements of labor laws. The Company also provides group insurance for employees, offers childcare welfare subsidies to serve employees with children under 12 years of age, and regularly allocates funds to the Employee Welfare Committee to provide employees with appropriate care in various aspects. At Chia Hsin Cement Group, we deeply care about the overall well-being of our employees. Through the Employee Assistance Program: Good Pregnancy and Parenting Program, we aim to provide better support to pregnant employees and their families. When an employee or their spouse is pregnant, The Company prepares thoughtful motherhood gift sets and also leverages resources from businesses within the group to offer our help, such as free prenatal classes and exclusive housing discounts at Gemcare Maternity Center, discounts on soup delivery from Collective Elements, and more. When an employee welcomes a new baby, the Company happily celebrates the birth of new life by providing a $10,000 bonus. We strive to ensure that every employee and their spouse feel cared for and supported by the Company during pregnancy and childcare.	None

Promotion Item	Implementation Status (Note 1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
			In addition, under the Employee Assistance: Reporting and Care for Employee Special Situations program, the Company aims to proactively provide support and understanding when employees encounter special attendance situations. This initiative is designed to ensure that employees feel genuine care and support from the Company when facing unique circumstances. By fostering a compassionate work culture, we strive to create a supportive work environment where every employee feels supported and understood at every stage, further promoting a better balance between work and family life, while satisfying the needs of both family and career. *Workplace diversity in relation to compensation system:* The Company does not differentiate or discriminate in any form due to gender (including sexual orientation), ethnicity, class, age, marital situation, language, thoughts, religion, political stance, nationality, birth place, appearance, facial feature, physical and mental disabilities, etc. of employees, and provides equal pay for equal work and equal promotion opportunities. For compensation, the Company established "Employee Compensation Management Measures," and passed amendments made to "Job Title and Rank System" and "Salary Range by Job Title and Rank" in 2023. Furthermore, referring to the overall compensation market survey reports from 104 Job Bank and Willis Towers Watson (WTW), the Company aims to make its salary conditions more competitive to attract and retain talent. Additionally, the Company has established the "Performance Management Regulations," "Year-End Bonus Distribution Regulations," "Employee Compensation Distribution Regulations," and "Promotion Procedures," which are used to conduct employee evaluations and job performances for distribution of bonuses and compensation amounts. The results of the respective performance evaluations are directly linked to promotion eligibility.	
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	✓		The Company follows the regulations of occupational safety and health-related laws and regulations, establishes disaster prevention as the core concept, aims to achieve zero disasters, and ultimately build a healthy and joyful workplace. In 2023, the Company had zero occupational disasters. The Company's machinery and equipment are subject to detailed inspections in accordance with the law to ensure the user's safety.	None

Promotion Item	Implementation Status (Note 1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
			The Company provides employee health checks every year, which are beyond legal requirements, and arranges on-site occupational nurses to conduct interviews to guide and analyze employee health. The Company has set up an employee workout center, which provides various fitness facilities and is equipped with automatic external defibrillator (AED), blood pressure monitors, and other equipment. The Company also regularly arranges all employees to conduct safety education and training, such as CPR and AED first aid and fire drills. Health seminars are held irregularly to help employees adjust their body and mind and relieve stress. The Company verification status: Safe Place Certification, Healthy Startup Badge, Health Promotion Badge, Sports Business Certification. For fire safety management, the Company conducts educational training sessions every six months in compliance with regulations. These sessions include lectures on fire prevention and practical drills simulating fire evacuation. Following the training, review meetings are held to address any deficiencies identified during the drills and enhance preparedness. There were no fire incidents reported in 2023.	
(4) Has the Company established effective career development training programs for employees?	✓		1. The Company has established "Regulations for Education and Training Management," "Overseas Personnel Management Regulations," and "Employee Transfer Application Regulations," to encourage employees to cultivate the skills required for career development or apply for different positions, regardless of experience or location. 2. During the annual performance interview, the heads of each department are invited to discuss the personal development plan with the employees, and implement the adjustment and implementation. 3. The Company's training system is divided into four categories: new employee training, mandatory training for all employees, professional training, and management training. Based on the annual employee training survey, internal training for required office skills and various project courses are organized. Particularly, courses designed for Directors and supervisors are also available for employees to enroll and participate in. 4. The annual department talent development plan includes goal setting, talent analysis, and talent development. Each department appoints responsible individuals based on the project focus and new department goals and evaluates whether they possess the corresponding abilities. For those still lacking in certain abilities, a development plan is devised, which offers internal and external training courses, assigned department partners for specialized work guidance, and rotation through different positions within and outside the department.	None

Promotion Item	Implementation Status (Note 1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
			5. The introduction of an online learning platform provides a more diverse and convenient learning channel. Employees can freely choose topics of interest for learning, and the Human Resources Division also coordinates with the Company's inperson course themes and individual employee development needs, further offering recommendations for employees to learn different topics and contents. 6. Upon the establishment of the competency model in 2023, the core, professional, and management competencies of each department and level are consolidated. This is integrated with the performance evaluation system to strengthen employee job performance and personal development.	
(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	✓		The Company complies with relevant laws and regulations to ensure consumer rights and establishes a customer service mailbox and a dedicated customer service line, which are both clearly displayed on the Company's website.	None

Promotion Item	Implementation Status (Note 1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	✓		【Supplier Management Policy】 In recent years, the Company has actively promoted transformation and gradually worked towards developing service businesses such hospitality and health care. The Company no longer has factories to manufacture cement, instead, it only plays the role of distributor in the cement business entity. Therefore, the management of suppliers is not factory oriented. The Company formulated the Supplier Management Policy in 2020, and promulgated the Company's subsidiaries to comply. Focusing on green procurement principles such as energy conservation, environmental protection, and environmental sustainability, the Company also requires suppliers to focus on human rights and labor rights and prohibits the use of child labor. At the same time, the Company greatly values the integrity of supplier's operation and compliance with corporate social responsibility commitments. Suppliers are required to sign the "Integrity Commitment" and "Corporate Social Responsibility Commitment." According to the type of suppliers, regularly conducted supplier evaluation/selfevaluation, coaching/education, and performance evaluation are provided. In 2022, the Company further provided training courses on integrity management and anti-corruption education to key suppliers to emphasize and deepen the principles of integrity management and clean procurement of Chia Hsin Cement Group. In the future, in addition to continuing to promote the importance of suppliers' actions regarding sustainability, suppliers will be required to abide by the principles of labor rights, integrity management, and green procurement through various contracts. 【Implementation of Supplier Management Policies and Relevant Specifications】 Supplier Evaluation / Performance Assessment: - In 2023, evaluation was conducted on the quality, delivery time, cooperation degree, price, integrity management, labor and human rights, and green procurement of cement and paper bag packaging-related products, and the implementation ratio is 100%. - In 2023, evaluation was conducted on a total of 23 suppliers for Central kitchen suppliers, and the implementation ratio is 100%.	None

<table>
<tr><th rowspan="2">Promotion Item</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td><table><tr><td>Supplier Mentorship or Education</td><td>- In 2023, the Company invited suppliers and affiliates to attend the supplier education course on integrity management. (courses were offered during November to December of 2023) 18 suppliers attended the courses, with a total of 59 attendants, and each course lasted for 2 hours.
- In 2023, the Company arranged energy management staff to attend 2 energy management education courses; the total course duration was 4 hours.</td></tr><tr><td>Supplier Contracts</td><td>In 2023, the Company will continue to require suppliers to abide by the principles of labor and human rights, business integrity, and green procurement through various contracts. The Company holds great value towards the business integrity of suppliers, and therefore, selects suppliers in accordance with the Code of Integrity Management, and requires suppliers of a certain amount to sign the Pledge of Integrity, Pledge of Confidentiality, and Supplier's Commitment to Social Responsibility.</td></tr></table>The management policies and implementation listed above are published on the Company's official website under "ESG-Supplier Management" (https://www.chcgroup.com.tw).</td><td></td></tr>
<tr><td>5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?</td><td>✓</td><td></td><td>Referencing internationally accepted reporting standards, the Company drafts its Sustainability Report to disclose the Company's non-financial information. The Company's 2022 Sustainability Report is verified by the third-party verification unit BSI British Standards Institution to provide AA1000 moderate assurance. The Company's 2023 Sustainability Report will still be verified by a third party and apply for relevant assurance or assurance opinions.</td><td>None</td></tr>
</table>

Promotion Item	Implementation Status (Note 1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	

6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviation from the principles in the Company's operations:
The Company established its Corporate Social Responsibility Policy in March 2015 in accordance with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies. In May 2020, due to regulations, the Company replaced the original policy with its Code of Practice for Corporate Social Responsibility, which was later revised and renamed to Sustainable Development Policy, and submitted to and approved by the Board of Directors in March 2022. As of now, the Company's operations are implemented in accordance with the established code of practice, thus there is no difference.

7. Other important information to facilitate better understanding of the company's promotion of sustainable development:
(1) The Company is dedicated to building a happy workplace. In response to the outbreak of the COVID-19 in 2021, the Company adopted a remote work policy during the severe pandemic and continued to maintain a flexible commuting system after returning to in-person working mode.
(2) The Group has designated 2021 as the year of employee health commencement and encouraged employees to participate in health management activities held by the Zhongshan Health Center. The Company also continued to conduct employee health check and arranged free flu vaccination in 2022.
(3) As of 2014, the Company has continued to support Epoch Foundation for the Garage + Program by providing free office spaces to startups. The rental fees and management fees subsidized are approximately NT$5 million per year. The Company hopes to assist young people in entrepreneurship, which may further lead to the increasing employment rate. Due to the remarkable outcome of the case, the Company decided to expand the scale; free office spaces provided were increased in August 2020 and the annual subsidy for rental fees increased to approximately NT$7.5 million.
(4) In 2023, the Company donated NT$100,000 to Jieh Huey Social Welfare & Charity Foundation to care for the disadvantaged and disabled in rural areas.
(5) In 2023, Chia Hsin Foundation awarded $6.87 million in scholarships to students from underprivileged or disadvantaged families with excellent academic performance. In addition, in the second term of the Sustainable Power Scholarship in 2023, a total of NT$700,000 was awarded to encourage the younger generation to bravely confront the challenges of this century. This scholarship aims to inspire practical actions that address environmental protection, circular economy, and other issues related to human sustainable development, in the hopes of empowering young leaders to make a positive impact.
(6) The corporate group is committed to youth development. For three consecutive years, the Company was invited to participate in the 2022 Sustainability Hackathon jointly organized by seven universities, including Feng Chia University, Asia University China Medical College, and more. The Company provided prepositions to students to brainstorm and come up with their own business proposals, and sponsored NT$40,000 as competition prize, further strengthening the interaction with students.

Promotion Item	Implementation Status (Note 1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary description	
(7) The corporate group has always been incorporating environmental sustainability-related international quality certification standards into new business projects. Hotel Collective in Okinawa has received its LEED green building certification and fully equipped to thoroughly manage water, energy, and waste recycling; Gemcare Maternity Center in Taiwan, on the other hand, followed the WELL Building Standard specification, by monitoring ten objectives including air, water, nourishment, light, movement, thermal comfort, sound, materials, mind, and community during the design process and create the most suitable living environment that is healthy for humans. In addition, the maternity center has received the WELL Platinum certification in September 2020 and its equipped central kitchen has passed HACCP and ISO22000 certifications after the construction completed in 2019. (8) The new corporate website was launched in November 2022, emphasizing transparent corporate governance, information disclosure, and stakeholder communication. (9) Key sustainability achievements in 2023: a. Once again awarded the Sports Enterprise Certification by the Ministry of Education, Sports Department. b. Joined and advocated for TALENT, in Taiwan - Taiwan Talent Sustainability Action Alliance. c. Awarded Excellence in Corporate Social Responsibility Citizenship Awards by the Little Giant Group. d. Awarded the TCSA Sustainability Report Platinum Award in the second category.				

Note 1: If "Yes" is answered for implementation status, the important policies, strategies, measures, and implementation situation shall be described specifically; if "No" is answered implementation status, deviations, reasons, future policies, strategies, and measures to be adopted shall be described in the Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons column.

Note 2: The principle of materiality refers to those who have a significant impact on the Company's investors and other stakeholders in relation to environmental, social and corporate governance issues.

Note 3: For disclosure methods, please refer to the Best Practice Reference Examples on the official website of the Corporate Governance Center of the Taiwan Stock Exchange.

3.4.6 Task Force on Climate-related Financial Disclosures (TCFD)

1.1. Climate-related information and implementation

Item	Implementation
1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.	1. In response to the need to align with international trends and sustainable development, the Company established the Sustainable Development Committee at the 441st Board of Directors meeting on December 14, 2021. A Sustainable Development Division has also been set up to be responsible for implementing and promoting sustainable-related initiatives. The Company establishes the Sustainable Development Committee as the highest organization for climate change management that reviews the policies and objectives of climate change management, supervises relevant implementation progress of the climate change division, and reports back to the Board of Directors regularly. Upon reaching a consensus in 2022, the Sustainable Development Committee joined Task Force on Climate-related Financial Disclosures (TCFD) and advocate for Science Based Targets initiative (SBTi) In December 2022, the Company officially became a TCFD Supporter.

Item	Implementation
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	2. The Company has completed the identification of climate change-related risks and opportunities, including physical risks, transitional risks, and climate change-related opportunities. A climate change risk and opportunity matrix has been developed based on the degree of impact on the Company's operations and the timing of the impact (short-term, medium-term, long-term). Different response plans and strategies have also been formulated in response to various risks and opportunities.
3. Describe the financial impact of extreme weather events and transformative actions	3. The Company has calculated the financial impacts on its operational, asset, and financial aspects resulting from physical and transitional risks associated with climate change. Relevant response plans have been formulated accordingly.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system	4. The Company integrates the climate change risk identification process and response plans into its overall enterprise risk management mechanism. Identified climate change risks are incorporated into the business risk management process, and subsequent efforts will focus on enhancing the establishment and oversight of management systems.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	5. Based on climate change-related estimation databases, the Company, with the assistance of a professional consulting firm, evaluated the impacts of physical and transitional risks. a. Scenario assumption under SSP5-8.5 (4.0 °C temperature rise): Increased frequency of extreme weather events (typhoons, floods, heavy rain) lowers customers' willingness to stay in hotels, resulting in room cancellations and decreased occupancy rates, which further leads to reduced revenue. Therefore, the Company has established emergency response procedures and measures for disasters such as typhoons to mini-mize asset damage. It has also acquired corporate liability insurance to transfer the risk of accidents and cover losses from disasters. Monitoring weather data such as wind speed, rainfall, and water levels allows for realtime response and handling. b. Scenario assumption under SSP1-2.6 (1.5 °C temperature rise): Increased prices of raw materials lead to higher operating costs. Additionally, the need to purchase and use green energy may further increase costs in the future. Therefore, the Group plans to construct solar panels for electricity generation at rented factory premises. Subsequently, the generated electricity will be supplied to affiliated businesses, mitigating the impact of rising energy costs.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks	6. The Group's climate-related risk management transition plan primarily focuses on the replacement of energy-saving equipment and the evaluation of renewable energy installation. Currently, plans are underway to construct solar panels for electricity generation on rented properties. After construction is completed and electricity generation begins, the generated power will be supplied to affiliated enterprises. Subsequently, continuous assessment and planning will be conducted to address climate change transformation risks.

Item	Implementation
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	7. The Company has not yet evaluated an internal carbon price and will be continuing to seek and assess the regulation, both locally and globally, needed on carbon pricing.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	8. The Company has completed its greenhouse gas inventory for all subsidiaries in 2023 and has passed third-party verification, achieving a coverage rate of 100% (refer to Table 1-1). Additionally, the Company has continued to implement energy and environmental management systems at various locations to monitor electricity usage and has carried out equipment replacement to enhance energy efficiency. As a medium-to-long-term goal, the Company aims to reduce Scope 1 and Scope 2 carbon emission by 42% by 2030. Plans are in place to install solar panels, with an estimated annual output of around 2.2 million kilowatt-hours starting in 2026.
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below)	9. For details on CHG inventory verification and accreditation, please refer to following Table 1-1.

1-1 Recent Two-Year GHG Inventory Verification and Accreditation

1-1-1. GHG Inventory Information

Company information	Capital over NT$ 10 billion, steel manufacturing, cement manufacturing
GHG inventory data coverage	Chia Hsin Cement Group (Note 1)

Scope	Category	Item	2020	2021	2022	Note
Scope 1	Category 1: Direct GHG emissions and removals	Carbon emission (tons) (t-CO2e)	30.5912	209.1565	834.850	
		Per capita carbon emissions (tons/person).	0.07	0.48	1.88	
		Carbon emissions per unit of revenue (tons/ million)	0.01	0.09	0.37	
		Data coverage rate (Revenue)	48.92%	92.33%	100%	

Scope	Category	Item	2020	2021	2022	Note
Scope 2	Category 2: Indirect GHG emissions from imported energy	Carbon emission (tons) (t-CO2e)	77.1415	4007.197	6807.564	
		Per capita carbon emissions (tons/person).	0.18	9.28	15.33	
		Carbon emissions per unit of revenue (tons/ million)	0.04	1.81	3.02	
		Data coverage rate (Revenue)	48.92%	92.33%	100%	
Scope 3	Category 3: Indirect GHG emissions from transportation	Carbon emission (tons) (t-CO2e)	5.2667	71.7138	103.123	
		Carbon emissions per unit of revenue (tons/ million)	0.00	0.03	0.05	
		Data coverage rate (Revenue)	48.92%	92.33%	100%	
	Category 4: Indirect GHG emissions from products used by organization	Carbon emission (tons) (t-CO2e)	29.4578	835.6744	1187.496	
		Carbon emissions per unit of revenue (tons/ million)	0.01	0.38	0.53	
		Data coverage rate (Revenue)	48.92%	92.33%	100%	
	Category 5: Indirect GHG emissions associated with the use of products from the organization	Carbon emission (tons) (t-CO2e)		446.5579	666.078	
		Carbon emissions per unit of revenue (tons/ million)			0.2956	
		Data coverage rate (Revenue)	48.92%	92.33%	100%	
	Category 6: Other indirect GHG emissions	Carbon emission (tons) (t-CO2e)				Deter-mined as insignifi-cant upon identi-fication
		Carbon emissions per unit of revenue (tons/ million)				
		Data coverage rate (Revenue)				
Total GHG		**Carbon emission (tons) (t-CO2e)**	**142.46**	**5570.30**	**9599.111**	
		Data coverage rate (Revenue)	**48.92%**	**92.33%**	**100%**	

Note 1: The scope of 2021 GHG inventory verification (accreditation) does not include subsidiaries in Japan and China. The scope of 2022 GHG inventory verification (accreditation) includes all subsidiaries.

Note 2: Data regarding subsidiaries is consolidated.

Note 3: Intensity of GHG emission is calculated by revenue (NT$1 million).

1-1-2. GHG Inventory Verification and Accreditation

Year	Accreditation Institution	Accreditation Description
2021	The British Standards Institution (BSI)	(1) Principle of verification: ISO 14064-1:2018 (2) Verification range: Chia Hsin Cement Group (3) Level of Assurance: external verification assurance level is set as reasonable in 2021 (4) Materiality information: Materiality threshold is 5%
2022	The British Standards Institution (BSI)	(1) Principle of verification: ISO 14064-1:2018 (2) Verification range: Chia Hsin Cement Group (3) Level of Assurance: external verification assurance level is set as reasonable in 2022 (4) Materiality information: Materiality threshold is 5%

Note 1: The complete 2023 verification and accreditation information is disclosed in the Sustainability Report.

1-2 GHG Reduction Targets, Strategies, and Specific Action Plans

The Company has joined the Science Based Targets initiative (SBTi) in January 2024. The baseline year set for GHG reduction is set at 2022, for information regarding the GHG inventory please refer to Table 1-1 attached above. The medium to long-term goal is to achieve a 42% reduction of carbon emissions within Scope 1 and Scope 2 by 2030. Reduction targets, strategies, and specific actions plans are outlined in the Climate-related Information Table above. Subsequent evaluations, planning, and progress report of action plan and achievements will continue. In addition, with the help of external consultants, the Company has established a carbon emission reduction blueprint and is expected to produce a carbon emission roadmap in Q2 of 2024.

The British Standards Institution (BSI) Greenhouse Gas Emission Verification Opinion Statement.

bsi.

Opinion Statement

By Royal Charter

Greenhouse Gas Emissions

Verification Opinion Statement

This is to verify that:

Chia Hsin Cement Corporation
No.96, Sec. 2, Zhongshan N. Rd.
Zhongshan Dist.
Taipei City 104418
Taiwan

嘉新水泥股份有限公司
臺灣
台北市
中山區
中山北路二段 96 號
104418

Holds Statement No: GHGEV 770686

Verification opinion statement

As a result of carrying out verification procedures in accordance with ISO 14064-3:2006, it is the opinion of BSI with Reasonable assurance that:

- The Greenhouse Gas Emissions with Chia Hsin Cement Corporation for the period from 2021-01-01 to 2021-12-31 was verified, including direct greenhouse gas emissions 209.1565 tonnes of CO_2 equivalent and indirect greenhouse gas emissions from imported energy 4,007.1970 tonnes of CO_2 equivalent.
- No material misstatements for the period from 2021-01-01 to 2021-12-31 Greenhouse Gas Emissions calculation were revealed.
- Data quality was considered acceptable in meeting the principles as set out in ISO 14064-1:2018.
- The emission factor for electricity for the year 2021 is not published by Taiwan government so far, the emission factor used for electricity is 0.502 kilograms of Carbon Dioxide equivalent per kWh instead which may potentially result in different Greenhouse Gas Emission estimates.

The other selected indirect GHG emissions listed in the attached table on the next page were also reported and thus verified with limited assurance, and data quality was not considered unacceptable in meeting the principles as set out in ISO 14064-1: 2018.

For and on behalf of BSI:

Managing Director BSI Taiwan, Peter Pu

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Statement No: GHGEV 770686

Location	Verification Information

The greenhouse gas emissions information reported by the organization for the period from 2021-01-01 to 2021-12-31 is as follows:

	EMISSIONS	Notes	tonnes CO_2e
Category 1: Direct GHG emissions and removals			**209.1565**
1.1	Stationary combustion		63.1960
1.2	Mobile combustion		51.1827
1.3	Industrial processes(anthropogenic systems)		0.000
1.4	Fugitive(anthropogenic systems)		94.7778
1.5	Land use, land use change and forestry		0.000
Direct emissions in tonnes of CO_2e from biomass			0.000
Category 2: Indirect GHG emissions from imported energy			**4,007.1970**
2.1	Indirect emissions from imported electricity	location-based approach	4,007.1970
2.2	Indirect emissions from imported energy (steam, heating, cooling and compressed air)		0.000
Category 3: Indirect GHG emissions from transportation			**71.7138**
3.1	Emissions from upstream transport and distribution for goods	NS	
3.2	Emissions from Downstream transport and distribution for goods	NS	
3.3	Emissions from Employee commuting	NS	
3.4	Emissions from Client and visitor transport	NS	
3.5	Emissions from Business travels	Take Taiwan High Speed Rail, Airplane, vehicles	71.7138
Category 4: indirect GHG emissions from products used by organization			**835.6744**
4.1	Emissions from Purchased goods	Upstream related to water, electricity production, and gasoline production	751.1481
4.2	Emissions from Capital goods	NS	
4.3	Emissions from the disposal of solid and liquid waste	Solid waste only	84.5263
4.4	Emissions from the use of assets (leased)	NS	
4.5	Emissions from the use of services that are not described in the above subcategories	NS	
Category 5: indirect GHG emissions associated with the use of products from the organization			**446.5579**
5.1	Emissions or removals from the use stage of the product	NS	
5.2	Emissions from downstream leased assets	NS	
5.3	Emissions from end of life stage of the product	NS	
5.4	Emissions from investments	Related to emissions of investee's facility	446.5579

* NS: Non significant.

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The total emissions were verified in selected branches and representative offices, including but not limited to the following:

Location	Verification Information
Chia Hsin Cement Corporation No.96, Sec. 2, Zhongshan N. Rd. Zhongshan Dist., Taipei City, 104418, Taiwan 嘉新水泥股份有限公司 104418 臺灣台北市中山區中山北路二段 96 號	The Greenhouse Gas Emissions with Chia Hsin Cement Corporation for the period from 2021-01-01 to 2021-12-31 were verified, including the direct greenhouse gas emissions 209.1565 tonnes of CO_2 equivalent and indirect greenhouse gas emissions from imported energy 4,007.1970 tonnes of CO_2 equivalent.

公司名稱 Company Name	據點地址 Address
嘉新水泥股份有限公司 Chia Hsin Cement Corporation	台北市中山區中山北路二段 96 號 No. 96, Sec. 2, Zhongshan N. Rd. Zhongshan Dist., Taipei City
	嘉新水泥股份有限公司(台中區營業所) Chia Hsin Cement Corporation(Taichung office) 台中市西屯區台灣大道二段 689 號 8 樓 8F., No. 689, Sec. 2, Taiwan Blvd., Xitun Dist., Taichung City
雲嘉國際股份有限公司 YJ International Corporation	台北市中山區中山北路二段 96 號 No. 96, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City
嘉新資產管理開發股份有限公司 Chia Hsin Property Management & Development Corporation	台北市中山區中山北路二段 96 號 No. 96, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City
	嘉新資產管理開發股份有限公司(高雄辦公室) Chia Hsin Property Management & Development Corporation(Kaohsiung office) 高雄市岡山區嘉新東路 35 號 2 樓 2F., No. 35, Jiaxin E. Rd., Gangshan Dist., Kaohsiung City
嘉和健康生活股份有限公司 Jaho Life Plus+ Management Corp., Ltd.	台北市中山區中山北路二段 96 號 9 樓 9F., No. 96, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City
	嘉和健康生活股份有限公司(餐廳) Collective Element 台北市中山區中山北路二段 96 號 1 樓 1F., No. 96, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City
	嘉和健康生活股份有限公司(健身房) Fit Collective 台北市中山區中山北路二段 96 號 B1 樓 B1F., No. 96, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City
	嘉和健康生活股份有限公司(央廚) Central Kitchen 台北市內湖區行愛路 140 巷 21 號 3 樓 3F., No. 21, Ln. 140, Xing'ai Rd., Neihu Dist., Taipei City

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Location	Verification Information
嘉新國際股份有限公司 Tong Yang Chia Hsin International Corporation	台北市中山區中山北路二段 96 號 1 樓 1F., No. 96, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City
	嘉新國際股份有限公司(基隆港水泥儲運站) Tong Yang Chia Hsin International Corporation (Keelung port) 基隆市中山區光華路 59 號 No. 59, Guanghua Rd., Zhongshan Dist., Keelung City
	嘉新國際股份有限公司 (桃園楊梅活動中心) Tong Yang Chia Hsin International Corporation (Yangmei activity center) 桃園市楊梅區益新三街 1 號 1 樓 2 樓 1F., 2F., No. 1, Yixin 3rd St., Yangmei Dist., Taoyuan City
	嘉新國際股份有限公司(台中港水泥儲運站) Tong Yang Chia Hsin International Corporation (Taichung port) 台中市梧棲區中南一路二段 946 號 No. 946, Sec. 2, Zhongnan 1st Rd., Wuqi Dist., Taichung City
嘉北國際股份有限公司 Chia Pei International Corporation	台北市中山區中山北路二段 96 號 No. 96, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City
	嘉北國際股份有限公司(台北港第一散雜貨中心) Chia Pei International Corporation(Taipei port) 新北市八里區埤里厦竹圍 7 之 11 號 No. 7-11, Xiazhuwei, Bali Dist., New Taipei City

類別五排放量計算來源如下所示

人之初產後護理之家 Gemcare Maternity Center	台北市中山區中山北路二段 96 號 8 樓 8F., No. 96, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City
人之初敦化館產後護理之家 Gemcare Maternity Center, Dunhua	台北市松山區敦化北路 230 號 No. 230, Dunhua N. Rd., Songshan Dist., Taipei City

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Opinion Statement

Greenhouse Gas Emissions

Verification Opinion Statement

This is to verify that:	Chia Hsin Cement Corporation and its subsidiaries No.96, Sec. 2, Zhongshan N. Rd. Zhongshan Dist. Taipei City 104418 Taiwan	嘉新水泥股份有限公司暨子公司 臺灣 台北市 中山區 中山北路二段 96 號 104418

Holds Statement No: GHGEV 787916

Verification opinion statement

As a result of carrying out verification procedures in accordance with ISO 14064-3:2006, it is the opinion of BSI with reasonable assurance that:

- The Greenhouse Gas Emissions with Chia Hsin Cement Corporation and its subsidiaries for the period from 2022-01-01 to 2022-12-31 was verified, including direct greenhouse gas emissions 834.850 tonnes of CO_2 equivalent and indirect greenhouse gas emissions from imported energy emissions 6,807.564 tonnes of CO_2 equivalent.
- No material misstatements for the period from 2022-01-01 to 2022-12-31 Greenhouse Gas Emissions calculation were revealed.
- Data quality was considered acceptable in meeting the principles as set out in ISO 14064-1:2018.
- The emission factor for electricity for the year 2022 is not published by Taiwan government so far, the emission factor used for electricity is 0.509 kilograms of Carbon Dioxide equivalent per kWh instead which may potentially result in different Greenhouse Gas Emission estimates.

The other selected indirect GHG emissions listed in the attached table on the next page were also reported and thus verified with limited assurance, and data quality was not considered unacceptable in meeting the principles as set out in ISO 14064-1: 2018.

For and on behalf of BSI:

Managing Director BSI Taiwan, Peter Pu

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Statement No: GHGEV 787916

Location Verification Information

The greenhouse gas emissions information reported by the organization for the period from 2022-01-01 to 2022-12-31 is as follows:

EMISSIONS		Notes	tonnes CO_2e
Category 1: Direct GHG emissions and removals			**834.850**
1.1	Stationary combustion		373.0404
1.2	Mobile combustion		68.2361
1.3	Industrial processes (anthropogenic systems)		0.2234
1.4	Fugitive (anthropogenic systems)		393.3503
1.5	Land use, land use change and forestry		0.000
Direct emissions in tonnes of CO_2e from biomass			0.000
Category 2: Indirect GHG emissions from imported energy			**6,807.564**
2.1	Indirect emissions from imported electricity	location-based approach	6,807.5636
2.2	Indirect emissions from imported energy (steam, heating, cooling and compressed air)		0.000
Category 3: Indirect GHG emissions from transportation			**103.123**
3.1	Emissions from upstream transport and distribution for goods	NS	
3.2	Emissions from Downstream transport and distribution for goods	NS	
3.3	Emissions from Employee commuting	NS	
3.4	Emissions from Client and visitor transport	NS	
3.5	Emissions from Business travels	private car used for business, taxi, airplane, Taiwan High Speed Rail and travel in Japan (bus, shinkansen, railway and metro)	103.1232
Category 4: indirect GHG emissions from products used by organization			**1,187.496**
4.1	Emissions from Purchased goods	Upstream emissions of purchased electricity and fuel	1,051.2027
4.2	Emissions from Capital goods	NS	
4.3	Emissions from the disposal of solid and liquid waste	Disposal and treatment of solid waste	136.2928
4.4	Emissions from the use of assets (leased)	NS	
4.5	Emissions from the use of services that are not described in the above subcategories	NS	
Category 5: indirect GHG emissions associated with the use of products from the organization			**666.078**
5.1	Emissions or removals from the use stage of the product	NS	
5.2	Emissions from downstream leased assets	Direct and indirect emissions from imported energy of 8 locations of downstream leased assets	200.9560
5.3	Emissions from end of life stage of the product	NS	
5.4	Emissions from investments	Direct and indirect emissions from imported energy of 2 sites of Gemcare Maternity Center	465.1216

* NS: Non significant.

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The total emissions were verified in selected branches and representative offices, including but not limited to the following:

Location	Verification Information
Chia Hsin Cement Corporation and its subsidiaries No.96, Sec. 2, Zhongshan N. Rd., Zhongshan Dist. Taipei City, 104418, Taiwan 嘉新水泥股份有限公司暨子公司 104418 臺灣台北市中山區中山北路二段 96 號	The Greenhouse Gas Emissions with Chia Hsin Cement Corporation and its subsidiaries for the period from 2022-01-01 to 2022-12-31 was verified, including direct greenhouse gas emissions 834.850 tonnes of CO_2 equivalent and indirect greenhouse gas emissions from imported energy emissions 6,807.564 tonnes of CO_2 equivalent.

公司名稱 Company Name	據點地址 Address
嘉新水泥股份有限公司 Chia Hsin Cement Corporation	台北市中山區中山北路二段 96 號 No. 96, Sec. 2, Zhongshan N. Rd, Zhongshan Dist., Taipei City
	嘉新水泥股份有限公司(台中區營業所) Chia Hsin Cement Corporation (Taichung office) 台中市西屯區台灣大道二段 689 號 8 樓 8F., No. 689, Sec. 2, Taiwan Blvd., Xitun Dist., Taichung City
雲嘉國際股份有限公司 YJ International Corporation	台北市中山區中山北路二段 96 號 No. 96, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City
嘉新資產管理開發股份有限公司 Chia Hsin Property Management & Development Corporation	台北市中山區中山北路二段 96 號 No. 96, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City
	嘉新資產管理開發股份有限公司(高雄辦公室) Chia Hsin Property Management & Development Corporation (Kaohsiung office) 高雄市岡山區嘉新東路 35 號 2F 2F., No. 35, Jiaxin E. Rd., Gangshan Dist., Kaohsiung City
嘉和健康生活股份有限公司 Jaho Life Plus+ Management Corp., Ltd.	台北市中山區中山北路二段 96 號 9F 9F., No. 96, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City
	嘉和健康生活股份有限公司(餐廳) Collective Element 台北市中山區中山北路二段 96 號 1F 1F., No. 96, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City
	嘉和健康生活股份有限公司(健身房) Fit Collective 台北市中山區中山北路二段 96 號 B1F B1F., No. 96, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City
	嘉和健康生活股份有限公司(央廚) Central Kitchen 台北市內湖區行愛路 140 巷 21 號 3 樓 3F., No. 21, Ln. 140, Xing'ai Rd., Neihu Dist., Taipei City

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嘉新國際股份有限公司 Tong Yang Chia Hsin International Corporation	台北市中山區中山北路二段 96 號 1F 1F., No. 96, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City
	嘉新國際股份有限公司(基隆港水泥儲運站) Tong Yang Chia Hsin International Corporation (Keelung port) 基隆市中山區光華路 59 號 No. 59, Guanghua Rd., Zhongshan Dist., Keelung City
	嘉新國際股份有限公司(桃園楊梅活動中心) Tong Yang Chia Hsin International Corporation (Yangmei activity center) 桃園市楊梅區益新三街 1 號 1F & 2F 1F. & 2F., No. 1, Yixin 3rd St., Yangmei Dist., Taoyuan City
	嘉新國際股份有限公司(台中港水泥儲運站) Tong Yang Chia Hsin International Corporation (Taichung port) 台中市梧棲區中南一路二段 946 號 No. 946, Sec. 2, Zhongnan 1st Rd., Wuqi Dist., Taichung City
嘉北國際股份有限公司 Chia Pei International Corporation	台北市中山區中山北路二段 96 號 No. 96, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City
	嘉北國際股份有限公司(台北港第一散雜貨中心) Chia Pei International Corporation (Taipei port) 新北市八里區塘里廈竹圍 7 之 11 號 No. 7-11, Xiazhuwei, Bali Dist., New Taipei City
藍鈞股份有限公司 Bluesky Co., Ltd.	台北市中山區中山北路二段 96 號 No. 96, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City
嘉昇建設股份有限公司 Chia Sheng Construction Corp	台北市中山區中山北路二段 96 號 No. 96, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City
創能科技股份有限公司 Chuang Neng Technology Co., Ltd.	台北市中山區中山北路二段 96 號 No. 96, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City
嘉新企业管理咨询（上海）有限公司 Chia Hsin Business Consulting(Shanghai)Co., Ltd	上海市龙吴路 4100 号 No.4100, LongWu Road, Minhang Dist., Shanghai, P.R.C
上海嘉环混凝土有限公司 Shanghai Jia Huan Concrete Co., Ltd	上海市龙吴路 4100 号 No.4100, LongWu Road, Minhang Dist., Shanghai, P.R.C
上海嘉新港辉有限公司 Shanghai Chia Hsin Gang Hui Co., Ltd	上海市龙吴路 4100 号 No.4100, LongWu Road, Minhang Dist., Shanghai, P.R.C
上海嘉彭健康管理咨询有限公司 Shanghai Chia Peng Healthcare Management Consulting Co., Ltd	上海市龙吴路 4100 号 No.4100, LongWu Road, Minhang Dist., Shanghai, P.R.C
嘉彭母婴护理(扬州)有限公司 Jiapeng Gemcare Maternity (Yangzhou) Co., Ltd	江苏省扬州市邗江区兴城西路 58 号 No.58, Xingcheng West Road, Hanjiang Dist., Yangzhou City, Jiangsu, P.R.C
嘉彭母婴护理(苏州)有限公司 Jiapeng Gemcare Maternity (Suzhou) Co., Ltd	江苏省苏州市高新区科发路 101 号 416 室 Room 416, No. 101, Kefa Road, High Tech Zone, Suzhou, Jiangsu, P.R.C

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江苏嘉国建材加工仓储有限公司 Jiangsu Jiaguo Construction Material & Storage Co., Ltd.	江苏省镇江市解放路 69 号丹徒物资大厦 6 楼 6F, Dan Tu materials Building, No 69, Jie Fang Road, Zhen Jiang, Jiangsu, P.R.C
江苏嘉国建材加工仓储有限公司常熟分公司 Jiangsu Jiaguo Construction Material & Storage Co., Ltd. Changshu Branch	江苏省常熟市海虞镇海虞村望虞西路 22 号 No. 22, Wangyu west Road, Haiyu village, Haiyu Town, Changshu city, Jiangsu, P.R.C
江苏嘉新置业有限公司 Jiangsu Chia Hsin Real Estate Co., Ltd.	江苏省镇江市解放路 69 号丹徒物资大厦 6 楼 6F, Dan Tu materials Building, No 69, Jie Fang Road, Zhen Jiang, Jiangsu, P.R.C
嘉新琉球 COLLECTIVE 株式會社 CHC Ryukyu COLLECTIVE KK	沖繩縣那霸市松尾 2-5-7 2-5-7 Matsuo, Naha City, Okinawa, Japan
嘉新琉球開發合同會社 CHC Ryukyu Development GK	沖繩縣那霸市松尾 2-5-7 2-5-7 Matsuo, Naha City, Okinawa, Japan

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3.4.7 Code of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best Practice Principles" of the TWSE/TPEx Listed Companies

Evaluation Item	Implementation Status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
1. Establishment of ethical management policies and programs				
(1) Does the Company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?	✓		(1) The Company's "Code of Ethical Conduct and "Ethical Corporate Management Best Practice Principles" have been approved by the Board meeting in May 2014. After several amendments, the latest version has been approved by the Board meeting held on November, 11, 2020. The above regulations are disclosed on both internal and external company websites, with updates promptly made upon each altercation. Furthermore, in all external contracts, the Company explicitly states the procedures for handling violations towards its ethical management policies, proactively demonstrating the Company's commitment to uphold its "Code of Ethical Conduct and "Ethical Corporate Management Best Practice Principles". After the re-election of the Board in 2023, all newly elected Directors and the management have signed the Declaration of Compliance with the "Ethical Corporate Management Policies" (signing rate of all directors reached 100%).	None
(2) Does the Company establish a mechanism to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with a higher risk of unethical conduct within its scope of business? Does the Company implement programs cover at least the matters described in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles" for TWSE/GTSM Listed Companies?	✓		(2) To ensure the implementation of the "Ethical Corporate Management Best Practice Principles" and prevent the risk of unethical and dishonest behavior, the Company has dully established effective accounting and internal control systems, as well as various management measures, which are regularly evaluated and strengthened through revisions. The Audit Division also conducts regular checks on compliance. In case of any dishonest behavior, the Company has established disciplinary mechanisms for violations within its disciplinary policy.	None

Evaluation Item	Implementation Status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(3) Does the Company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the Company enforce the programs above effectively and perform regular reviews and amendments?	✓		(3)To prevent unethical or dishonest behavior and commit to the Ethical Corporate Management Best Practice Principles, the Company has established the "Operating Procedures" and "Ethical Corporate Management Operating Procedures and Behavior Guidelines" , which states clear guidelines for ethical behavior in various business activities and includes disciplinary measures for violations, as well as an appeal procedure. In addition,, the Company also reinforces the promotion and requirement of ethical conduct in the "Employee Handbook".	None
2. Fulfilling ethical corporate management policies				
(1) Does the Company evaluate business partners' ethical records and include ethicsrelated clauses in business contracts?	✓		(1) The Company regularly reviews and evaluates all business partners' ethical records and terminates relationship with those partners with unsatisfactory results. Contracts signed include clauses stipulated in the "Ethical Corporate Management Best Practice Principles" and "Supplier Management Policies". Suppliers' ethical conduct is also conducted on a regular basis.	None
(2) Does the Company have a dedicated unit for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	✓		(2) The Company's Sustainable Development Office is responsible for planning, promoting, and monitoring corporate sustainability, including ethical corporate management. The office operates under the guidance and supervision of the Sustainable Development Committee and reports regularly to the Board on its implementation status. The progress of promoting ethical corporate management was reported to the Board at the 458th Board meeting on December 15, 2023.	None
(3) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implemented it?	✓		(3) The Company clearly stipulates that managers are prohibited from engaging in activities that conflict with the interests of the Company unless restrictions are resolved by the Board of Directors In cases where Board members have conflicts of interest with themselves or their representatives, they are allowed to provide explanations during the agenda, but must recuse themselves from participation in discussions and voting in order to avoid any violation of ethical corporate management principles.	None

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status (Note)</th><th rowspan="2">Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>(4) Does the Company have effective accounting and Internal Control systems to in place to implement ethical corporate management? Does the internal audit unit follow the result of unethical conduct risk assessments and devise audit plan to audit the system accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?</td><td>✓</td><td></td><td>(4) To ensure the implementation of ethical management, the Company has established effective accounting and Internal Control systems, as well as various management measures. The Audit Office formulates and executes annual internal audit work based on risk assessment results, and regularly reviews the effectiveness of Internal Control Systems and makes necessary adjustments.</td><td>None</td></tr>
<tr><td>(5) Does the Company regularly hold internal and external educational trainings on ethical corporate management?</td><td>✓</td><td></td><td>(5) Promotions on Ethical Corporate Management related educational trainings in 2023 are as follows:<table><tr><td>Ethical Corporate Manage-ment Training Courses Offered to Employee</td><td>In 2023, multiple physical and online training courses regarding integrity ethical corporate management and employee education were conducted, with a total of 219 attending participants. The total duration of Ethical Corporate Integrity Management courses completed amounted to 2 hours. The training coverage rate for all employees of the corporateenterprise group in Taiwan reached 100% for the year.</td></tr><tr><td>Supplier Ethical Manage-ment Course</td><td>In 2023, the Company invited suppliers and affiliated partners to participate in the supplier education course on Ethical Corporate Management. A total of 18 suppliers attended, with 59 participants in total. The duration of the course was 2 hours.</td></tr></table></td><td>None</td></tr>
</table>

Evaluation Item	Implementation Status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			New Employee Education, Training, and Advocacy: 1. Prevention of Insider Trading Awareness Course: Participants were newly-hired employees of the corporate group. On May 10, 7 people attended; on August 25, 5 people attended; and on September 15, 7 people attended, totaling 19 participants. The new employee participation rate reached 100%. 2. Arrange newly-hired employees to participate in the annual Ethical Corporate Management Employee Training Course: The number of participants is included in the annual Ethical Corporate Management Employee Training Course.	
3. Operation of reporting channel (1) Does the Company establish both a reporting/incentive system and reporting hotline? Can the accused be reached by an appropriate designated person for follow-up?	✓		(1) "Internal Procedures for Reporting Illegal, Unethical and Dishonest Acts" was approved by the 426th Board meeting held on November 13,2019. Whistleblower reports on un-ethical and dishonest behavior can be made via three methods respectively: by a direct complaint hotline (02)25512317, by regular mail, and by email chcgroup.audit@gmail.com . The reported incidents in violation with the Ethical Corporate Management are handled by the Chief Auditor and further processed in accordance with the Company's internal reporting system. Individuals who provide concrete evidence leading to substantiated investigations or offer assistance in conducting investigations may be eligible for whistleblower rewards upon approval.	None
(2) Does the Company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant postinvestigation confidentiality measures?	✓		(2) The Audit Division is in charge of all whistleblower reports within the Company and shall conduct investigations based on the information obtained. The complexity and relevance of each case determine whether or not a special investigation team shall be formed. Results of the investigation are then reported to the Chairman in a convened meeting. In cases involving Directors or senior managers, the matter is reported to the convener of the Audit Committee.	None

Evaluation Item	Implementation Status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(3) Does the Company provide proper whistleblower protection?	✓		The acceptance, investigation process, and results of the whistleblower reports are kept in a highly confidential manner and stored for a period of five years. In 2023, no reports of internal or external violations were received. (3) The personal information provided by both the whistleblower and the accused party is treated with the utmost confidentiality by the Company to protect their personal data, content of the report, and privacy of the related party. In addition to strictly safeguarding the identity of the whistleblower, the Company ensures that they will not face any reprisals for their report.	None
4. Strengthening information disclosure Does the Company disclose its ethical corporate management policies and results of its implementation on the Company's website and MOPS?	✓		The Company's Code of "Ethical Conduct" and "Ethical Corporate Management Best Practice Principles" are disclosed on the Company's website and its internal bulletin board for employees to follow accordingly, and also on MOPS.	None
5. If the Company has established the ethical corporate management policies based on the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe any discrepancies between the policies and their implementation: No discrepancies found.				
6. Other important information to facilitate a better understanding of the Company's ethical corporate management practices: (e.g., review and amendment of the policies): The Company's Board of Directors approved revised versions of the "Ethical Corporate Management Best Practice Principles" and the "Code of Ethical Conduct" on November 11, 2020. On the same day, the Board also approved its newly established "Ethical Corporate Management Operating Procedures and Behavioral Guidelines, making the practical aspects more specific and clear. The Company complies with the Company Law, the Securities and Exchange Act, relevant regulations for listed companies, relevant laws and regulations for listed companies and other relevant laws and regulations on business practices which collectively for the basis of our implementation of ethical corporate management. Please refer to chapters on Ethical Corporate Management and Code of Ethical Conduct in the Company's Sustainability Report.				

Note: Provide an appropriate explanation regardless whether yes or no is selected.

3.4.8 Access to Corporate Governance Guidelines and Regulations

The Company has established Corporate Governance related regulations which can be found on the Company's website, located in the Corporate Governance/Important Internal Regulations section. The URL is as follows: http://www.chcgroup.com.tw

3.4.9 Additional Information on Corporate Governance Practices

1. Composition of the Sustainable Development Committee

On December 13, 2019, the Company established its corporate governance organization structure (including risk management, etc.) at the 427th Board meeting. In addition to actively promoting corporate governance and fulfilling corporate social responsibilities, the Committee periodically reported implementation results to the Board.

In respect of international development trends, the Company established the Sustainable Development Committee at the 441st Board meeting on December 14, 2021 to continue the operations and all functions of the corporate governance organization. Furthermore, related planning (e.g., environmental management, climate actions) was included in accordance with aspects of sustainable development.

To assist the Board in fulling sustainable management and to actively implement sustainable development related affairs, responsibilities of the Sustainable Development Committee shall include the following items:

(1) Integrate business culture of the corporate group and future critical sustainable development issues; establish vision, mission, and development policies.

(2) Review and discuss the implementation status and effectiveness of sustainable development.

(3) Pay attention to issues concerned by the interested parties and supervise the communication plan.

(4) Other assigned issues decided by the Board.

Members of the Sustainable Development Committee

Title	Name	Key Professional Experiences	Diversified Capabilities						
			Accounting, Finance and Legal Affairs	Risk Management	Business Management	Global Marketing	Investment and M&A	Hospitality Business	Information Technology
Chairperson	Jason K.L. Chang (Chairman)	• Director, Taiwan Cement Corp. • Taiwan Cement Manufacturers' Association • Vice Chairman, EPOCH	✓	✓	✓	✓	✓	✓	✓
Member	Pan Howard Wei-Hao (Director)	• Director and President , Cheng Yeh Chemical Works • Director and V.P., CFA Society Taiwan	✓	✓	✓	✓	✓		✓
Member	Robert K. Su (Independent Director)	• Accounting professor, NCCU • Director, Chinese Business Ethics Education Association • Consultant Chien Kuo Construction Co., Ltd.	✓	✓	✓	✓	✓		
Member	Kevin Kuo-I Chen (Independent Director)	• Vice President and Adjunct Professor, National Taiwan Sport University • Adjunct Professor, University of Taipei • Consultant, Chinese Taipei Olympic Committee • Executive Board Member and President, Finance Committee of Olympic Council of Asia	✓	✓	✓	✓			✓

2. Operation of the Sustainable Development Committee in the latest fiscal year:

Session/ Meeting Date	Agenda	Item of Discussion	Report to the Board of Directors
08/10/2022 1st Meeting of the 2nd Term	1. Decision and implementation status of the 2nd meeting of the 1st term of the Sustainable Development Committee 2. Progress report on the corporate group's sustainable development blueprint 3. Appointed Professor Chia-Shen Chen as the Committee's consultant	1. Operation strategy of the corporate group's sustainable development blueprint and main focus	12/14/2022 449th Board meeting
12/14/2022 2nd Meeting of the 2nd Term	1. Decision and implementation status of the 1st meeting of the 2nd term of the Sustainable Development Committee 2. Progress report on the corporate group's sustainable development blueprint 3. Progress report on the corporate group's greenhouse gas inventory 4. Evaluation report on the corporate group's 2023 risk assessment	1. Incorporation of Task Force on Climate-related Financial Disclosures (TCFD) Supporter program 2. Plan and execute Science Based Targets initiative (SBTi) 3. 2023 Sustainable Development Division expected spending	12/14/2022 449th Board meeting
05/09/2023 3rd Meeting of the 2nd Term	1. Decision and implementation status of the 2nd meeting of the 2nd term of the Sustainable Development Committee 2. Progress report on the corporate group's sustainable development blueprint and green-house gas inventory	None	05/09/2023 453rd Board meeting
12/15/2023 4th Meeting of the 2nd Term	1. Decision and implementation status of the 3rd meeting of the 2nd term of the Sustainable Development Committee 2. Progress report on the corporate group's sustainable development blueprint Progress report on the corporate group's	1. Sustainable development blue-print for important subsidiaries 2024 Sustainable Development Division expected spending	12/15/2023 458th Board meeting

3. The Company continues to stay focused on Corporate Governance related issues and trends. Relevant personnel are encouraged to participate in various corporate governance courses or seminars, such as practical workshops for Directors and supervisors, IFRS seminars or courses, and the setting and operation of the Remuneration Committee. Furthermore, the Company also applied to be a member of the Internal Audit Association of the Republic of China, the Accounting Research and Development Foundation, the Information Managers Association, the Public Issuing Company Stock Association, and appointed relevant individuals to attend regular members meetings and seminar to discuss topics such as fraud and corporate governance, cyber security, and accounting manager education, further improving the Company's corporate governance to reduce the occurrence of risks.

Managers who attended corporate governance related courses and trainings are as follows:

Title	Name	Content of Course	Date Attended	Hours
President, Also CEO of Headquarter Office ,Chief Sustainability Officer, Information Security Supervisor	Li-Hsin Wang	Corporate Growth Strategy and Diversified Operations	03/21/2023	1.5
		CommonWealth Sustainable Development Goals (SDGs) International Forum	03/28/2023 ~03/29/2023	11
		Corporate Governance and Sustainable Business Seminar - Corporate Sustainability and Domestic and International Tax Trends	04/13/2023	3
		ProFederal - Trends in Digital Transformation for Small and Medium Enterprises	04/20/2023	1.5
		Director and Supervisor Training on Corporate Governance - How Boards Drive Corporate Information Security Management from an ESG Perspective	05/08/2023	3
		Diversity, Equity, and Inclusion (DEI) Seminar	05/17/2023	1.5
		2023 Fire Safety Training (Part 1)	05/19/2023	2
		Taiwan's Future in the Face of the Battle: Strategic Shifts & Strategies	06/07/2023	3.5
		2023 Corporate 1.5°C Forum	06/15/2023	3
		CommonWealth Talent Sustainable Ecology - Talent Retention and Recruitment under DEI Thinking	06/21/2023	3.5
		Risk Management Education Training: Corporate Sustainability and Risk Management	06/26/2023	3
		Cathay Sustainable Finance and Climate Change Summit	07/04/2023	6
		Asia-Pacific Resilient Recovery: Recovery, Risks, and Restarting Balance Forum	07/06/2023	4.5
		Global Future Risks and Opportunities for Sustainable Transformation	07/26/2023	3
		Management Training	08/08/2023	2
		Comprehensive Intellectual Property Protection Strategy & AI-assisted Innovative Technology	08/16/2023	3
		Family Wealth Inheritance Seminar	08/17/2023	3
		How should the board of directors formulate ESG sustainable governance strategies	09/13/2023	3
		2023 Business Integrity Education Training	10/05/2023	2
		Common Legal Issues in Corporate M&A Transaction Documents	10/18/2023	3

Title	Name	Content of Course	Date Attended	Hours
		Deep diving the cybersecurity tactics of listed companies from the perspective of ESG development	11/01/2023	3
		2023 Fire Safety Training (Part 2)	12/07/2023	2
		What are Investors Thinking - Discussing Corporate Sustainable Transformation from the Perspective of ESG Investment and Financing	12/13/2023	3
Vice President of Human Resources Division	Wen-Wan Chen	2023 HR Technology Trends	02/16/2023	2
		The Art of Workplace Communication	02/22/2023	3
		2023 Corporate Governance Evaluation Advocacy Course	03/03/2023	3
		Corporate Friendly Workplace Training - Creating Cross-Generational Communication and Collaboration (Upward and Downward Communication)	03/23/2023	3
		Master Cheers | Talent, in Taiwan: Diversity x Equality x Inclusion Talent Management Strategy Forum on 3/24	03/24/2023	7
		Social Engineering Education Training for Cybersecurity Awareness	03/28/2023	1.5
		ESG×HR - Role Positioning and Utilization Thinking of HR	04/17/2023	2
		Settling the Body and Mind in the Workplace - Dealing with Employee Mental and Depression Issues and Promoting Workplace Health	05/03/2023	3
		Taiwan DEI Leadership Forum	05/17/2023	1.5
		2023 Fire Safety Training (Part 1)	05/19/2023	2
		Risk Management Education Training: Corporate Sustainable Operation and Risk Management	06/26/2023	3
		Creating a Friendly Workplace - Intimate Violence Employee Assistance Mechanism	07/18/2023	3
		Global Future Risks and Opportunities for Sustainable Transformation	07/26/2023	3
		Employer Brand Workshop: Building a Talent Magnet Company from Branding!	08/04/2023	3
		Management Training	06/19/2023 07/17/2023 08/08/2023	16
		Comprehensive Intellectual Property Protection Strategy & AI-assisted Innovative Technology	08/16/2023	3
		How should the board of directors formulate ESG sustainable governance strategies	09/13/2023	3

Title	Name	Content of Course	Date Attended	Hours
		2023 Integrity Management Training	10/05/2023	2
		Project Manager Training	10/26/2023	7
		Global Future Risks and Opportunities for Sustainable Transformation	11/01/2023	3
		What are Investors Thinking - Discussing Corporate Sustainable Transformation from the Perspective of ESG Investment and Financing	12/13/2023	3
		Education and Training on Board Proposal Operations and Major Information Disclosure Announcements	12/27/2023	1
Corporate Governance Officer	Hsiao-Yun Yu	The Art of Workplace Communication	02/22/2023	3
		76th TWSAA Networking Seminar - Corporate Governance Trends and Future Outlook	03/02/2023	3
		2023 Corporate Governance Evaluation Advocacy Course	03/03/2023	3
		Information Security Awareness Social Engineering Education and Training	03/28/2023	1.5
		Taiwan DEI Leadership Forum	05/17/2023	1.5
		2023 Fire Safety Education Training (Part 1)	05/19/2023	2
		Corporate Information Security Governance in the Boardroom: Performance and Risk Agenda	06/05/2023	3
		Corporate Legal Compliance and Director Duties	06/06/2023	3
		Management Training	06/19/2023 07/17/2023 08/08/2023	16
		Risk Management Education and Training: Sustainable Business Operation and Risk Management	06/26/2023	3
		Trends, Challenges, and Opportunities in Global Nature and Biodiversity	07/12/2023	3
		Utilization in the Hype: Generative Artificial Intelligence and Responsible Innovation	07/18/2023	3
		The Origin, Prevention, and Case Studies of Management Disputes"	07/21/2023	3
		Global Future Risks and Opportunities for Sustainable Transformation	07/26/2023	3
		A Comprehensive Intellectual Property Protection Strategy: Leveraging AI for Innovative Technology IP Layout	08/16/2023	3

Title	Name	Content of Course	Date Attended	Hours
		The 14th Taipei Corporate Governance Forum	09/04/2023	6
		How should the board of directors formulate ESG sustainable governance strategies	09/13/2023	3
		The Operation and Potential Business Opportunities of Natural Carbon Sinks and Carbon Trading,	10/02/2023	3
		2023 Integrity Management Education and Training	10/05/2023	2
		Corporate Governance, Corporate Fraud, and Analysis of Major Cases	10/11/2023	3
Finance Officer	Jane YC Chou	The Art of Workplace Communication	02/22/2023	3
		2023 Corporate Governance Evaluation Advocacy Course	03/03/2023	3
		ATMT Financing Intangible Assets and Emerging Licensing Models	03/17/2023	2
		Seminar on Legal Practices for Investment in Japan - Monte Jade Science and Technology Association	03/28/2023	3.5
		Corporate Friendly Workplace Training - Creating Cross-Generational Communication and Collaboration (Upward and Downward Communication)	03/23/2023	3
		2023 Corporate Governance Evaluation Advocacy Course	03/29/2023	1.5
		ESG - Towards a Net-Zero Sustainable Era	04/19/2023	3.5
		Green Action Forum: Driving the Transformation of Green Supply Chains	04/25/2023	3
		Excel Application - Beginner Level	04/21/2023	1
		Asset Inheritance and Retirement Planning	05/05/2023	2
		Taiwan DEI Leadership Forum	05/17/2023	1.5
		2023 Fire Safety Education Training (Part 1)	05/19/2023	2
		2023 Taishin Net Zero Summit	06/02/2023	3.5
		Management Training	06/19/2023 07/17/2023 08/08/2023	16
		Risk Management Education and Training: Sustainable Business Operation and Risk Management	06/26/2023	3
		Cathay Sustainable Finance and Climate Change Summit	07/04/2023	6

Title	Name	Content of Course	Date Attended	Hours
		Creating a Friendly Workplace - Intimate Violence Employee Assistance Mechanism	07/18/2023	3
		Global Future Risks and Opportunities for Sustainable Transformation	07/26/2023	3
		Comprehensive Intellectual Property Protection Strategy & AI-assisted Innovative Technology	08/16/2023	3
		Controlled Foreign Corporation (CFC) Regime Seminar	08/25/2023	1
		Introduction to Derivative Financial Products - Using Forwards, Swaps, and Options as Examples	09/07/2023	1
		How should the board of directors formulate ESG sustainable governance strategies	09/13/2023	3
		2023 Integrity Management Education and Training	10/05/2023	2
		Project Manager Training	10/26/2023	7
		2023 Fintech Taipei Forum: Unveiling Fraud Prevention in the Digital New Economy	10/30/2023	3
		Deep diving the cybersecurity tactics of listed companies from the perspective of ESG development	11/01/2023	3
		Sustainable Financial Disclosure and Carbon Reduction Blueprint & Trends	11/24/2023	3
		What are Investors Thinking - Discussing Corporate Sustainable Transformation from the Perspective of ESG Investment and Financing	12/13/2023	3
		Live Smart with Chia Hsin Cement Group	12/22/2023	1
Accounting Officer	Mars Feng	The Art of Workplace Communication	02/22/2023	3
		2023 Corporate Governance Evaluation Advocacy Course	03/03/2023	3
		2023 Corporate Governance Evaluation Advocacy Course	03/29/2023	1.5
		【Sustainable Information Disclosure Forum】 Latest Trends in Sustainable Information: Finance & Technology Industries	04/13/2023	2.5
		Excel Application - Beginner Level	04/21/2023	1
		Green Action Forum: Driving the Transformation of Green Supply Chains	04/25/2023	3
		Taiwan DEI Leadership Forum	05/17/2023	1.5
		2023 Fire Safety Education Training (Part 1)	05/19/2023	2
		2023 Taishin Net Zero Summit	06/02/2023	3

Title	Name	Content of Course	Date Attended	Hours
		Management Training	06/19/2023	16
		Risk Management Education and Training: Sustainable Business Operation and Risk Management	06/26/2023	3
		Asia-Pacific Resilient Recovery: Recovery, Risks, and Restarting Balance Forum	07/06/2023	3.5
		Creating a Friendly Workplace - Intimate Violence Employee Assistance Mechanism	07/18/2023	3
		Global Future Risks and Opportunities for Sustainable Transformation	07/26/2023	3
		A Comprehensive Intellectual Property Protection Strategy: Leveraging AI for Innovative Technology IP Layout	08/16/2023	3
		Introduction to International Sustainability Reporting Standards - IFRS S1 and S2 and Responses	08/16/2023	3
		Controlled Foreign Corporation (CFC) Regime Seminar	08/25/2023	1
		SBTi Carbon Reduction Blueprint Meeting and Course	09/01/2023	2
		Introduction to Derivative Financial Products - Using Forwards, Swaps, and Options as Examples	09/07/2023	1
		How should the board of directors formulate ESG sustainable governance strategies	09/13/2023	3
		2023 Integrity Management Education and Training	10/05/2023	2
		Deep diving the cybersecurity tactics of listed companies from the perspective of ESG development	11/01/2023	3
		M-Power Information Consolidated Reporting System User Conference	11/22/2023	3
		2023 Promotion Meeting on the Adoption of International Financial Reporting Standards (IFRS) in Taiwan	12/12/2023	3
		Accounting Manager Course	12/25/2023 12/26/2023	12
Director of Headquarters Office	Hua-Chou Huang	The Art of Workplace Communication	02/22/2023	3
		2023 Corporate Governance Evaluation Advocacy Course	03/29/2023	1.5

Title	Name	Content of Course	Date Attended	Hours
		Taiwan DEI Leadership Forum	05/17/2023	1.5
		2023 Fire Safety Education Training (Part 1)	05/19/2023	2
		Management Training	06/19/2023 07/17/2023 08/08/2023	16
		Risk Management Education and Training: Sustainable Business Operation and Risk Management	06/26/2023	3
		Global Future Risks and Opportunities for Sustainable Transformation	07/26/2023	3
		A Comprehensive Intellectual Property Protection Strategy: Leveraging AI for Innovative Technology IP Layout	08/16/2023	3
		The Operation and Potential Business Opportunities of Natural Carbon Sinks and Carbon Trading,	09/13/2023	3
		2023 Integrity Management Education and Training	10/05/2023	2
		What are Investors Thinking - Discussing Corporate Sustainable Transformation from the Perspective of ESG Investment and Financing	12/13/2023	3
		Live Smart with Chia Hsin Cement Group	12/22/2023	1
Director of Strategic Business Division	Puo-Chien Lin	360 Brand System Practical Training Program	02/11/2023	6
		The Art of Workplace Communication	02/22/2023	3
		Corporate Friendly Workplace Training - Creating Cross-Generational Communication and Collaboration (Upward and Downward Communication)	03/23/2023	3
		2023 Corporate Governance Evaluation Advocacy Course	03/28/2023	1.5
		Taiwan DEI Leadership Forum	05/17/2023	1.5
		2023 Fire Safety Education Training (Part 1)	05/19/2023	2
		Management Training	06/19/2023 07/17/2023 08/08/2023	16
		Risk Management Education and Training: Sustainable Business Operation and Risk Management	06/26/2023	3
		Global Future Risks and Opportunities for Sustainable Transformation	07/26/2023	3

Title	Name	Content of Course	Date Attended	Hours
		A Comprehensive Intellectual Property Protection Strategy: Leveraging AI for Innovative Technology IP Layout	08/16/2023	3
		How should the board of directors formulate ESG sustainable governance strategies	09/13/2023	3
		2023 Integrity Management Education and Training	10/05/2023	2
		Deep diving the cybersecurity tactics of listed companies from the perspective of ESG development	11/01/2023	3
		What are Investors Thinking - Discussing Corporate Sustainable Transformation from the Perspective of ESG Investment and Financing	12/13/2023	3
Director of Sales Department	Wu Tien Chang (Note 1)	The Art of Workplace Communication	02/22/2023	3
		Corporate Friendly Workplace Training - Creating Cross-Generational Communication and Collaboration (Upward and Downward Communication	03/23/2023	3
		2023 Corporate Governance Evaluation Advocacy Course	03/29/2023	1.5
		Taiwan DEI Leadership Forum	05/17/2023	1.5
		2023 Fire Safety Education Training (Part 1)	05/19/2023	2
		Management Training	06/19/2023 07/17/2023 08/08/2023	16
		Risk Management Education and Training: Sustainable Business Operation and Risk Management	06/26/2023	3
		Global Future Risks and Opportunities for Sustainable Transformation	07/26/2023	3
		A Comprehensive Intellectual Property Protection Strategy: Leveraging AI for Innovative Technology IP Layout	08/16/2023	3
		How should the board of directors formulate ESG sustainable governance strategies	09/13/2023	3
		2023 Integrity Management Education and Training	10/05/2023	2
		Deep diving the cybersecurity tactics of listed companies from the perspective of ESG development	11/01/2023	3

Note 1: Resigned on January 1, 2024.

3.4.10 Internal Control System Execution Status

1. Statement of Internal Control System

Chia Hsin Cement Corporation Limited

Statement of Internal Control System

Date: February 27, 2024

Based on the findings of a self-assessment, Chia Hsin Cement Corporation Limited (CHC) states the following with regard to its internal control system during the year 2023:

1. The board of directors and management of CHC are responsible for establishing, implementing, and maintaining an adequate internal control system. Our internal control is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency of our reporting, and compliance with applicable rulings, laws and regulations.

2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. The effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and CHC takes immediate remedial actions in response to any identified deficiencies.

3. CHC evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the Regulations). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities.

4. CHC has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.

5. Based on the findings of such evaluation, CHC believes that, on December 31, 2023, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.

6. This Statement is an integral part of CHC's annual report for the year 2023 and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.

7. This statement was passed by the Board of Directors in their meeting held on February 27, 2024 with all 7 attending directors affirming the content of this Statement.

Chia Hsin Cement Corporation Limited

Jason K.L. Chang,

Chairman

Li-Hsin Wang,

President

2. CPA's audit report if the Company engaged CPA to audit its internal control system: None.

3.4.11 Penalties for Violations of Regulations or the Company's Internal Control System in the Past Year and up to the Publication Date of this Annual report and Improvement Measures:

None.

3.4.12 Major Resolutions of Shareholders' Meeting and Board Meetings in the Past Year and up to the Publication Date of this Annual Report

1. Major Resolutions of Shareholders' Meeting

Date	Major Resolution	Execution Status
05/30/2023 Shareholders' Meeting (hybrid shareholders' meeting)	1. Approved 2022 Business Report through voting.	Announcement was made on the same date and in accordance with resolution of the shareholders' meeting
	2. Approved the distribution of 2022 profits, with NT$386,672,774 set aside as shareholder dividends (cash dividend of NT$0.3 per share; stock dividend of NT$0.2 per share) through voting.	2022 earnings distribution was completed in accordance with the result of the shareholders' meeting; the Board meeting established 08/02/2023 as the record exdividend date and completed the distribution on 08/31/2023.
	3. Approved, through voting, the proposal for capital increase through surplus capitalization and issuance of new shares.	Executed in accordance with resolution of the shareholders' meeting; record exdividend date was established as 08/02/2023 and the resolution was completed on 08/31/2023.

2. A total of 11 Board meetings were held for the fiscal year of 2023 as of February 29, 2024, resolutions of each meeting are as follows:

Meeting	Date	Major Resolutions
450	01/06/2023	1. Approved the amount of 2022 bonus of the Chairman and managers. 2. Approved the amount of 2022 Lunar New Year bonus of Directors (not including Independent Directors concurrently serving as members of the Remuneration Committee). 3. Approved the proposed amount of 2021 Lunar New Year bonus of members of the Remuneration Committee (including the Independent Directors concurrently serving as members of the Remuneration Committee).
451	03/09/2023	1. Approved adjustments made to the Company's organization system and submitted to the fiscal year's shareholders' meeting. 2. Approved the 2022 Internal Control Statement. 3. Approved amendments made in the Internal Control Statement. 4. Approved CPAs and audit fees. 5. Approved the establishment of preapproval of non-audit services provided by the CPA. 6. Approved the Company's 2022 annual business report and financial statement and submitted to the fiscal year's shareholders' meeting. 7. Approved the 2023 shareholders' meeting. 8. Approved procedures related to acceptance of shareholder proposals and operational processes.

Meeting	Date	Major Resolutions
452	04/18/2023	1. Approved the amendment to the managerial title system and salary grade range table. 2. Approved the annual salary adjustment for the Chairman and managers. 3. Approved the appointment of Company managers. 4. Approved the appointment of Company corporate governance officers. 5. Approved the determination of manager compensation. 6. Approved the termination of non-compete restrictions for managers. 7. Approved the replacement of the Company spokesperson and proxy spokesperson. 8. Approved amendments made to the Board Meeting Regulations. 9. Approved amendments made to the Scope of Responsibilities of Independent Directors 10. Approved amendments made to Standard Operating Procedures For Handling Director Requests. 11. Approved amendments made to the Corporate Governance Practices Guidelines. 12. Approved amendments made to the Sustainable Development Practices Guidelines. 13. Approved amendments made to the Job Authorization Management Regulations. 14. Approved the Company's distribution of profits for the fiscal year of 2022. 15. Approved the issuance of new shares through profit increase capitalization. 16. Approved adjustments made to the agenda for the shareholders' meeting.
453	05/09/2023	1. Approved the Company's 2023 first quarter financial report.
454	06/30/2023	1. Approved authorization for Independent Directors to review matters related to the acquisition of shares in subsidiaries. 2. Established the distribution date for the issuance of new shares through profit increase capitalization for the fiscal year of 2022. 3. Approved the termination of non-compete restrictions for managers. 4. Approved the renewal of the mid-term credit line agreement Cathay United Bank.
455	08/08/2023	1. Approved the performance evaluation of Directors and supervisors appointed to affiliated business and responsible for external investment enterprises, based on the Company's Appointment of Juridical Directors and Supervisors and Bonuses Management Guidelines, for the purpose of determining bonus amounts for the fiscal year of 2022. 2. Approved the President's subscription to the issuance of new shares and odd lots through profit increase capitalization. 3. Approved signed contracts between the Company and affiliated parties. 4. Approved CPA remunerations. 5. Approved the 2023 second quarter financial report. 6. Approved revisions made to the Company's annual audit plan.
456	10/05/2023	1. Approved the motion to inquire Tong Yang Chia Hsin International Corporation shareholders on their willingness to participate in a share exchange. 2. Approved the motion to inquire CHPL shareholders on their willingness to participate in a share exchange.
457	11/08/2023	1. Approved the 2023 third quarter financial statement. 2. Approved the establishment of the Company's tax policies and management measures. 3. Approved the establishment of operational regulations for financial transactions between affiliated parties of the company. 4. Approved endorsement guarantees of a bank loan from Taishin International Bank Tokyo Branch to the Company's two subsidiaries in Japan, CHC Ryukyu COLLECTIVE KK and CHC Ryukyu Development GK. 5. Approved the implementation of the employee stock trust plan and participation of managers in the respective plan. 6. Approved the decision not to proceed with the share exchange with Tong Yang Chia Hsin International Corporation shareholders. 7. Approved the decision not to proceed with the share exchange with CHPL share-holders.

Meeting	Date	Major Resolutions
458	12/15/2023	1. Approved the 2024 audit plan of the Company. 2. Approved the renewal of the management contract for Keelung Storage and Transportation Center and service contract for cement storage warehousing, with the Company's subsidiary Tong Yang Chia Hsin International Corporation. 3. Approved the signing of the business commission contract with the subsidiary Tong Yang Chia Hsin International Corporation. 4. Approved the signing of the Equipment Usage Agreement for 2024 at Taipei Cargo Terminal No.1 with the Company's subsidiary Chia Pei International Corporation. 5. Approved the renewal of the Storage and Transportation Agreement signed with the Company's subsidiary Chia Pei International Corporation. 6. Approved amendment made to the Company's Risk Management Policy. 7. Approved the appointment of the Company's Information Security Officer. 8. Approved the dismissal of director Wu-Tien Chang. 9. Approved the endorsement guarantee of a bank loan from CTBC Bank Tokyo Branch to the Company's two subsidiaries in Japan, CHC Ryukyu COLLECTIVE KK and CHC Ryukyu Development GK, as well as derivative financial products facilities with CTBC Dunbei Branch. 10. Approved the continuation of credit lines signed with financial institutions. 11. Approved the renewal of mid-term loans with CTBC. 12. Approved the sustainable development blueprint for important operational subsidiaries within the corporate group. 13. Approved the 2024 budget.
459	01/09/2024	1. Approved the amount of bonuses for the Chairman and executives for 2023. 2. Approved the additional 2023 Lunar New Year compensation for Directors (excluding Independent Directors concurrently serving as members of the Remuneration Committee). 3. Approved the proposal for additional Lunar New Year compensation for members of the Remuneration Committee in 2023 (including those concurrently serving as Independent Directors).
460	02/27/2024	1.. Approved the proposal for the distribution of Directors' and employees' remuneration for 2023. 2. Approved the allocation amount for Directors' remuneration for 2023. 3. Approved the allocation amount for executives' remuneration for 2023. 4. Approved the 2023 Internal Control System Statement. 5. Approved the drafting of the Company's 2023 operational report and financial statements, and submitted to the shareholders' meeting for approval. 6. Approved CPA appointment and audit fees. 7. Approved the convening of the 2024 shareholders' meeting. 8. Approved the acceptance of shareholder proposals and related procedural matters. 9. Approved the renewal of credit facilities with First Bank.

3.4.13 Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors in the Past Year and up to the Publication Date of this Annual Report:

None.

3.4.14 Resignation or Dismissal of Chairman, President, and Heads of Accounting, Finance, Internal Audit, and R&D in the Past Year and up to the Publication Date of this Annual Report

Resignation or Dismissal of Key Individuals

02/29/2024

Title	Name	Date of Appointment	Date of Resignation (Dismissal)	Reasons for Resignation or Dismissal
Chief Corporate Governance Officer	Li-Hsin Wang	07/11/2019	04/18/2023	Position adjustment.

Note: Key individuals include Chairman, President, Chief Accounting Officer, Chief Finance Officer, Chief Internal Auditor, Chief Corporate Governance Officer, and Chief Research and Development Officer.

3.5 Information Regarding the Company's Certified Public Accountant Audit Fee

3.5.1 Information Regarding the Company's Certified Public Accountant Audit Fee

1. If the non-audit fees paid to the CPA, CPA's firm, and its affiliated enterprises amount to more than one-fourth of the audit fees, the amount of audit and non-audit fees and the content of non-audit services shall be disclosed:

Information of Audit Fee

Unit: NTD thousands

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-Audit Fee (Note 1)	Subtotal	Remarks
Deloitte Taiwan	Chiang-Hsun Chen Sheng-Tai Liang	2023	7,280	360	7,640	

Note 1: Mainly for transfer pricing of 310 and capital increase registration due to profit transfer of 50.

2. If the audit fee of the year is less than that of the previous year after changing account firm, the before and the previous and after audit fee amounts and reasons for the change shall be disclosed: None.
3. If the audit fee decreases by more than 10% compared to that of the previous year, the amount, percentage, and reasons for the decrease in the audit fee shall be disclosed: None.
4. CPA independence evaluation:

The company's Audit Committee regularly evaluates the independence of the external auditor based on the following factors and reports the assessment results to the Board of Directors:

(1) The auditor's independence statement.
(2) Audit services provided by the auditor require prior review by the Audit Committee.
(3) Annual compilation of the assessment on the auditor's independence through a questionnaire on independence and suitability (Note).

Note: Important criteria regarding external auditor's independence:

Items	Content	Qualified or Not: Qualified	Qualified or Not: Not
1	The appointed accountant must recuse from accepting tasks if there is a direct or significant indirect conflict of interest that may affect their impartiality and independence.	✓	
2	The appointed accountant providing audit, review, verification, or special examination of financial statements and issuing an opinion report shall maintain both substantive and formal independence. Therefore, members of the audit service team and related entities of the accounting firm must maintain independence from the audited client.	✓	
3	Whether or not the appointed accountant holds independence with an honest and objective perspective.	✓	
4	Whether or not the appointed accountant's independence is affected by factors such as self-interest, self-assessment, advocacy, familiarity, and coercion.		✓
5	None of the following circumstances apply:		
	(1) Disciplinary action by the competent authority or sanctions under Article 37 of the Securities and Exchange Act.	✓	
	(2) Continuous seven-year tenure as the Company's accountant or any circumstances detrimental to independence.	✓	
	(3) Using authority to conduct unfair competition.	✓	

3.5.2 Replacement of Certified Public Accountant

1. Information of former CPAs

<table>
<tr><td>Date of Replacement</td><td colspan="4">Approved by the 443rd Board of Directors on March 22, 2022</td></tr>
<tr><td>Reasons and Explanation of Replacement</td><td colspan="4">In compliance with regulatory requirements on rotation, the Company changed the accountants Chiang-Hsun Chen and Keng-Hsi Chang to Chiang-Hsun Chen and Sheng-Tai Liang starting from the first quarter of 2022.</td></tr>
<tr><td rowspan="3">State whether the Appointment is Terminated or Rejected by the Consignor or CPAs</td><td colspan="2">Parties / Status</td><td>CPA</td><td>Consignor</td></tr>
<tr><td colspan="2">Appointment terminated</td><td>NA</td><td>NA</td></tr>
<tr><td colspan="2">Appointment rejected (discontinued)</td><td>NA</td><td>NA</td></tr>
<tr><td>The Opinions other than Unqualified Opinion Issued in the Past Two Years and the Reasons for the Said Opinions</td><td colspan="4">None</td></tr>
<tr><td rowspan="6">Is there any disagreement in opinion with the issuer</td><td rowspan="4">Yes</td><td></td><td colspan="2">Accounting principle or practice</td></tr>
<tr><td></td><td colspan="2">Disclosure of financial statements</td></tr>
<tr><td></td><td colspan="2">Auditing scope or procedures</td></tr>
<tr><td></td><td colspan="2">Others</td></tr>
<tr><td>No</td><td colspan="3">✓</td></tr>
<tr><td colspan="4">Explanation</td></tr>
<tr><td>Supplementary Disclosure (Disclosures Specified in Article 10.6.1.4~7 of the Standards)</td><td colspan="4">None</td></tr>
</table>

2. Information of successor CPAs

Accounting Firm	Deloitte Taiwan
CPA	Chiang-Hsun Chen and Sheng-Tai Liang

Date of Engagement	Approved by the 443rd Board of Directors on March 22, 2022
Prior to the Formal Engagement, Any Inquiry or Consultation on the Accounting Treatment or Accounting Principles for Specific Transactions, and the Type of Audit Opinion that Might be Rendered on the Financial Report	None
Written Opinions from the Successor CPAs that are Different from the Former CPA's Opinions	None

3. The Reply of Former CPAs on Article 10.6.1 and Article 10.6.2.3 of the Standards: None.

3.5.3 Company's Chairman, President, and Managers in Charge of Finance and Accounting Operations Holding Any Positions within Company's Independent Audit Firm or Its Affiliates in the Past Year:

None.

3.6 Changes in Trade and Pledge of Shareholding of Directors, Management, and Shareholders with 10% Shareholdings or More

1. Changes in Shareholding of Directors, Managers, and Major Shareholders

Title (Note 1)	Name	2023		Up until February, 29 of Current Fiscal Year	
		Net Change in Shareholding	Net Change in Share Pledged	Net Change in Shareholding	Net Change in Share Pledged
Chairman	Jason K.L. Chang	96,167	0	0	0
Director	Chi-Te Chen	13,859	0	0	0
Director	Tong Yang Chia Hsin Int'l Corp.	2,547,406	0	0	0
Representative of Institution Director	Pan Howard Wei-Hao	0	0	0	0
Representative of Institution Director	I-Chen Liu	0	0	0	0
Independent Director	Robert K. Su	0	0	0	0
Independent Director	Pao-Chu Lin	0	0	0	0
Independent Director	Kevin Kuo-I Chen	0	0	0	0
President, CEO of Headquarters Office, Chief Sustainability Officer, Information Security Supervisor	Li-Hsin Wang	18,778	0	0	0

Vice President	Wen-Wan Chen	0	0	0	0
Director of Finance and Accounting Division / Financial Officer	Jane Y.C. Chou	2,366	0	0	0
Director of Headquarters Office (Date of Appointment: 2023/04/18)	Hua-Chou Huang	2,000	0	0	0
Director of Headquarters Office/Corporate Governance Officer (Date of Appointment: 2023/04/18)	Hsiao-Yun Yu	1,681	0	0	0
Director of Strategic Business Division (Date of Appointment: 2023/04/18)	Puo-Chien Lin	1,540	0	0	0
Manger of Finance and Accounting Division / Accounting Officer	Mars Feng	880	0	0	0
Major Shareholder (16.44%)	Tong Yang Chia Hsin International Corporation	2,547,406	0	0	0

Note: 1. Shareholders with 100% shareholdings or more shall be stated separately as a Major Shareholder.

2. Shares Trading with Related Parties: None.

3. Shares Pledge with Related Parties: None.

3.7 Relationship Among CHC's Top 10 Shareholders

Relationship among the Company's Top Ten Shareholders

Name (Note 1)	Personal Shareholding		Spouse's & Minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship between the Company's Top Ten Shareholders, or Spouses or Relatives within Two Degrees of Kinship (Note 3)		Remarks
	Shares	(%)	Shares	(%)	Shares	(%)	Name	Relationship	
Tong Yang Chia Hsin Int'l Corp.	129,917,726	16.44	0	0	0	0	Int'l Chia Hsin Corp.	Supervisor	-
Tong Yang Chia Hsin Int'l Corp. Representative: Jason K.L. Chang	4,904,563	0.62	4,566,540	0.58	1,055,700	0.13	Yung-Ping Chang Taiwan Cement Corp.	Father & Son Director (IR)	-
Sung Su Investment Corp.	70,155,843	8.88	0	0	0	0	None	None	-
Sung Su Investment Corp. Representative: Yung-Ping Chang	42,583,141	5.39	6,933,493	0.88	0	0	Nelson An-Ping Chang Hsien-Ping Chang Chang Koo, Huai-Ju Jason K.L. Chang Int'l Chia Hsin Corp.	2nd degree kinship 2nd degree kinship 2nd degree kinship Father & Son Director	-
Yung-Ping Chang	42,583,141	5.39	6,933,493	0.88	0	0	Same as above	Same as above	-
Taiwan Cement Corp.	27,967,804	3.54	0	0	0	0	Ta-Ho Marinetime Corp.	Parent/ Subsidiary	-

Name (Note 1)	Personal Shareholding		Spouse's & Minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship between the Company's Top Ten Shareholders, or Spouses or Relatives within Two Degrees of Kinship (Note 3)		Re-marks
	Shares	(%)	Shares	(%)	Shares	(%)	Name	Relationship	
Taiwan Cement Corp. Representative: Nelson An-Ping Chang	6,669,735	0.83	246,077	0.03	0	0	Yung-Ping Chang Hsien-Ping Chang Chang Koo, Huai-Ju Ta-Ho Mari-netime Corp. Chia Hsin R.M.C. Corp..	2nd degree kinship 2nd degree kinship Spouse Director(IR) Director	-
Ta-Ho Marinetime Corp.	26,276,513	3.33	0	0	0	0	Taiwan Cement Corp.	Parent/Subsidiary	-
Ta-Ho Marinetime Corp. Representative: Li-Wen Tsai	0	0	0	0	0	0	None	None	-
Nutri Vita Inc.	17,612,153	2.23	0	0	0	0	None	None	-
Nutri Vita Inc. Representative: Hsien-Ping Chang	1,020	0	0	0	0	0	Yung-Ping Chang Nelson An-Ping Chang Chang Koo, Huai-Ju Tong Yang Chia Hsin Int'l Corp. Int'l Chia Hsin Corp. Chia Hsin R.M.C. Corp.	2nd degree kinship 2nd degree kinship 2nd degree kinship Supervisor Supervisor Supervisor	-
Chia Hsin Foundation	15,139,756	1.92	0	0	0	0	None	None	-
Chia Hsin Foundation Representative: Jason K.L. Chang	4,904,563	0.62	4,566,540	0.58	1,055,700	0.13	Yung-Ping Chang Taiwan Cement Corp.	Father & Son Director (IR)	-
Int'l Chia Hsin Corp.	14,933,245	1.89	0	0	0	0	Tong Yang Chia Hsin Int'l Corp.	Director	-
Int'l Chia Hsin Corp. Representative: Shiao-Lin Chen	0	0	0	0	0	0	Tong Yang Chia Hsin Int'l Corp.	Supervisor(IR)	-
Guo-Huei Gu	13,761,236	1.74	0	0	0	0	None	None	-
Chia Hsin R. M. C. Corp.	13,414,135	1.70	0	0	0	0	Taiwan Cement Corp.	Director	-
Chia Hsin R. M. C. Corp. Representative: Chang Koo, Huai-Ju	246,077	0.03	6,669,735	0.83	0	0	Yung-Ping Chang Hsien-Ping Chang Nelson An-Ping Chang	2nd degree kinship 2nd degree kinship Spouse	-

Note 1: All top ten shareholders shall be listed: juridical shareholders shall list their name and representatives separately.

Note 2: The calculation of shareholding ratio includes calculating the shareholding percentage separately under one's own name, spouse, minor, or by nominee arrangement.

Note 3: If the disclosed shareholders listed above include juridical and natural persons, the relationships between them shall be disclosed in accordance with the standards for issuer's financial reports.

Note 4: The data is current as of the exdividend date on August 2, 2023.

3.8 Shareholding Information of the Company, Directors, Managers, in Directly and Indirectly Controlled Entities

Comprehensive Shareholding Information

Unit: Share; %

Affiliated Companies (Note 1)	Company Investment		Direct or Indirect Investment by Directors, Supervisors, and Managers		Comprehensive Investment	
	Shares	%	Shares	%	Shares	%
Tong Yang Chia Hsin International Corp.	257,073,050	87.18	470,490	0.16	257,543,540	87.34
Chia Hsin Pacific Ltd.	19,186,070	74.16	6,257,179	24.18	25,443,249	98.34
Chia Hsin Property Management & Development Corp.	100,000,000	100.00	0	0	100,000,000	100.00
Chia Pei International Corp.	19,560,000	100.00	0	0	19,560,000	100.00
Bluesky Co., Ltd.	8,300,000	100.00	0	0	8,300,000	100.00
YJ International Corp.	228,000,000	100.00	0	0	228,000,000	100.00
Jaho Life Plus+ Management Corp.	40,000,000	100.00	0	0	40,000,000	100.00
Chia Hsin Green Electricity Corp.	500,000	100.00	0	0	500,000	100.00
Chis Hsin Construction & Development Corp.	31,458,920	46.18	284,421	0.42	31,743,341	46.60
LDC ROME	(Note 2)	40.00	0	0	0	40.00
L'Hotel De Chine Corporation	67,998,915	23.10	0	0	67,998,915	23.10

Note 1: The affiliated companies stated are long-term investments accounted for using equity method as of 31 December 2023 by the Company.

Note 2: The investment amount listed is €20,271,000.

4 Capital and Shares

4.1 Capital and Shares

4.1.1 Source of Capital

Source of Capital

Date	Issue Price Per Share	Authorized Capital		Paid-in Capital		Remarks			
		Shares	Amount NTD	Shares	Amount NTD	Source of Capital NTD		Capital Increased by Assets Other Than Cash	Other
12/31/2007	10	779,639,050	7,796,390,500	673,687,050	6,736,870,500			None	None
02/04/2008	10	779,639,050	7,796,390,500	671,888,050	6,718,880,500	a	17,990,000		
08/29/2008	10	779,639,050	7,796,390,500	739,076,855	7,390,768,550	b	671,888,050		
12/02/2008	10	779,639,050	7,796,390,500	725,830,855	7,258,308,550	c	132,460,000		
03/18/2009	10	779,639,050	7,796,390,500	717,877,855	7,178,778,550	d	79,530,000		
08/18/2010	10	779,639,050	7,796,390,500	732,235,412	7,322,354,120	e	143,575,570		
08/04/2011	10	779,639,050	7,796,390,500	754,202,474	7,542,024,740	f	219,670,620		
08/19/2012	10	1,500,000,000	15,000,000,000	776,828,548	7,768,285,480	g	226,260,740		
01/18/2016	10	1,500,000,000	15,000,000,000	774,780,548	7,747,805,480	h	20,480,000		
08/23/2023	10	1,500,000,000	15,000,000,000	790,247,459	7,902,474,590	i	154,669,110		

Note: Source of capital are as follows,

a. Share repurchase and cancellation of NTD 17,990,000
b. Capital increase from retained earnings of NTD 671,888,050
c. Share repurchase and cancellation of NTD 132,460,000
d. Share repurchase and cancellation of NTD 79,530,000
e. Capital increase from retained earnings of NTD 143,575,570
f. Capital increase from retained earnings of NTD 219,670,620
g. Capital increase from retained earnings of NTD 226,260,740
h. Share repurchase and cancellation of NTD 20,480,000
i. Capital increase from retained earnings of NTD 154,669,110

Share Type	Authorized Capital			Remarks
	Outstanding Shares(Note)	Unissued Shares	Total Shares	
Common Share	790,247,459	709,752,541	1,500,000,000	Listed Shares

Note: Treasury stocks are included. Please refer to Section 4.1.9 in this annual report for details.

Summary of Self Registration Information

Securities Type	Preparing to Issue Amount		Issued Amount		Purpose and Effect for Issued Shares	Issue Period for Unissued Shares	Remarks
	Total Shares	Authorized Amount (NTD)	Shares	Price (NTD)			
Not Applicable							

4.1.2 Structure of Shareholdings

Structure of Shareholders

As of the ex-dividend date: 08/02/2023

Item	Government Agencies	Financial Institutions	Other Institutional Persons	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	0	4	276	65,376	156	65,812
Shares	0	1,704,056	421,242,245	309,097,531	42,736,716	774,780,548
Percentage	0.00%	0.22%	54.37%	39.90%	5.51%	100%

4.1.3 Distribution of Shareholdings

Status of Shareholding Distribution

As of the ex-dividend date: 08/02/2023

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1 ~ 999	42,107	4,619,315	0.60%
1,000 ~ 5,000	17,672	37,667,920	4.86%
5,001 ~ 10,000	3,102	23,941,363	3.09%
10,001 ~ 15,000	958	12,016,783	1.55%
15,001 ~ 20,000	529	9,750,325	1.26%
20,001 ~ 30,000	463	11,767,696	1.52%
30,001 ~ 40,000	211	7,533,658	0.97%
40,001 ~ 50,000	144	6,697,107	0.86%
50,001 ~ 100,000	266	19,181,005	2.48%
100,001 ~ 200,000	167	23,597,641	3.05%
200,001 ~ 400,000	77	21,500,378	2.78%
400,001 ~ 600,000	29	14,490,456	1.87%
600,001 ~ 800,000	9	6,154,564	0.79%
800,001 ~ 1,000,000	10	8,906,761	1.15%
1,000,001 or over	68	566,955,576	73.17%
Total	65,812	774,780,548	100%

Preferred Shares

As of the ex-dividend date: 08/02/2023

Class of Shareholding (Unit: Share)	Number of Shareholders	Shares	Percentage
Self-generated classification according to actual circum-stances	NA	NA	NA
Total	NA	NA	NA

4.1.4 Major Shareholders

List of Major Shareholders

As of the ex-dividend date: 08/02/2023

Name of Shareholders	Shareholding	
	Shares	In Percentage
Tong Yang Chia Hsin Int'l Corp.	127,370,320	16.44%
Sung Ju Investment Corp.	68,780,239	8.88%
Yung-Ping Chang	41,748,178	5.39%
Taiwan Cement Corp.	27,419,416	3.54%
Ta-Ho Marinetime Corp.	25,761,288	3.33%
Nutri Vita Inc.	17,266,817	2.23%
Chai Hsin Foundation	14,842,899	1.92%
Int'l Chia Hsin Corp.	14,640,437	1.89%
Guo-Huei Gu	13,491,408	1.74%
Chia Hsin R. M. C. Corp.	13,151,113	1.70%

4.1.5 Market Price, Net Worth, Earnings, and Dividends Per Common Share for the Past Two Years

Recent Two-Year Share Price, Net Worth, Earnings, and Dividends and Related Information

Item \ Year			2022	2023	From the Beginning of the Fiscal Year to 02/29/2024 (Note 8)
Market Price per Share (Note 1)	Highest		21.55	23.80	21.30
	Lowest		15.70	17.25	17.25
	Average		18.49	19.42	20.00
Net Worth per Share (Note 2)	Before Distribution		27.47	27.44	N/A
	After Distribution		26.67	N/A	N/A
Earnings per Share (EPS)	Weighted Average Outstanding Shares (Thousand shares)		658,894	658,894	N/A
	EPS(NTD) (Note 3)	Before Adjustment (Note 3)	(0.28)	0.12	N/A
		After Adjustment (Note 3)	(0.27)		
Dividends per Share	Cash Dividends		0.30	Pending for Board of Directors or shareholders' meeting resolution, as of the publication date of this annual report.	N/A
	Stock Dividends	Earnings distribution	0.20		N/A
		Capital distribution	-		N/A
	Accumulated Undistributed Dividends (Note 4)		-		N/A

Return on Investment	Price / Earnings Ratio (Note 5)	-	161.83	N/A
	Price / Dividend Ratio (Note 6)	61.63	N/A	N/A
	Cash Dividend Yield Rate (Note 7)	1.62	N/A	N/A

*If there are stock dividends from retained earnings or capital increase, the market price and cash dividend information adjusted retroactively according to the number of shares distributed shall be disclosed.

Note1: The highest and lowest market price of common shares in each year are listed and the average market price is calculated according to the annual transaction value and volume.

Note2: The number of shares issued as of the year-end shall be filled in accordingly and shall be based on the distribution determined by the Board of Directors or the shareholders' meeting held for the following year.

Note3: If retrospective adjustments are required due to free-gratus dividends, earnings per share before and after adjustment shall be listed.

Note4: If the issuance term of equity securities stipulates that the undistributed dividends for the current year can be accumulated to the profitable year, the accumulated unpaid dividends up to the current year shall be separately disclosed.

Note5: Price / Earnings ratio = Average market price / earnings per share

Note6: Price / Dividend ratio = Average market price / case dividends per share

Note7: Cash Dividend Yield Rate = Cash dividends per share / average market price

Note8: Net worth per share and earning per share shall be disclosed based on the most recent quarter information audited (reviewed) by the CPAs up to the publication date of this annual report. Data for 2023 is as of the publication date of this annual report, which is 2024/2/29.

4.1.6 Company's Dividend Policy and Implementation

1. Dividend Policy

The Company adopts a residual dividend policy, which allows for the retention of earnings in accordance with considerations of future capital expenditure spendings and financial needs. After retaining an appropriate amount, any remaining earnings may be distributed to shareholders as dividends and at least 50% shall be distributed as dividends to shareholders.

Regarding the distribution of dividends, the Company shall to allocate at least 10% of the total dividend distribution in cash, while the remainder may be distributed as stock dividends.

However, if it is necessary to change the dividend policies mentioned above, due to requirements by government agencies or the Taiwan Stock Exchange, changes in domestic or international political and economic situations, major capital expenditures by the Company, inability to obtain sufficient funds from external sources to support financial needs, or any other factor that is beyond the Company's control, the Chairman is thereby authorized to propose revisions to the policy based on the circumstances and shall submit the decision the Board of Director for discussion and approval.

2. Implementation Status

As of the publication date of this annual report, the Company's Board of Directors has not yet reached a decision regarding the 2023 earnings distribution.

4.1.7 Impact of Proposed Stock Dividend on the Company's Operating Performance and EPS: Not applicable.

4.1.8 Compensation of Employees and Directors

1. Percentage or range of compensation for employees and directors specified in the Company's Articles of Association:

   In accordance with the Company's Articles of Association, should there be profit in the fiscal year, the Company is required to allocate between 0.01% to 3% of the profit as employee compensation, and up to 3% as Director remuneration. However, when there are accumulated losses, the Company shall retain the amount for loss recovery before allocating the compensation mentioned before. All arrangements are subject to approval by the Board of Directors and reported to the shareholders' meeting.

2. Basis for estimating compensation for employees and directors of the period, for calculating number of shares for stock-based employee compensation, and for accounting solutions for any differences between actual and estimated amount are as follows: Will be processed according to accounting estimations and recorded in the following fiscal year.

3. Approval of distribution of compensation by the Board of Directors:

   (1) Employee and Director compensation distributed in cash or stocks. Any difference between the estimated expenses recorded and the actual amount distributed shall be disclosed, along with the reasons and responsive measures taken:

   The Company evaluated the overall performance of its operations and Board of Directors, and calculated Director compensations in accordance with relevant regulations to reflect the positive correlation between amount distributed and the Company's performance. Taking the overall business development into account and hoping to boost employee motivation, the Company issued an average of 1.35 months' worth of year-end bonuses to all employees at the end of 2023 as an early encouragement.

   On February 27, 2024, the Board of Directors approved the distribution of employee remuneration in the amount of NT$700 thousand and director remuneration in the amount of NT$700 thousand, both in case. The amounts are consistent with the estimates recorded in the financial accounts for 2023.

(2) The ratio of employee remuneration distributed in the form of stock to the net profit for the period and the total employee remuneration for the period are as follows: This is not applicable, as the Company did not distribute any employee compensation in the form of stocks this year.

4. The actual distribution of employee, Director, and supervisor remuneration for the previous fiscal year (including the number of shares distributed, amount, price per share) and any differences between the distribution and recognition of employee, Director, and supervisor remuneration, reasons of difference, and responsive measures take shall be disclosed:

Remuneration for employees and Directors for the fiscal year of 2022

Unit: NTD thousands

Type of Remuneration	Board Resolution (03/09/2023)	Actual Payment
Employee Compensation(in cash)	0	0
Director Compensation(in cash)	0	0

4.1.9 Buyback of Treasury Stock

1. 1. Buyback of Treasury Stock (already completed)

As of 12/31/2023

Buyback Issue	the 9th
Buyback Purpose	Transfer to employees
Buyback Timeframe	03/26/2020 - 05/22/2020
Price Range	NT$14.79 to NT$15.96
Type and Number of Buyback Shares	1,435,000 shares of common stock
Value of Buyback Shares	NT$22,239,663
Number of Shares Repurchased to the Total Shares to Be Repurchased (%)	20.50%
Shares Cancelled or Transferred	-

Buyback Issue	the 9th
Accumulated Number of Buyback Shares Held by the Company	1,435,000 shares of common stock
Accumulated Number of Buyback Shares to the Total Outstanding Shares Issued by the Company (%)	0.19%

2. Buyback of Treasury Stock (still in progress):

None.

4.2 Issuance of Corporate Bonds

None.

4.3 Issuance of Preferred Shares

None.

4.4 Issuance of Global Depositary Shares

None.

4.5 Issuance of Employee Stock Options

None.

4.6 Status of Employee Restricted Shares

None.

4.7 Status of New Share Issuance in Connection with Mergers, Acquisitions

None.

4.8 Funding Plans and Implementation

None.

5 Operational Highlights

5.1 Business Activities

5.1.1 Business Scope

Sector	Proportion of Operations
Cement	44%
Warehousing and Storage	22%
Real Estate	10%
Hospitality	24%

5.1.2 Industry Overview

1. Cement Sector

Current Status and Future Development

The Company's cement sales in Taiwan are primarily focused on the Central and Northern regions. With stable demand, the domestic market is considered mature. According to statistics provided by Taiwan Cement Manufacturers' Association for the fiscal year of 2023, domestic cement production was 10,246,472 metric tons, which showcased an 8.70% decline compared to that of the previous year. The total cement consumption for the same year was 13,015,755 metric tons, marking a 3.42% decline, with an average per capita consumption of 556 kilograms. Due to the government's measures to cool the housing market, the outlook for the building materials industry in 2023 was rather conservative. Compared to the previous year, the cement demand in 2024 is expected to experience a slight decline.

Unit: metric tons

Item / Year	Domestic Cement Production	Domestic Cement Consumption (Sum of Domestic and Imported Cement Sales)
2022	11,223,472	13,476,992
2023	10,246,472	13,015,755
Difference	-977,000	-461,237

Source: Taiwan Cement Manufacturers' Association

In addition, the cement industry has faced challenges in recent years due to increased environmental awareness and the government's imposition of carbon taxes on domestic cement production. The dumping of low-priced imported cement has created a more challenging operating environment for domestic cement producers. The domestic cement industry has repeatedly urged relevant government departments to impose carbon taxes on imported cement and clinkers, in order to maintain fair competition among the industry, protect the environment, and at the same time, ensure the cement industry's sustainable development.

Industry Supply Chain Relationships

The cement industry's upstream, midstream, and downstream related industries include cement production suppliers, shipping companies, cement warehousing, land transportation and distribution, ready-mix concrete, cement product manufacturing, and construction industries, and more.

Product Development Trends and Competition

In the cement product sector, Portland Type I cement is the most widely used in the domestic market. However, there has been a noticeable increase in demand for Portland Type II cement in recent years, especially in public works projects. While the Company currently only deals in the sale of Portland Type I cement, the commonality of storage and transportation equipment allows for the potential addition of Portland Type II cement trading in response to future customer demand or changes in market conditions.

2. Warehousing and Storage Sector

Current Status and Future Development

The Company's warehousing and storage department primarily focuses on providing industrial bulk raw material handling services.

The handling volume of port cargo fluctuates with the growth and decline of the domestic economy. In 2023, the bulk cargo handling volume at Taipei Port was 20,695,886 metric tons, marking a significant increase of 48.68% compared to the year before. At the Port of Keelung, the bulk cargo volume was 3,813,877 metric tons, which showcases a growth of 5.92% compared to the previous year. However, the Port of Taichung, the bulk cargo handling volume was 44,228,884 metric tons, declining by 21.78% compared to the previous year.

Handling Volume at Each Port

Unit: metric tons

Year \ Port	Taipei Port	Keelung Port	Taichung Port
2022	13,920,127	3,600,735	56,547,694
2023	20,695,886	3,813,877	44,228,884
Difference (%)	48.68%	5.92%	-21.78%

Source: As of the date 02/29/2024 of Official website of each Port Bureau

Industry Supply Chain Relationships

Warehousing and storage related industries include transportation, warehousing, loading and unloading, handling, packaging, distribution processing, shipping, information platform, and more.

Product Development Trends and Competition

The volume of port cargo handling is closely related to economic prosperity and is driven by the demand in the market where each port is located. Consequently, major economic development in Northern Taiwan and rising demand for renovation of old buildings will be the driving force in promoting the handling volume. Meanwhile, port cargo handling can be influenced by the logistic cost on the demand side, which can further lead to customers choosing ports that are closer to the markets and larger clients can directly apply for their own docking locations. However, with an increase in environmental awareness, products that offer solutions to lower air pollution and have ownership of ports will continue to maintain market competitiveness.

3. Real Estate Sector

Current Status and Future Development

The demand for commercial real estate is supported by rigid business needs, with better demand reflected in office spaces and factory buildings. However, the land market has cooled significantly due to various regulatory measures, which is leading to a continuous contraction in transaction volumes and marking the second-lowest record since the implementation of the House and Land Transactions Income Tax in 2016. In 2023, the office market in Taipei saw a new supply source of 59,000 ping, the highest since 2019. The vacancy rate for Grade A commercial offices has reached 8.92%, while Grade B offices remained low at 3.06%. Industrial real estate transactions, affected by poor industrial production and a significant decline in exports, have hit a five-year low, showing a decline of 43.90% compared to the same period as last year.

Industry Supply Chain Relationships

The main upstream sectors of asset management include real estate developers and real estate investment firms. The midstream consists of construction engineering, engineering consulting, building materials, and interior design industries. Lastly, the downstream sectors include real estate management, real estate brokerage, and support services.

The real estate leasing industry's associated sectors can be divided into residential and non-residential categories. Residential real estate includes residential buildings, commercial residences, serviced apartments, and elderly care homes. Non-residential categories include offices, shopping malls, hotels, factories, and medical facilities. Each type has its own upstream, midstream, and downstream associated industries in accordance with its usage.

Product Development Trends and Competitions

The real estate market is influenced by various factors such as the overall economy, housing policies, market supply and demand, and more. As of November 2023, the number of building transactions in the six major cities in Taiwan totaled 212,606 units, showing a decrease of 4.7% compared to the previous year and marking the lowest level since 2020. Among them, Tainan City was the only metropolitan area experiencing an increase, with a 5.7% growth compared to the same period last year. Taipei City showcased a decrease of 8.1%, New Taipei City by 1.8%, while Taoyuan City and Taichung City both decreased by approximately 8%, and Kaohsiung City by 4.8%. Following the introduction of the preferential mortgage program geared toward young adults in the fourth quarter, market sentiment improved, further leading to stable prices and increased transaction volume, an indication of slight recovery in the market due to the emergence of rigid housing demand.

4. Hospitality Sector

Tourism and Hospitality Industry

Current Status and Future Development

In 2023, the global service industry saw a recovery following the pandemic, particularly in the latter half of the year, with inbound and outbound travel numbers in all countries returning to about 80% of pre-pandemic levels. However, due to pressures regarding inflation, average daily rates (ADR) for hotels in major cities remained high and exceeded pre-pandemic levels. In addition, the labor market has not yet fully recovered. It is anticipated that high room rates will persist for a period of time.

Looking at individual countries, Europe showed the most remarkable performance. According to the Florence Tourism Research Center, Italy welcomed 445 million visitors in 2023, which has surpassed the record of 436 million visitors back in 2018. Japan also experienced a significant increase in inbound visitors in October 2022, reaching 2.52 million, which exceeded the number of visitors in 2018 for the first time post-pandemic. According to data collected by the Japanese Immigration Services Agency, the number of inbound visitors visiting Japan in 2023 reached 25.83 million, six times that of 2021, and about 80% of the levels seen in 2018. Nonetheless, outbound travel from Japan was affected by the exchange rate of the Japanese yen, with only 9.62 million travelers in 2023. Although the number was more than three times compared to the year before, it was still less than half of the peak in 2018. On the other hand, Taiwan was significantly impacted by the decrease in outbound travelers in Japan and China. According to calculations conducted by the Tourism Administration, inbound visitors to Taiwan reached 5.67 million as of the end of November, eight times that of the previous year, but only half of the peak in 2019.

Healthcare

Current Status and Future Development

Globally, many countries are facing declining birth rates and Taiwan is no exception. Coupled with economic pressures, surging housing prices, burden of educational costs, and concerns regarding marriage and childbirth, Taiwan's overall birth rate in 2023 decreased by 4.4% compared to 2021, reaching a new historical low. The number of maternity care facilities in Taipei City decreased from 61 to 53, from 2022 to 2023 (with a total of 266 maternity care facilities in Taiwan), indicating ongoing industry fluctuation. Meanwhile, the average age of first marriage for women has increased from 22.1 years old in 1960 to 30.7 years old in 2022; the average age of first childbirth has increased from 23 years old to 31.43 years; the proportion of women giving birth at age 35 and above has reached 32.44%, which indicates a trend of delayed childbirth. However, it is worth noting that, influenced by active subsidies and incentives from both businesses and the government, the number of births in Taipei City from January to October 2023 increased by 7.8% compared to the same period in 2022, nearing the level seen in 2021. With the delay in childbirth age, there is a growing emphasis on pregnancy and postpartum care in the market, with increasingly strict requirements. According to the Ministry of Health and Welfare statistics in 2021, professional maternity care facilities have become the preferred choice for postpartum recovery and health. Despite the closing of some businesses in 2022, leaders in certain industries are continuing to expand and establish future plans. Although the national birth rate continues to decline, it is evident that consumer demand and regulatory requirements for postpartum maternal and infant care continue to escalate. After years of industry reshuffling and improvement, there are still niches and opportunities for development, making it a potential solution to the issue of declining birth rate.

Industry Supply Chain Relationships

The hospitality services sector provides accommodation and care services. In terms of the overall industry correlation, the Company belongs to the middle segment of the industry. Relevant upstream, middle, and downstream sectors include online travel agencies, traditional travel agencies, specialized medical institutions for women and infants, retail businesses for maternity and baby products, educational centers, and health consulting services. Meanwhile, food and beverage services procure fresh food, beverages, and general supplies from upstream suppliers.

Product Development Trends and Competition

The pandemic has altered people's lifestyle and work habits, consequently impacting trends in the hospitality industry. Consumers are now prioritizing personalized and unique experiences, pursuit of health and wellness, sustainable environments, and digital experiences. Additionally, inconveniences caused by the pandemic have led consumers to reduce their travel frequency and opt for destinations closer to home instead.

5.1.3 Technology and Research & Development

The Company works closely with the technology research and development industry. After evaluation, matured technological applications are adopted regarding the service and healthcare systems, with a focus on enhancing services and or reducing labor-intensive tasks.

5.1.4 Long-Term and Short-Term Development Plans

Short-Term Development Plans

1. **Cement Sector:** Enhance sales channels in the Taiwan cement market.
2. **Warehousing and storage sector:** Maintain current clients and continue to expand on new operations.
3. **Real Estate Sector:** Together with diversified land development approaches and targeting assets with lower utilization rates, revitalization measures are established for leasing.
4. **Hospitality Sector:**
   (1) Improve the know-hows of hospitality and healthcare services; cultivate talents and establish core competencies, as well as integrate and utilize smart technology.
   (2) Through the management of core brands, continue to differentiate products and expand upon extended business models.

Long-Term Development Plans

1. **Cement Sector:**
   (1) Maintain strategic investments in Taiwan Cement Corporation to indirectly benefit from investments in the cement markets of China and Europe.
   (2) In terms of investment in the circular economy of the cement industry and in response to future sustainable development, plans are made to execute sustainable projects more efficiently and on a larger scale, while also continuously supporting Taiwan Cement Corporation in renewable energy, batteries, energy storage, and waste management businesses.
2. **Warehousing and storage sector:** Maintain stability and diversity of goods to reduce seasonal fluctuations and achieve stable profitability.
3. **Real Estate Sector:** Continue to plan the development of existing assets and leasing projects in order to fully leverage Company assets and achieve effective growth in leasing revenue.

4. **Hospitality Sector**

Hotel

- Enhance value and market awareness of the Company's proprietary brand, Hotel Collective.
- Collaborate with international brands and affiliated enterprises to leverage partner resources and expand Company's influence in different markets.

Healthcare

- Continue to integrate services across upstream and downstream industries to establish a new healthcare model.
- Optimize the service team, enhance professional foundation, and cultivate talents for the healthcare industry.
- Combine business models, social welfare initiatives, and educational outreach to promote and deliver the concept of health.

5.2 Market, Production, and Sales Overview

5.2.1 Market Analysis

1. Cement sector

Sales Regions, Market Share, Future Supply and Demand, and Growth Prospects of Main Products

The Company's cement sales in Taiwan are primarily focused on the Central and Northern regions, and the domestic market is considered mature, with limitations to grow. Due to the government's measures to cool the housing market, the outlook for the building materials industry in 2023 is rather conservative. Therefore, it is anticipated that the 2024 domestic cement demand will encounter a slight decline, compared to the cement consumption in 2023.

Competitive Niche

With a standing history in cement operations, well-established sales channels, and a strong customer base, the Company currently has large cement silos with storage capacities of 38,000 tons and 45,000 tons, respectively. These shipping points are close to the markets and cover the main economic corridor in the Western region, providing convenient services to customers and receiving high praises in return.

Favorable Factors for Industry Development

The Taiwanese cement industry is mature, and the prices and supply are relatively stable. Demands have shown a steady growth due to returning Taiwan businesses and the development of the technology sector.

Unfavorable Factors for Industry Development and Countermeasures

Due to limited resources and energy policies, the cement industry in Taiwan must comply with greenhouse gas emission reduction and carbon reduction requirements, which will increase operational costs. Additionally, since carbon fees have been imposed on domestically produced cement since 2024 and not on imported cement from abroad, domestic cement producers facing dumping of low-priced imported cement in recent years are expected to encounter more challenges.

Countermeasures: The cement department of the Company has transitioned from cement manufacturing to a distribution business. In terms of strategic investments, investment targets aligned with the principles of circular economy are chosen. Regarding carbon fee collection, the Company, along with industry peers, has been actively advising government authorities to impose carbon fees on imported cement and clinker as well. Until relevant measures are perfected, the Company will continue to advocate for fair competition among all cement producers and promote industry sustainability.

2. Warehousing and Storage

Sales Regions, Market Share, Future Supply and Demand, and Growth Prospects of Main Products

Taipei Port's Bulk & General Cargo Terminal 1 primarily serves as distributors or manufacturers of sand, gravel, coal, and general bulk cargo in the Northern region of Taiwan. In the fiscal year of 2023, the Company handled approximately 5,800,173 metric tons of bulk cargo at Bulk & General Cargo Terminal 1, which accounted for around 28.03% of the total cargo handled at the port.

The demand for sand and gravel in the Northern region of Taiwan has shown mild growth, along with economic growth rates. However, the supply side is facing fluctuations due to factors such as river dredging volumes affected by weather conditions (typhoons, heavy rainfall), as well as production, transportation costs, and local government policies regarding mining and quarrying, leading to significant fluctuations in supply.

Competitive Niche

Port operation is a concessionary industry, which is difficult for competitors to enter.

Favorable Factors for Industry Development

The adoption of environmentally friendly unloading and warehousing operations at terminals is a trend. Currently, the bulk cargo operations at the Port of Keelung Keelung Port have not adopted hermetic handling operations. Due to limited backline hinterland, it is challenging to install such environmental protection facilities. Therefore, considering the rising domestic environmental standards, the port's sand, gravel, and bulk cargo is expected to gradually relocate, providing Taipei Port's Bulk & General Cargo Terminal 1 an operative advantage.

Unfavorable Factors for Industry Development and Countermeasures

The Northern region of Taiwan is not traditionally a major area for the development of the manufacturing industry. With the government's increasingly strict regulations on coal emissions, the demand for coal in the north is unlikely to increase, making it difficult for Taipei Port's Bulk & General Cargo Terminal 1's coal unloading business to grow.

Countermeasures: The Company is paying close attention to the direction of domestic energy policies, so that Taipei Port's Bulk & General Cargo Terminal 1 can expand the loading and unloading business of other bulk cargoes, in addition to gravel and coal.

3. Real Estate Sector

Sales Regions, Market Share, Future Supply and Demand, and Growth Prospects of Main Products

The real estate sector focuses on business operations such as asset leasing and asset management, and asset development. The Company's revenue in 2023 is NT$287,432,000, showing an increase of 6.39% from NT$270,161,000 in 2022. Among the assets, Chia Hsin Building's annual average occupancy rate is 98.79% and its rental income has increased by 5.88%; Gangshan plant's average occupancy rate is 72.1%, with an 8.13% increase in leasing revenue; other rental incomes has increased by 0.05% compared to the precious year.

Competitive Niche

The Company's Chia Hsin Building is located on Zhongshan North Road, also known as the Omotesando of Taipei, which is situated between the Shuanglian and Minquan West Road MRT stations. The building is only a 3-minute walk from the MRT stations, and a 5-minute car ride from Taipei Main Station. The surrounding area has perfect living functions, several well-known hotels, restaurants, banks, and post offices. It is a high-end office building with convenient transportation.

Meanwhile, the Company's Gangshan plant is located at Chia Hsin East Road, in Gangshan District, Kaohsiung City. Of all the factories, the old Gangshan factory covers 47,690.29 ping with a neat terrain. It is considered as a rare large-scale industrial area and is only a 10 minute drive to Zhongshan Gaogangshan Interchange and Nangangshan MRT Station.

Favorable Factors for Industry Development

In 2023, there still remained numerous uncertain factors affecting the economic situation. To strengthen financial resilience, businesses were more inclined to invest in commercial real estate that offers both value preservation and potential for appreciation and returns. Offices and corporate headquarters were particularly popular, especially in prime urban locations where office spaces also offer benefits for redevelopment. If the Central Bank follows the United States in reducing interest rates in 2024, and with the expected recovery in the life insurance industry and investments, it is anticipated that the commercial real estate market will show stable volume with gradual price increases.

Unfavorable Factors for Industry Development and Countermeasure

Due to inflation and high interest rates, the life insurance industry has slowed its investment pace, with the amount invested in the commercial real estate market reaching a historic low in 2023. Industrial real estate transactions totaled NT$87.4 billion for the year, showcasing a decrease of 42% compared to the previous year. Large-scale land transactions were affected by the Central Bank's failure to loosen regulations on construction financing, as well as government initiatives such as the implementation of a property hoarding tax 2.0 and reforms to virtual floor areas, further leading to overall market fluctuations and weakened investment momentum and resulting in a decline in total land transactions.

Countermeasures: While economic conditions and government policies may impact the residential market in the short term, in terms of medium to long-term development, there is a demand for assets that offer value preservation and inflation resistance. It is anticipated that focus will shift towards investment in commercial and industrial real estate. With the growing AI and emerging technologies, there will be an evident increase in investment in smart warehouses and technology factories, which is expected to create a new wave of industrial real estate investment. Therefore, the priority of the Company at this state remains to revitalize existing commercial and industrial real estate assets.

4. Hospitality Sector

The hospitality sector mainly has two product lines, hotel and health care, which are detailed separately as follows.

Hotel

According to the Okinawa Convention & Visitors Bureau (OCVB), it is forecasted that the inbound tourism arrivals to Okinawa in 2023 will reach 8.23 million, displaying a 144% increase compared to the previous year. While over 80% of tourists are still primarily domestic travelers, international visitors began to return in the second half of the year, comprising 13% of all tourists. However, due to the continued shortage of airport personnel, international flights have not been able to return to the pre-pandemic levels, thereby reducing the number of international visitors arriving in Okinawa.

The Company's brand-new urban resort hotel, Hotel Collective, officially commenced operations in Naha City, Okinawa, Japan in 2020. Hotel Collective has a total of 260 rooms, accounting for approximately 3.72% of the total room supply of urban hotels in Okinawa, which is 6,990 rooms. Due to the challenge of acquiring large land areas in Naha City, the development of large-scale tourist hotels is rather difficult, with most of the new supplies offered to business hotels in the city. Hotel Collective's main competitors include Hyatt Regency Naha, Okinawa, Rihga Royal Gran Okinawa, and The Naha Terrace.

In 2023, Hotel Collective achieved a total operating revenue of 2.695 billion Japanese yen, a growth of 76.68% compared to the year before. With an occupancy rate of over 80% throughout the year, the room rates are slightly lower than those of Hyatt Regency Naha, therefore ranking second in Naha City in terms of average revenue per available room (RevPar).

Competitive Niche

1. The hotel is located on Kokusai Street, a prime location for tourism.
2. The hotel is equipped with hardware facilities that are the most advanced in the industry, and the first to install giant LED scenes in the event room.
3. The room and bathroom spaces offered are doubled compared to traditional Japanese hotels in the city.
4. The hotel has multinational employees, which gives great advantages when accommodating international tourists.

Favorable Factors for Industry Development

1. The second runway of Okinawa was completed and started operations in 2020, which will increase the number of flights and number of tourists traveling from other parts of Japan and overseas.
2. As border restrictions are lifted, international tourism is also gradually recovering. However, it is anticipated that intercontinental travels will recover slower due to the uncertain recovery time of the global pandemic in different countries. Therefore, shoe-distance travels remain as the first choice. And with the popularization of vaccines, which is expected to stabilize the pandemic early, Japan is bound to be the best destination choice for East Asia travels. In addition, Okinawa has always been a popular tourist attraction in Japan, and is expected to experience a strong rebound once the pandemic is contained.

Unfavorable Factors for Industry Development and Countermeasures

1. During the longer recovery period for international travelers and the slower resumption of international flights, it is estimated that it will take until 2024 or later to return to pre-pandemic levels of visitors.

   Countermeasures: Hotel Collective will primarily target domestic travelers in Japan during this period.

2. Impact of the COVID-19 pandemic and inflation may affect the labor market and cause imbalances when peak season arrives.

   Countermeasures: Increase the ratio of full-time staff and strengthen cooperation with schools to enhance workforce capacity.

3. Surging electricity costs are affecting cost control.

   Countermeasures: Strengthen energy-saving policies in the hotel and consider installing self-owned power generation systems to mitigate risks.

Health Care Sector

The Taipei maternity care market continues to undergo restructuring and is currently still in a transitional phase. Consumer preferences are no longer solely focused on price and standardized services, but also take the content and value of products into account, while seeking for the best care model that suits individual needs. Since its establishment Gemcare Maternity Center has steadfastly refused to succumb to price competition and maintained high standards for the care and service quality it provides. However, this insistence on high costs has not always been fully accepted in the consumer market, which leads to inevitable losses in competitiveness. In recent years, consumers have gained deeper knowledge of this industry and have higher expectations for high-quality professional care and services. In such a market environment, the Company clearly defines its target customer base and provides the most professional services according to their characteristics. At the same time, service offerings are innovated, new business models are adopted, and extended services beyond basic standards are provided, as the Company is aiming to become the benchmark of the industry. Through precise management and branding and differentiation of products, the Company is expanding business models and is confident that it will demonstrate outstanding performance in future business operations.

Competitive Niche

Over the past eight years, Gemcare Maternity Center, as a brand, has gained a certain level of recognition and trust through diligent efforts. Apart from internal focus on cultivating professional teams and improving service quality, the dedicated in-house catering unit and extended health service team have contributed to distinguishing brand value and content from other maternity centers. Additionally, strong support from the Company's background and corporate philosophy has increased consumer confidence in the institution. Furthermore, Gemcare has continuously expanded its service offerings beyond maternity care during the postpartum period. It is committed to finding external professional teams with similar ideologies, expertise, and common missions to collectively plan comprehensive service offerings. Gemcare also pays attention to groups in society that require assistance and contribute efforts to help everyone in achieving a healthier consensus. This approach can help customers better understand the brand, while showcasing brand value. Moreover, the team at Gemcare shares and strives towards the same goal - the warmth, dedication, and professionalism of people have already become Gemcare’s most valuable corporate culture and competitive force.

Favorable Factors for Industry Development

1. Leverage the results of team development to demonstrate the capabilities of various professional services.
2. Utilize resources available from the corporate group to adapt to the current citation and further improve brand development.
3. Employ current brand value to create more services and enhance performance.

Unfavorable Factors for Industry Development

Following the COVID-19 pandemic, contagious diseases remain prevalent, although the impact of symptoms has significantly decreased. However, the risk of infection within institutions still requires careful management. Additionally, Taiwan's long-standing shortage of nursing personnel has become a major potential concern for industry development.

Countermeasures:

(1) Establish a health risk contingency plan, adhere to infection control standards, and ensure the safety of all customers and staff members.

(2) Collaborate with relevant educational institutions to cultivate new nursing talent, while providing comprehensive training programs to ensure the staff's professional knowledge and skills are always up to date.

(3) Make good use of talents from different professional backgrounds, achieve professional division of labor, improve efficiency of care services, and at the same time control costs.

5.2.2 Important Applications and Production of Main Products

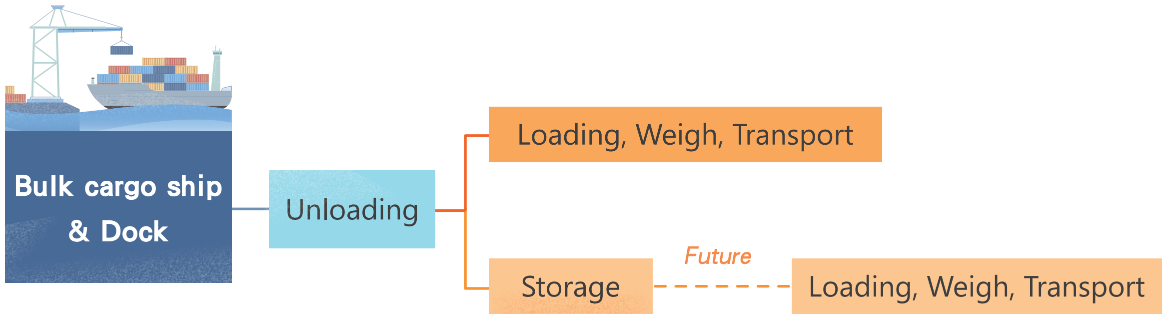
Important Applications of Main Products

1. **Cement Sector:** The cement sold by the Company is all Portland cement Type I, also known as ordinary cement. This type of cement has a wide range of applications, including the construction of bridges, highways, drainage facilities, dams, levees, dock equipment, military facilities, as well as the construction of houses and buildings in civil engineering projects, and also surface finishing of structures.
2. **Warehousing and Storage Sector:** The loading, unloading, and storage services facilitate the circulation of goods, allowing the physical products involved in transactions to be transferred through intermediate stations to reach the designated locations of purchasers.
3. **Real Estate Sector:** The Company's real estate sector currently focuses primarily on leasing, offering products such as land or buildings for tenants to establish factories or offices.
4. **Hospitality Sector:** In the hospitality sector, the Company mainly operates guest rooms, dining facilities, and health care services, aiming to leave customers with wonderful and lasting memories after use.

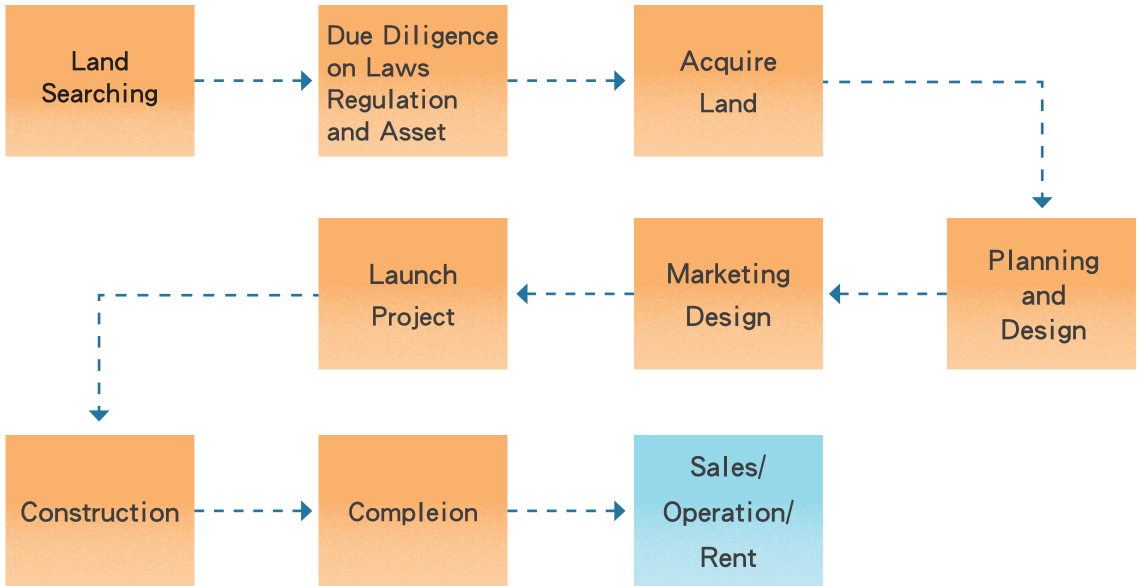
Process of Main Product Production

1. **Cement Sector:** Our company operates as a distributor in Taiwan, mainly procuring cement domestically and internationally and transporting it by ship to large cement silos at Port of Keelung and Port of Taichung (with capacities of 38,000 metric tons and 45,000 metric tons, respectively). The cement is then sold to customers in bulk or bagged form.

2. Warehousing and Storage Sector



3. Real Estate Sector



4. **Hospitality Sector:** The Company provides services including food and beverage procurement of fresh food, beverages, and general supplies from suppliers, and offers delicious dishes to consumers. For accommodation, the Company accepts bookings from official websites, individuals, physical and online travel agencies, and corporate clients. After receiving bookings, the Company purchases related room amenities from suppliers to ensure that guests can enjoy a comfortable hotel experience.

5.2.3 Supply of Key Raw Materials

1. **Cement Sector:** According to the statistics published by Taiwan Cement Manufacturers' Association in 2023, domestic cement production amounted to 10,246,472 metric tons, showing a decline of 8.70% compared to the previous year. The total cement consumption for the year was 13,015,755 metric tons, which marked a decrease of 3.42%. Supply and demand are in a balanced state. The Company's main suppliers for cement are Taiwan Cement Corporation and Asia Cement Corporation.

2. **Warehousing and Storage Sector:** Mainly focuses on the warehousing and storage services; therefore, there is no concern in raw material supply.
3. **Real State Sector:** The real estate and asset management sector primarily oversees assets such as the Taipei Chia Hsin Building, buildings on Bo'ai Road in Taipei, land in Zhonghe District, in New Taipei City, land in Mount Dagang in Kaohsiung; properties also include both old and new factories in Gangshan, and land on Kuojian Road in Kaohsiung.
4. **Hospitality:**

Hotel

- Hotel Collective offers 260 guest rooms; both locations of Gemcare Maternity Center offer a total of 44 beds

Food & Beverage

- Apart from regular upstream food suppliers, to advocate for organic produce and local revitalization efforts, the Company also sources organic food from Yong Lin Farm through GPing Wellness Corporation and engages in corporate procurement from small-scale farmers supported by corporate groups.

5.2.4 List of Major Suppliers and Customers in the Past Two Years

1. Major Suppliers in the Past Two Years

Unit: NTD thousands

Item	2023				2022			
	Company Name	Amount	As % of Total Net Purchase	Relation with the Company	Company Name	Amount	As % of Total Net Purchase	Relation with the Company
1	Taiwan Cement Corp.	583,700	49%	The Company is a Director of Taiwan Cement Corp.	Taiwan Cement Corp.	544,950	50%	The Company is a Director of Taiwan Cement Corp.
2	Asia Cement Corp.	501,600	42%	None	Asia Cement Corp.	445,750	41%	None
3	Others	117,353	9%		Others	90,021	9%	
	Total Net Purchase	1,202,653	100%		Total Net Purchase	1,080,721	100%	

Note 1: List the names of suppliers whose total purchases in the past two years account for more than 10%, along with their purchase amounts and proportions. However, if contracts prohibit the disclosure of supplier names or if the trading partner is an individual and not a related party, then they may be represented by a code.

2. Major Customers in the Past Two Years

Unit NTD thousands

Item	2023				2022			
	Company Name	Amount	As % of Total Net Purchase	Relation with the Company	Company Name	Amount	As % of Total Net Purchase	Relation with the Company
1	Lian Hsin Construction Material LTD.	327,847	11%	None	Lian Hsin Construction Material LTD.	263,598	12%	None
2	Others	2,583,736	89%		Others	1,990,061	88%	
	Total Net Revenue	2,911,583	100%		Total Net Revenue	2,253,659	100%	

Note 1: List the names of customers whose total revenue in the past two years account for more than 10%, along with their revenue amounts and proportions. However, if contracts prohibit the disclosure of customer names or if the trading partner is an individual and not a related party, then they may be represented by a code.

5.2.5 Production Volume and Value in the Past Two Years

Production Quantity Unit: Metric Tons
Production Value Unit: NTD thousands

Year / Output / Major Products (or by Department)	2023			2022		
	Capacity	Quantity	Amount	Capacity	Quantity	Amount
Portland Type I Cement	-	411,500	1,173,835	-	391,000	1,080,469
Clinker	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	-	411,500	1,173,835	-	391,000	1,080,469

Note 1: Production capacity refers to the quantity that the Company can produce under normal operating conditions, taking into account necessary downtime, holidays, and other factors, and using its existing production equipment.

Note 2: Where the production of individual products is substitutable, the combined production capacity may be calculated and shall be annotated.

5.2.6 Sales Volume and Value in the Past Two Years

Sales Quantity Unit: Metric Tons
Sales Value Unit: NTD thousands

Year / Sales / Major Products (or by Department)	2023				2022			
	Domestic		Export		Domestic		Export	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Portland Type I Cement	435,812	1,269,680	-	-	358,372	986,402	-	-
Clinker	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Total	435,812	1,269,680	-	-	358,372	986,402	-	-

5.3 Profile of Employees in the Past Two Years and up to the Publication Date of this Annual Report

Number of Employees, Average Length of Service, Average Age, and Educational Distribution Ratio in the Past Two Fiscal Years and up to the Publication Date of this Annual Report

1. The Company

Year		2022	2023	Current Fiscal Year and up until 02/29/2024
Number of Employees	Regular Employees	87	88	82
	Contracted Employees	0	0	0
	Total	87	88	82
Average age		45.92	45.80	45.52
Average Length of Service (Years)		10.61	11.70	11.41
Education Distribution Ratio (%)	Ph.D.	0.00	0.00	0.00
	Masters	21.84	25.00	26.83
	Bachelor's Degree	70.11	68.18	65.85
	Senior High School	6.9	6.82	7.32
	Below Senior High School	1.15	0.00	0.00

2. All Companies included in the Consolidated Financial Statements

Year		2022	2023	Current Fiscal Year and up until 02/29/2024
Number of Employees	Regular Employees	412	398	390
	Contracted Employees	25	22	33
	Total	437	420	423
Average age		42.70	43.77	42.98
Average Length of Service (Years)		6.28	6.82	6.51
Education Distribution Ratio (%)	Ph.D.	0.00	0.00	0.00
	Masters	6.64	10.32	10.46
	Bachelor's Degree	69.11	66.51	66.85
	Senior High School	18.53	15.45	14.94
	Below Senior High School	5.72	7.72	7.75

5.4 Environmental Protection Expenditures

1. Losses or penalties caused by environmental pollution in the past year and up to the publi-cation date of this annual report: None.
2. Specific Measures: Considering the emphasis on environmental protection, each company within the corporate group will continue to invest in or improve pollution control equipment and energy saving technologies. Specific measures taken in the past two years are as follows:

Unit: NTD thousands

Company/Unit	2023	2022	Remarks
Chia Hsin Cement Corporation	760	-	In response to climate change and global warming, the corporate group has implemented concrete measures to promote environmental sustainability, energy conservation, carbon reduction, and water saving. Particularly, five atmospheric Water-GENNY water generator have been purchased and installed across various locations. Note: The Watergen-GENNY atmospheric water generator has re-ceived certification including the American ASSE LEC-2004 certification, NSF 61/42/53 certifications, and compliance with US federal drinking water standards. The device has also passed 78 inspections under Taiwan SGS standards. Under conditions of 70% humidity and 24 degrees Celsius, it can produce up to 18.8 liters of weak alkaline drinking water with a pH of 7.8-8.0 per day. The energy consumption is 350 watts per liter of drinking water (approximately 1 kWh). Such innovation has established itself as an advanced and environmentally friendly drinking water solution widely used in over 80 different countries worldwide.
Tong Yang Chia Hsin Int'l Corp	337	115	The Port of Taichung storage and logistics center has replaced its import system with high-efficiency motors and replaced conventional air conditioners with water-cooled and variable-frequency air conditioners to better facilitate energy conservation. At the plant at Port of Keelung, the disposal of waste cement dry powder hoses coming from self-unloading ships has been recycled and replaced with dust collection bags, which significantly reduces dust pollution.
Chia Pei Int'l Corp.	2,223	1,063	Taipei Port First Bulk Cargo Center has replaced the lighting fixtures in different zones of the factory with LED lights, upgraded compressed air equipment to energy-efficient models, and improved its sprinkler facilities to reduce dust pollution.
Chia Hsin Property Management & Development Corp.	4,950	-	Considering equipment lifespan and the benefits of energy conservation and carbon reduction, all six elevators at the front and rear buildings of the Chia Hsin Building were replaced and upgraded; the total project cost amounted to NT$17.22 million

Company/Unit	2023	2022	Remarks
Chia Peng Gemcare Maternity (Yangzhou) Co., Ltd	-	542	To establish a new type of high-quality maternity care center and provide better health and working environments for mothers, newborns, and staff members, the plan to apply for WELL Health Building Certification began in 2019. The certification focuses on clear standards for indoor air quality purification and monitoring, drinking water quality and cleanliness maintenance, as well as to provide an atmosphere of soft lighting and sound environment. The Company has consulted experts in providing professional advice for the application process. Subsequently, related improvement projects were executed to meet certification requirements. The WELL Health Building Certification for the center was obtained in the first quarter of 2022. Note: The WELL Health Building Standard was introduced by the International WELL Building Institute (IWBI) in 2014 and was certified by the Green Business Certification Inc. (GBCI).

3. Significant Environmental Capital Expenditures for the Next Three Years:

   To accommodate the development of the resort hotel in located in Toyosaki, Okinawa, the Company will adopt high-standard specifications of the InterContinental Hotels Group (IHG) for international-level hotels. Focusing on energy saving and water saving, significant funds are expected to be invested in environmental protection measures over the next few years. The overall cost estimate is pending on the confirmation of final design.

4. Implementation of the Restriction of Hazardous Substances Directive (RoHS) by the European Union and Avoidance Measures taken to Protect Investor Rights: This directive does not apply to the financial operations of the Company.

5.5 Labor Relations

Major Labor-Management Negotiations and Implementation Status

1. Labor-Management Meetings

   Labor-management meetings are conducted periodically, major functions are as follows:

   (1) Negotiate the relationship between labor and management and encourage collaboration.

   (2) Communicate about working conditions.

   (3) Plan employee welfare.

   (4) Improve work efficiency.

In each meeting, both parties are able to put in their best efforts to communicate and reach a consensus for an outstanding outcome.

2. Employee Welfare Committee Meeting

Employee Welfare Committee meetings are conducted periodically, its missions are as follows:

(1) Review, promote, and supervise matters regarding employee welfare.
(2) Planning, safeguarding, and utilization of employee welfare funds.
(3) Allocation, auditing, and reporting of income and expenditure in regard for the employee welfare committee.
(4) Other related employee welfare matters.

3. Supervisory Committee for Employee Retirement Preparation Fund

The Supervisory Committee for Employee Retirement Preparation Fund holds periodic meetings to fulfill the following missions:

(1) Review the allocation of the retirement preparation fund.
(2) Examine the amount of retirement preparation fund allocations.
(3) Examine matters regarding collections and deposits of the retirement preparation fund.
(4) Examine payment made to or from the retirement preparation fund.
(5) Supervise other retirement preparation fund related matters.

4. Implementation of Employee Welfare and Retirement Preparation Program

In addition to the statutory retirement pension system, labor insurance, and health insurance, the Company also offers group insurance for employees. Furthermore, the Company conducts annual health checks for employees, which exceed legal requirements, and provides free flu vaccines. Special health check-ups are also offered to employees working at the ports operated by Chia-Pei International Corporation and Tong Yang Chia Hsin International Corporation. Meanwhile, the Employee Welfare Committee provides various benefits including holiday, birthday, and elder care gifts, marriage and funeral subsidies, hospitalization condolences, retirement benefits, employee and children scholarships, employee and spouse childbirth gifts, and subsidies for childcare expenses. Additionally, flexible working hours, no clock-in required for make-up days, birthday leave, new employee leave, volunteer leave, paid family care leave and sick leave, as well as additional leave for prenatal check-ups, paternity check-ups and paternity leave, bereavement leave, and remote work days are also implemented, providing additional days beyond legal requirements. The Company also organizes various employee welfare activities periodically to promote the important balance between work and life.

5. Implementation of Employee Training

During every fourth quarter, the Company sets departmental talent development plans, which include goal setting, talent analysis, and talent development. Based on the annual goals and project priorities for the next year, each department is required to appoint responsible personnel and review whether they possess the corresponding capabilities. For those still lacking in certain abilities, a training plan is devised, which offers internal and external training courses, assigning department partners for specialized work guidance, and rotation through different positions within and outside the department.

The Company's routine training includes training for new employees, mandatory courses for all employees, and management training. Additionally, based on the annual employee training survey, internal training for required office skills and various project courses are organized. Particularly, courses designed for Directors and Supervisors are also available for employees to enroll and participate in.

Important Training Programs in the fiscal year of 2023:

(1) Promoting a competency model, the Company consolidated the core, professional, and management competencies of the Company, job categories, and different levels. Upon completion, this model will be applied to the recruitment and appointment process and combined with the performance evaluation system, to enhance employee job performance and personal development.

(2) Conducted management series training for reserve, junior, and mid-level supervisors. This year's three major themes were "Change Leadership OGSM," "Subordinate Development," and "Leaders who Inspire," totaling 16 hours, with 123 participants attending in person.

(3) The key project training for the fiscal year was "Risk Management." Under the premise of corporate sustainability, two main themes were discussed, including basic concepts of risk management, corporate sustainability, and risk management, totaling 6 hours, with 66 participants attending in person.

6. Losses Resulted from Labor Dispute up to the Publication date of this Annual Report: None.

5.6 Information Security Management

1. Information Security Risk Management Framework

The Headquarters Office of the Company is responsible for information security management, with the President concurrently serving as the Information Security Supervisor, who oversees formulation of Company information security policies and planning of information security measures. Additionally, the Company has appointed an Information Security Officer responsible for executing information security management operations.

The IT Division serves as the execution unit for information security. Following company information security policies and guidelines, they establish and maintain rigorous measures to effectively prevent and mitigate information security risks.

The Audit Office acts as the auditing unit for information security supervision. If any deficiencies are found during audits, the audited unit is promptly requested to submit relevant improvement plans to the Board of Directors. The Audit Office also regularly monitors the progress report of these improvements to reduce internal information security risks.

CPAs conduct annual information operations audits. If any deficiencies are identified, they request corrective measures and track the results of these improvements.

Considering the importance of information security, the responsible units are requested to report regularly to the Board of Directors on the Company's information security governance and implementation status. The most recent report was presented on December 15, 2023.

2. Information Security Policy

The Company administers the following measures to prevent risk and strengthen the management of information security, ensures the availability, completion, and confidentiality of information, and avoids any intentional or accidental threats internally and externally. The goals of security management are as follows:

(1) Maintain the continuous operation of various information systems

(2) Prevent cyber-attacks from hackers and various viruses

(3) Prevent improper and illegal use of systems

(4) Prevent the leakage of confidential and sensitive information

(5) Avoid human error and accident

(6) Maintain physical environment security

Information security management includes the following:

(1) Computer equipment security management	(4) System access control
(2) Network security management	(5) Operation sustainability
(3) Endpoint protection and management prevention	(6) Promotion and educational training

3. Management Plan

A. Computer equipment security management

1. All computers, application servers, and other equipment of the Company are located in dedicated machine rooms with access control limited to key cards and access records retained for inspection.
2. The machine rooms are equipped with independent air conditioning systems to maintain suitable temperature conditions for the operation of computer equipment. Additionally, chemical fire extinguishers are installed, suitable for use in general or electrical fires.
3. The mainframes in the machine rooms are equipped with uninterrupted power supply (UPS) and voltage stabilization devices. They are connected to the Company building’s backup generator power supply system to prevent system crashes caused by sudden power outages from the utility provider, or to ensure the continuous operation of computer applications during temporary power outages.

4. The computer equipment has designated lifespans, with desktop computers set at 8 years and laptops at 5 years. Equipment reaching the end of its lifespan is budgeted for replacement to avoid affecting work due to equipment failures.

B. Network security management

1. Strengthen network control by deploying enterprise-grade firewalls at the entry points connecting to external networks, effectively blocking illegal intrusion attempts by hackers.
2. Install data encryption for site-to-site connections between the Taichung and Keelung storage and transportation stations and the Taipei headquarters, to ensure data transmission security and prevent unauthorized access during the process.
3. Require employees accessing the Company's internal network remotely to apply for VPN accounts. Access to the ERP system is granted only after passing through VPN certificate control and username-password authentication, with usage records available for auditing purposes.
4. Implement internet behavior management and filtering devices to regulate access to the internet, while blocking access to harmful or policy-prohibited websites and content, to enhance network security and prevent improper utilization of bandwidth resources.
5. Conduct regular external network risk assessments using external network risk assessment tools to evaluate the Company's external network services and weaknesses identified are promptly reinforced to mitigate risks.
6. Conduct social engineering drills annually, coupled with educational training, to enhance employee awareness of cybersecurity threats.

C. Endpoint protection and management prevention

1. Install endpoint protection software systems both in the server and the terminal computers for anti-virus and antihacking protection. The virus pattern is automatically updated to ensure that the latest virus can be blocked, and at the same time, detect and prevent the installation of potentially executable files from threatening systems.
2. The email server is equipped with email anti-virus and spam filtering mechanisms to prevent viruses or spam from entering user PCs.
3. The anti-virus system will not only isolate or delete the detected or intercepted virus immediately, but will also proactively issue a risk report on the computer that is exposed so that managers can take corresponding actions.

D. System access control

1. Employees requesting access to various application systems should do so through the Company’s internal system permission application process. Upon approval by the

relevant authorities, the IT Division creates system accounts, and system administrators then authorize access based on the requested functional permissions.

2. Passwords for accounts are required to meet appropriate strength and length criteria, including a mixture of alphabets, numbers, and special symbols, to ensure security.
3. When employees leave or resign, they are required to notify the IT Division to proceed with the deletion of their accounts from various systems as part of the departure procedures.

E. Operation sustainability

1. System backup: Establish a cloud backup system with daily backup mechanisms. In addition to uploading one copy to the international cloud, another copy is stored in the computer room and a bank vault to ensure absolute security.
2. Disaster recovery drills: Conduct an annual drill for each system. After selecting a restoration date baseline, the backup media is restored to the main system, and then have all users confirm the correctness of the recovered data in writing to ensure the accuracy and effectiveness of the backup media.
3. Two data lines are rented from a telecommunications company. Through bandwidth management equipment, the two lines are connected in parallel for redundant use to ensure uninterrupted network communication.

F. Promotion and educational training

1. Regular advocacy: Require employees to periodically change their system passwords to maintain account security.
2. Seminar Advocacy: Conduct periodic information security-related education and training courses for all internal employees.
3. Join the Taiwan Computer Emergency Response Team Coordination Center (TWCERT/CC) as a member to obtain channels for cybersecurity incident consultation and collect cybersecurity intelligence for internal advocacy.
4. Provide additional education and training for employees with weak cybersecurity awareness based on the results of social engineering drills.

4. Information Security Management Resources

In order to implement the six major information security policies, the resources invested are as follows:

(1) Network hardware devices including firewall, email antivirus, spam filtering, online behavior analysis, managed hub, etc.

(2) Software systems including endpoint protection systems, backup management software, VPN authentication, and encryption software, etc.

(3) Telecommunication services such as multiple lines, cloud backup services, intrusion protection services, etc.

(4) Human resources allocation including daily system status checks and backups, weekly backup media offsite storage execution, at least two cybersecurity awareness education courses held every year, annual system disaster recovery execution drills, annual internal audits of information circulation, and audits by CPAs, etc.

(5) Information security management personnel: 1 chief information security management officer and 1 information security management dedicated personnel, both responsible for cybersecurity architecture design, cybersecurity operations and supervision, cybersecurity incident response and investigation, cybersecurity policy review and revision. The dedicated chief officer reports to the Board of Directors at least once a year.

5. Losses for Major Information Security Management Incidents in the Recent Fiscal Year and Countermeasures.

From the fiscal year of 2023 and as of the publication date of the annual report, there have been no significant information security management incidents

6. Information Security Drills

The Company conducts social engineering drills annually to enhance employee awareness of information security. The most recent drill was conducted on October 13, 2023 and employees who did not pass will receive relevant prevention training.

5.7 Material Contracts

Important Material Contracts

Nature of Contract	Counterparty	Period	Major Contents	Restrictions
Lease Agreement (Note 1)	Chia Hsin Cement Corporation / TIPC Port of Keelung	23 years and 9 months starting from 10/07/2000	The Company rented land between the back side of Wharf W33 and the west wave breaker from TIPC Port of Keelung, and built a cement silo and auxiliary equipment in the name of TIPC Port of Keelung as advance rental payments. Ownership belongs to TIPC Port of Keelung in accordance with Article 12 of the Commercial Harbor Law.	
Lease Agreement (Note 1)	Chia Hsin Cement Corporation / TIPC Port of Keelung	35 years and 5 months starting from 12/10/2009	The Company leased wharfs (E13, E14 and E15) at Taipei Port's Bulk & General Cargo Terminal 1 and agreed to construct wharf E16, and joint-venture constructed warehouse facilities, offices, and storage equipment at the back side of the Center. The facilities and equipment are used for loading and unloading, storage and transportation of coal, gravel, and bulk and general cargo.	

Nature of Contract	Counterparty	Period	Major Contents	Restric-tions
Storage & Transport Agreement	Chia Hsin Cement Corporation / CHC Resources Corporation	10/25/2010 ~ 05/10/2045	The Company built warehouse facilities at the backside of wharfs (E14, E15 and E16) at Taipei Port's Bulk & General Cargo Terminal 1. Main scope of work included handling and storage services for furnace slag powder from CHC Resources Corporation or other types of finished furnace slag powder. Management of the storage facilities is entrusted to CHC Resources Corporation during the term of the contract, as they will be responsible for matters related to occupational safety, environmental protection, site utilization, facility operation and maintenance, as well as insurance.	
Lease Agreement	Tong Yang Chia Hsin Int'l Corp. / Port of Taichung, Taiwan International Ports Corp., Ltd.	12/01/2014 ~ 12/31/2024	Rented Port of Taichung No. 27 Wharf 1st line land, cement silo, and auxiliary facilities.	
Lease Agreement	Chia Hsin Property Management & Development Corp. /National Taiwan University	05/16/2014 ~ 05/15/2024	Long term rental of Japanese-style housing and attached buildings on Hangzhou South Road, Taipei City from National Taiwan University.	
Lease Agreement	Chia Hsin Property Management & Development Corp. / GPing Wellness	08/16/2015 ~ 05/15/2024	Long term rental of Japanese-style housing and attached buildings on Hangzhou South Road, Taipei City from National Taiwan University.	
Lease Agreement	Chia Hsin Property Management & Development Corp. / POYA Int'l Co., Ltd.	12/01/2015 ~ 11/30/2035	Rental of two lots of land at Watsu Section, Gangshan District, Kaohsiung City (No. 2197-4 and No. 2205), totaling 8,413 ping.	
Lease Agreement	Chia Hsin Property Management & Development Corp. / Family Mart	01/01/2016 ~ 12/31/2035	Rental of six lots of land (No. 2197) at Watsu Section, Gangshan District, Kaohsiung City, totaling 15,130.37 ping.	
Lease Agreement	Chia Hsin Property Management & Development Corp. / Family Mart	01/01/2017 ~ 12/31/2035	Increase rental of land No. 2197-3, 965.88 ping at Watsu Section, Gangshan District, Kaohsiung City	
Lease Agreement	Chia Hsin Property Management & Development Corp. / Woey Her Enterprise Co., Ltd.	03/15/2019 ~ 05/31/2043	Rental of five lots of land (No. 1164) at Chia Hsin Section, Gangshan District, Kaohsiung, totaling 12,764 ping	

Nature of Contract	Counterparty	Period	Major Contents	Restric-tions
Lease Agreement	Chia Hsin Property Management & Development Corporation / Woey Her Enterprise Co., Ltd.	06/01/2023 ~ 05/31/2043	Rental of one lot of land (No. 1169) at Chia Hsin Section, Gangshan District, Kaohsiung, totaling 3,548.35 ping.	
Lease Agreement	Chia Hsin Property Management & Development Corp. / Hon Yuan Moto Corp.	01/01/2021 ~ 03/31/2033	Rental of land and building, totaling 905.35 and 384.62 ping respectively, at No. 349, Zhongshan Rd., Sec. 2, Chunghe District, New Taipei City	
Lease Agreement	Chia Hsin Property Management & Development Corp. / Eagle Cold Storage Enterprise Co., Ltd.	02/01/2023 ~ 01/31/2043	Rental of two lots of land No. 1163 Chia Hsin Section and No.1001 Wujiawei Section, Gangshan District, Kaohsiung City, totaling 4,109.17 ping	
Lease Agreement	Chia Hsin Property Management & Development Corp. / Chuang Neng Technology Co., Ltd	01/01/2024 ~ 12/31/2040	Rental of partial land of No.1148 Chia Hsin Section, Gangshan District, Kaohsiung City, totaling 2,500 ping.	
Urban Renewal Cooperation Agreement	Chia Hsin Property Management & Development Corp. / Huang Hsiang Construction Corporation	contract signed on 03/24/2022	Urban renewal of 3 lots of land, property above ground, and superficies on No. 539 Chengzhong Section 2nd, Zhongzhen District, Taipei	
Technical Service Commission Contract	Chia Hsin Property Management & Development Corp. / Urbanet Counseling Group	from 04/20/2021 until receiving approval from Kaohsiung City	Technical services for land change in Dagangshan section, Tianliao District, Kaohsiung City.	
Engineering Contract Agreement	Chia Hsin Property Management & Development Corp./ Taiwan Mitsubishi Elevator Co,, Ltd.	contract signed on 01/17/2023 ~ completion date	Replacement (demolition and renewal) of six elevators in Chia Hsin Building.	
Engineering Contract Agreement	Chia Hsin Property Management & Development Corp. / LJ Construction, Corp.	contract signed on 06/05/2023 ~ completion date	New construction project for commercial shops, dormitories, and offices in Gangshan, Kaohsiung City.	
Loading, Unloading, Storage And Transport Agreement	Chia Pei Int'l Corp. / Nan Ya Plastic, Hua Ya Power	08/01/2010 ~ 07/31/2026	Provision of unloading, warehousing, and truck loading services for coal at Taipei Port's Bulk & General Cargo Terminal 1.	

Nature of Contract	Counterparty	Period	Major Contents	Restrictions
Lease Agreement	Jaho Life Plus+ Management Lease Corp./ Xiuxia Chen, Xiuchuan Chen, Xiulong Chen, Xiumin Chen, Xiufeng Chen, Zhangji Chen, Weiyuan Chen, Weida Chen	01/01/2018 – 12/31/2027	Lease of property at No. 230 Dunhua North Road, Songshan District, Taipei City.	
Architectural Design And Supervision Services Commission Contract	CHC Ryukyu Development GK/ Kengo Kuma & Associates	05/28/2018 – completion date	Architectural planning, design, and supervision for land development in Toyosaki, Japan.	
Management Agreement	CHC Ryukyu Development GK/ IHG Japan (Management) LLC	contract signed on 08/17/2019	Project management of the hotel in Toyosaki, Japan.	
Lease Agreement	Chia Peng Gemcare Maternity (Yangzhou) Co., Ltd./ Yangzhou Tianlegang Holiday Concourse	12/01/2018 – 02/28/2034	Lease of property in Yangzhou City, China.	
General Contracting Agreement	Chia Hsin Green Electricity Co., Ltd. / Go Achieve Technology Co., Ltd.	contract signed on 12/25/2023 – completion date	General contracting project for the photovoltaic power generation system at the old Chia Hsin Gangshan plant factory.	

Note 1: In compliance with Article 9 of the Establishment Act of Taiwan International Ports Corporation, Ltd., Taiwan International Ports Corporation, Ltd. shall succeed the contracts made between TIPC Port of Keelung and the Company, as of March 1, 2012.

6 Financial Information

6.1 Five-Year Financial Summary

Condensed Balance Sheet and Statement of Comprehensive Income documented according to International Financial Reporting Standards (IFRS)

Condensed Consolidated Balance Sheet - IFRS

Unit: NTD thousands

Item		Financial Summary for the Past Five Years (Note 1)				
		2023	2022 (Note 3)	2021	2020	2019
Current Assets		10,549,056	10,395,347	11,156,660	11,726,520	10,657,604
Property, Plant and Equipment		4,250,010	4,848,433	5,282,102	6,195,433	6,535,574
Intangible Assets		3,845	6,651	7,580	11,347	5,518
Other Assets		21,661,423	21,203,803	23,801,309	22,712,927	21,521,938
Total Assets		36,464,334	36,454,234	40,247,651	40,646,227	38,720,634
Current Liabilities	Before Distribution	3,301,743	3,431,484	2,789,328	3,042,465	3,700,460
	After Distribution	(Note 2)	3,630,175	3,219,826	3,967,015	4,360,993
Non-Current Liabilities		10,744,033	11,023,323	11,548,090	12,586,413	11,343,949
Total Liabilities	Before Distribution	14,045,776	14,454,807	14,337,418	15,628,878	15,044,409
	After Distribution	(Note 2)	14,653,498	14,767,916	16,553,428	15,704,942
Equity Attributable to Owners of the Company		21,681,451	21,285,995	25,025,368	24,182,147	22,813,442
Share Capital		7,902,474	7,747,805	7,747,805	7,747,805	7,747,805
Capital Surplus		1,318,181	1,238,426	1,139,296	960,402	847,377
Retained Earnings	Before Distribution	10,258,578	10,566,464	11,237,099	11,653,749	10,660,775
	After Distribution	(Note 2)	10,179,791	10,734,424	10,574,189	9,888,994
Other Equity		3,280,168	2,811,250	5,979,118	4,939,214	4,654,268
Treasury Shares		(1,077,950)	(1,077,950)	(1,077,950)	(1,119,023)	(1,096,783)
Non-Controlling Interest		737,107	713,432	884,865	835,202	862,783
Total Equity	Before Distribution	22,418,558	21,999,427	25,910,233	25,017,349	23,676,225
	After Distribution	(Note 2)	21,800,736	25,479,735	24,092,799	23,015,692

Note 1: The financial information has been audited by CPAs.

Note 2: The distribution of 2023 earnings is still pending for resolution by the shareholders' meeting.

Note 3: For the year of 2023, amendments to IAS 12 were applied, requiring retrospective restatement of comparative period information.

Condensed Consolidated Statements of Comprehensive Income - IFRS

Unit: NTD thousands

Item \ Year	Financial Summary for the Past Five Years (Note 1)				
	2023	2022	2021	2020	2019
Operating Revenue	2,911,583	2,253,659	2,220,254	2,058,417	1,884,002
Gross Profit	366,431	132,586	30,799	(143,741)	198,597
(Loss) Profit from Operations	(147,524)	(395,370)	(525,636)	822,567	(434,786)
Non-Operating Income and Expenses	230,291	274,068	1,345,156	1,283,475	1,420,557
Profit (Loss) Before Income Tax from Continuing Operations	82,767	(121,302)	819,520	2,106,042	985,771
Net Profit (Loss) from Continuing Operations	96,038	(173,886)	747,535	1,836,495	818,510
Net Profit (Loss) from Discontinued Operations	-	-	-	1,499	590,161
Net Profit (Loss) for the Year	96,038	(173,886)	747,535	1,837,994	1,408,671
Other Comprehensive Income (Loss)(Net of Tax)	481,650	(3,276,723)	1,087,633	300,229	3,141,141
Total Comprehensive Income (Loss) for the Year	577,688	(3,450,609)	1,835,168	2,138,223	4,549,812
NetProfit (Loss) Attributable to Owners of the Company	81,082	(180,762)	657,848	1,764,366	1,297,473
Net Profit Attributable to Non-Controlling Interest	14,956	6,876	89,687	73,628	111,198
Total Comprehensive Income Attributable to Owners of the Company	547,705	(3,335,828)	1,702,814	2,051,467	4,326,485
Total Comprehensive Income Attributable to Non-Controlling Interest	29,983	(114,781)	132,354	86,756	223,327
Earnings (Loss) per Share (NT$) (Note 2)	0.12	(0.27)	1.00	2.68	1.97

Note 1: The financial information has been audited by CPAs.

Note 2: Prior period earnings per share are adjusted retrospectively for stock dividends based on the weighted average shares outstanding in each respective year

Condensed Parent Company Balance Sheet - IFRS

Unit: NTD thousands

Item \ Year	Financial Summary for the Past Five Years (Note 1)				
	2023	2022	2021	2020	2019
Current Assets	4,321,265	4,202,566	4,423,478	3,915,414	3,709,387
Property, Plant and Equipment	537,254	622,127	724,113	820,507	959,470
Intangible Assets	1,176	1,534	169	-	-
Other Assets	24,624,236	24,262,083	27,619,650	28,243,095	25,798,495
Total Assets	29,483,931	29,088,310	32,767,410	32,979,016	30,467,352

Item \ Year		Financial Summary for the Past Five Years (Note 1)				
		2023	2022	2021	2020	2019
Current Liabilities	Before Distribution	2,464,668	2,338,484	1,915,210	2,379,296	2,110,520
	After Distribution	(Note 2)	2,570,488	2,417,885	3,458,856	2,882,301
Non-Current Liabilities		5,337,812	5,463,831	5,826,832	6,417,573	5,543,390
Total Liabilities	Before Distribution	7,802,480	7,802,315	7,742,042	8,796,869	7,653,910
	After Distribution	(Note 2)	8,034,319	8,244,717	9,876,429	8,425,691
Share Capital		7,902,474	7,747,805	7,747,805	7,747,805	7,747,805
Capital Surplus		1,318,181	1,238,426	1,139,296	960,402	847,377
Retained Earnings	Before Distribution	10,258,578	10,566,464	11,237,099	11,653,749	10,660,775
	After Distribution	(Note 2)	10,179,791	10,734,424	10,574,189	9,888,994
Other equity		3,280,168	2,811,250	5,979,118	4,939,214	4,654,268
Treasury Shares		(1,077,950)	(1,077,950)	(1,077,950)	(1,119,023)	(1,096,783)
Total Equity	Before Distribution	21,681,451	21,285,995	25,025,368	24,182,147	22,813,442
	After Distribution	(Note 2)	21,087,304	24,594,870	23,257,597	22,152,909

Note 1: The financial information has been audited by CPAs.
Note 2: The distribution of 2023 earnings is still pending for resolution by the shareholders' meeting.

Condensed Parent Company Statements of Comprehensive Income - IFRS

Unit: NTD thousands

Item \ Year	Financial Summary for the Past Five Years (Note 1)				
	2023	2022	2021	2020	2019
Operating Revenues	1,463,151	1,176,350	1,248,931	1,186,875	1,249,323
Gross Profit	38,260	24,600	15,567	(20,676)	29,299
(Loss) Profit from Operations	(142,754)	(161,863)	(221,860)	(237,300)	(214,529)
Non-Operating Income and Expenses	165,705	(24,358)	896,489	2,056,785	1,593,740
Profit (Loss) Before Income Tax from Continuing Operations	22,951	(186,221)	674,629	1,819,485	1,379,211
Net Profit (Loss) from Continuing Operations	81,082	(180,762)	657,848	1,764,366	1,297,473
Net (Loss) Profit from Discontinued Operations	-	-	-	-	-
Net Profit (Loss) for the Year	81,082	(180,762)	657,848	1,764,366	1,297,473
Other Comprehensive Income (Loss) (Net of Tax)	466,623	(3,155,066)	1,044,966	287,101	3,029,012
Total Comprehensive Income (Loss) for the Year	547,705	(3,335,828)	1,702,814	2,051,467	4,326,485
Earnings (Loss) per Share (NTD) (Note 2)	0.12	(0.27)	1.00	2.68	1.97

Note 1: The financial information has been audited by CPAs.
Note 2: Prior period earnings per share are adjusted retrospectively for stock dividends based on the weighted average shares outstanding in each respective year

Auditors' Information and Opinion for the Past Five Years

Year	Name of the CPA	Audit Opinion
2019	Cheng-Chuan Yu, Keng-Hsi Chang	Unqualified
2020	Cheng-Chuan Yu, Keng-Hsi Chang	Unqualified
2021	Chiang-Hsun Chen, Keng-Hsi Chang	Unqualified
2022	Chiang-Hsun Chen, Sheng-Tai Liang	Unqualified
2023	Chiang-Hsun Chen, Sheng-Tai Liang	Unqualified

6.2 Five-Year Financial Analysis

The financial analysis was conducted according to International Financial Reporting Standards (IFRS).

Consolidated Financial Analysis-IFRS

Item \ Year		Financial Summary for the Past Five Years (Note 1)				
		2023	2022 (Note 3)	2021	2020	2019
Financial Structure (%)	Debt Ratio	38.52	39.65	35.62	38.45	38.85
	Ratio of Long-Term Capital to Property, Plant and Equipment	780.29	681.10	709.16	606.96	535.84
Solvency (%)	Current Ratio	319.50	302.94	399.98	385.43	288.01
	Quick Ratio	312.89	294.82	392.65	380.09	284.83
	Interest Earned Ratio (Times)	140.63	28.41	612.51	1,387.47	884.56
Operating Performance	Accounts Receivable Turnover (Times)	9.36	9.35	9.12	8.41	7.05
	Average Collection Period (Days)	39	39	40	43	52
	Inventory Turnover (Times)	9.47	8.80	18.01	18.77	2.8
	Accounts Payable Turnover (Times)	13.30	10.16	11.00	12.59	8.44
	Average Days in Sales	39	41	20	19	130
	Property, Plant and Equipment Turnover (Times)	0.64	0.44	0.39	0.32	0.38
	Total Assets Turnover (Times)	0.08	0.06	0.05	0.05	0.05
Profitability	Return on Assets (%)	0.71	(0.10)	2.16	4.96	4.27
	Return on Equity (%)	0.43	(0.73)	2.94	7.55	6.32
	Pre-Tax Income to Paid-In Capital (%) (Note 6)	1.05	(1.57)	10.58	27.18	12.72
	Net Profit Margin (%)	3.30	(7.72)	33.67	89.29	74.77
	Earnings per Share (NTD) (Note 2)	0.12	(0.27)	1.00	2.68	1.97

Item		Year / Financial Summary for the Past Five Years (Note 1) 2023	2022 (Note 3)	2021	2020	2019
Cash Flow	Cash Flow Ratio (%)	0.00	0.00	0.00	17.45	0.00
	Cash Flow Adequacy Ratio (%)	5.94	5.55	10.30	15.70	17.68
	Cash Reinvestment Ratio (%)	0.00	0.00	0.00	0.00	0.00
Leverage	Operating Leverage	(4.03)	(0.98)	(0.67)	0.16	(0.53)
	Financial Leverage	0.42	0.70	0.77	1.25	0.78

Analysis of financial operation deviation of the past two years over 20%:

1. Increase in interest earned ratio, return on assets, return on equity, pre-tax income to paid-in capital, net profit margin ratio, and earnings per share (NTD) : Mainly due to the increase in operating revenue of the hospitality businesses in 2023 improved gross profit and reduced operating loses; in addition, after calculating non-operating incomes, the current period is profitable.
2. Increase in property, plant, and equipment turnover, accounts payable turnover, total asset turnover, and changes were observed in operating and financial leverages: Mainly due to the increase in operating revenue of the hospitality businesses in 2023 caused the increase in operating costs and gross profit.

Note 1: The financial data has been reviewed by CPAs.

Note 2: Calculated based on the weighted average number of shares outstanding in each year, earnings per share in previous years are retrospectively adjusted for stock dividends.

Note 3: Had the Company applied the original IAS 12 in 2023, the following adjustments should be made to reflect the line items and balances under the original IAS 12.

Note 4: The calculation formulas of the analysis are as follows,

1. Financial Structure
   (1) Debt ratio=total liabilities/total assets
   (2) Ratio of long-term capital to property, plant and equipment= (total equity+non-current liabilities)/ net property, plant and equipment
2. Solvency
   (1) Current ratio=current assets/current liabilities
   (2) Quick Ratio= (current assets-inventories-prepaid expenses)/current liabilities
   (3) Interest earned ratio=profit before income tax & interest/interest expenditure
3. Operating performance
   (1) Accounts receivable turnover=net sales/average trade receivables (including A/R and N/R from business operating)
   (2) Average collection period=365/ (accounts receivable turnover)
   (3) Inventory turnover=cost of sales/average inventory
   (4) Accounts payable turnover=cost of sales/average trade payables (including A/P and N/P from business operating)
   (5) Average days in sales=365/inventory turnover
   (6) Property, plant and equipment turnover=operating revenue/average net property, plant and equipment
   (7) Total assets turnover=operating revenue/average total assets

4. Profitability
   (1) Return on assets= [net profit for the year+interest expense*(1-tax rate)]/average total assets
   (2) Return on equity=net profit for the year/average total equity
   (3) Net profit margin=net profit for the year/operating revenue
   (4) Earnings per share= (net profit attributable to owners of the Company-preferred stock dividend)/ weighted average outstanding shares (Note 3)
5. Cash flows
   (1) Cash flow ratio=net cash flow provided by operating activities/current liabilities
   (2) Cash flow adequacy ratio=net cash flow provided by operating activities for the latest 5 years/ (capital expenditure+inventory increase+cash dividend) for the latest 5 years
   (3) Cash reinvestment ratio= (net cash flow provided by operating activities-cash dividend) / (gross property, plant and equipment+long-term investment+other non-current assets+working capital) (Note 4)
6. Leverage
   (1) Operating leverage= (net operating revenue-variable operating costs and expenses) /profit from operations (Note 5)
   (2) Financial Leverage=profit from operations/ (profit from operation-interest expenses)

Note 5: Giving special attention to the following matters during measurement when applying the above formula for calculation of earnings per share:

1. Measurement should be based on the weighted average number of common shares, not the number of issued shares at year end.
2. In any case where there is a cash capital increase or treasury stock transaction, the period of time in circulation shall be considered in calculating the weighted average number of shares.
3. In the case of capital increase out of earnings or capital surplus, the calculation of earnings per share for the past fiscal year and the fiscal half-year shall be retrospectively adjusted based on the capital increase ratio, without the need to consider the issuance period for the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, the dividend of the current year (whether issued or not) shall be subtracted from the net profit after tax, or added to the net loss after tax. In the case of non-cumulative preferred shares, if there is net profit after tax, dividend on preferred shares shall be subtracted from the net profit after tax; if there is loss, then no adjustment need be made.

Note 6: Give special attention to the following matters when carrying out cash flow analysis:

1. Net cash flow from operating activities means net cash in-flow amounts from operating activities listed in the statement of cash flows.
2. Capital expenditures means the amounts of cash out-flows for annual capital investment.
3. Inventory increase will only be entered when the ending balance is larger than the beginning balance. An inventory decrease at year end will be deemed zero for calculation.
4. Cash dividend includes cash dividends from both common shares and preferred shares.
5. Gross property, plant and equipment value means the total value of property, plant and equipment prior to the subtraction of accumulated depreciation.

Note 7: Operating costs and operating expenses shall be separated by their nature into fixed and variable categories. When estimations or subjective judgments are involved, give special attention to their reasonableness and to maintaining consistency.

Note 8: In the case of a company whose shares have no par value or have a par value other than NTD10, for the calculation of the above-mentioned paid-in capital ratio, the ratio of equity attributable to owners of the parent as stated in the balance sheet shall be substituted.

Parent Company Only Financial Analysis-IFRS

Item		Financial Summary for the Past Five Years (Note 1) 2023	2022	2021	2020	2019
Financial Structure (%)	Debt Ratio	26.46	26.82	23.63	26.67	25.12
	Ratio of Long-Term Capital to Property, Plant and Equipment	5,029.14	4,299.74	4,260.69	3,729.37	2,955.47
Solvency (%)	Current Ratio	175.33	179.71	230.97	164.56	175.76
	Quick Ratio	171.75	173.02	226.14	162.21	173.82
	Interest Earned Ratio (Times)	117.44	(81.73)	855.66	2,048.97	1,519.99
Operating Performance	Accounts Receivable Turnover (Times)	6.47	6.68	6.85	6.06	5.26
	Average Collection Period (Days)	56	55	53	60	69
	Inventory Turnover (times)	10.48	9.81	21.49	22.47	41.60
	Accounts Payable Turnover (Times)	8.35	6.06	6.91	7.60	6.47
	Average Days in Sales	35	37	17	16	9
	Property, Plant and Equipment Turnover (Times)	2.52	1.75	1.62	1.33	1.21
	Total Assets Turnover (Times)	0.05	0.04	0.04	0.04	0.04
Profitability	Return on Assets (%)	0.64	(0.32)	2.22	5.80	4.95
	Return on Equity (%)	0.38	(0.78)	2.67	7.51	6.20
	Pre-Tax Income to Paid-In Capital (%) (Note 6)	0.29	(2.40)	8.71	23.48	17.80
	Net Profit Margin (%)	5.54	(15.37)	52.67	148.66	103.85
	Earnings per Share (NTD) (Note 2)	0.12	(0.27)	1.00	2.68	1.97
Cash Flow	Cash Flow Ratio (%)	0.00	0.00	0.00	2.21	0.00
	Cash Flow Adequacy Ratio (%)	0.83	0.75	3.71	8.06	27.22
	Cash Reinvestment Ratio (%)	0.00	0.00	0.00	0.00	0.00
Leverage	Operation Leverage	(0.65)	(0.58)	(0.40)	(0.38)	(0.53)
	Financial Leverage	0.52	0.61	0.71	0.72	0.69

Analysis of financial operation deviation of the past two years over 20%:

1. Increase in interest earned ratio, return on assets, return on equity, pre-tax income to paid-in capital, net profit margin, and earnings per share (NTD) : Mainly due to the increase in investment profit accounted for using equity method in 2023, which caused by the turn a loss into a profit.
2. Increase in accounts payable turnover, property, plant, and equipment turnover, and total assets turnover : Mainly due to the increase in cement sales volume in 2023, which leads to increase in sales revenue and cost.

Note 1: The financial data has been reviewed by CPAs.

Note 2: Calculated based on the weighted average number of shares outstanding in each year, earnings per share in previous years are retrospectively adjusted for stock dividends.

Note 3: The calculation formulas of the analysis are as follows,

1. Financial Structure
   (1) Debt ratio=total liabilities/total assets
   (2) Ratio of long-term capital to property, plant and equipment= (total equity+non-current liabilities)/ net property, plant and equipment
2. Solvency
   (1) Current ratio=current assets/current liabilities
   (2) Quick Ratio= (current assets-inventories-prepaid expenses)/current liabilities
   (3) Interest earned ratio=profit before income tax & interest/interest expenditure
3. Operating performance
   (1) Accounts receivable turnover=net sales/average trade receivables (including A/R and N/R from business operating)
   (2) Average collection period=365/ (accounts receivable turnover)
   (3) Inventory turnover=cost of sales/average inventory
   (4) Accounts payable turnover=cost of sales/average trade payables (including A/P and N/P from business operating)
   (5) Average days in sales=365/inventory turnover
   (6) Property, plant and equipment turnover=operating revenue/average net property, plant and equipment
   (7) Total assets turnover=operating revenue/average total assets
4. Profitability
   (1) Return on assets= [net profit for the year+interest expense*(1-tax rate)]/average total assets
   (2) Return on equity=net profit for the year/average total equity
   (3) Net profit margin=net profit for the year/operating revenue
   (4) Earnings per share= (net profit attributable to owners of the Company-preferred stock dividend)/ weighted average outstanding shares (Note 3)
5. Cash flows
   (1) Cash flow ratio=net cash flow provided by operating activities/current liabilities
   (2) Cash flow adequacy ratio=net cash flow provided by operating activities for the latest 5 years/ (capital expenditure+inventory increase+cash dividend) for the latest 5 years
   (3) Cash reinvestment ratio= (net cash flow provided by operating activities-cash dividend) / (gross property, plant and equipment+long-term investment+other non-current assets+working capital) (Note 4)
6. Leverage
   (1) Operating leverage= (net operating revenue-variable operating costs and expenses) /profit from operations (Note 5)
   (2) Financial Leverage=profit from operations/ (profit from operation-interest expenses)

Note 4: Giving special attention to the following matters during measurement when applying the above formula for calculation of earnings per share:

1. Measurement should be based on the weighted average number of common shares, not the number of issued shares at year end.

2. In any case where there is a cash capital increase or treasury stock transaction, the period of time in circulation shall be considered in calculating the weighted average number of shares.

3. In the case of capital increase out of earnings or capital surplus, the calculation of earnings per share for the past fiscal year and the fiscal half-year shall be retrospectively adjusted based on the capital increase ratio, without the need to consider the issuance period for the capital increase.

4. If the preferred shares are non-convertible cumulative preferred shares, the dividend of the current year (whether issued or not) shall be subtracted from the net profit after tax, or added to the net loss after tax. In the case of non-cumulative preferred shares, if there is net profit after tax, dividend on preferred shares shall be subtracted from the net profit after tax; if there is loss, then no adjustment need be made.

Note 5: Give special attention to the following matters when carrying out cash flow analysis:

1. Net cash flow from operating activities means net cash in-flow amounts from operating activities listed in the statement of cash flows.

2. Capital expenditures means the amounts of cash out-flows for annual capital investment.

3. Inventory increase will only be entered when the ending balance is larger than the beginning balance. An inventory decrease at year end will be deemed zero for calculation.

4. Cash dividend includes cash dividends from both common shares and preferred shares.

5. Gross property, plant and equipment value means the total value of property, plant and equipment prior to the subtraction of accumulated depreciation.

Note 6: Operating costs and operating expenses shall be separated by their nature into fixed and variable categories. When estimations or subjective judgments are involved, give special attention to their reasonableness and to maintaining consistency.

Note 7: In the case of a company whose shares have no par value or have a par value other than NTD10, for the calculation of the above-mentioned paid-in capital ratio, the ratio of equity attributable to owners of the parent as stated in the balance sheet shall be substituted.

6.3 Audit Committee's Review Report

Chia Hsin Cement Corporation

Audit Committee's Review Report

The Board of Directors of Chia Hsin Cement Corporation (CHC) has submitted the Company's 2023 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

February 27, 2024

6.4 Consolidated Financial Statements

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies that are required to be included in the consolidated financial statements of affiliates of Chia Hsin Cement Corporation as of and for the year ended December 31, 2023, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements of parent and subsidiary companies prepared in conformity with International Financial Reporting Standard No. 10, “Consolidated Financial Statements” In addition, relevant information required to be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, Chia Hsin Cement Corporation and subsidiaries did not prepare a separate set of consolidated financial statements of affiliated enterprises.

Very truly yours,

CHIA HSIN CEMENT CORPORATION

JASON K. L. CHANG
Chairman

February 27, 2024

Deloitte.

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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, 2023 and 2022, 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 material accounting policy information (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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of 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, 2023. 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, 2023 is stated as follows:

Impairment of Property, Plant and Equipment

As of December 31, 2023, the net carrying amount of property, plant and equipment of the hotel operated by the Group located in Ryukyu, Japan was NT$3,405,765 thousand, representing 9% of total consolidated assets, which was material to the consolidated financial statements. Management assesses the asset impairment of the property, plant and equipment. Since the recoverable amount in the impairment assessment involves subjective judgments based on various assumptions and estimates made by management, we identified the impairment of property, plant and equipment as a key audit matter.

Our key audit procedures performed with respect to the above area included the following:

We obtained an impairment assessment report from the management, 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 in the impairment assessment report.

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, 2023 and 2022, 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, 2023 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.

Chinghsun Chen   Sheng-Tai Liang

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 27, 2024

<u>*Notice to Readers*</u>

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

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023		2022 (Restated)	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 2,054,339	6	$ 4,463,396	12
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	1,435,732	4	1,317,483	4
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	2,478,000	7	2,347,407	7
Financial assets at amortized cost - current (Notes 4 and 9)	3,945,242	11	1,689,701	5
Notes receivable from unrelated parties (Notes 4, 10 and 26)	199,758	1	141,706	-
Trade receivables from unrelated parties (Notes 4, 10 and 26)	158,202	-	108,919	-
Trade receivables from related parties (Notes 10, 26 and 34)	8,899	-	4,876	-
Finance lease receivables - current (Notes 4 and 12)	1,111	-	2,916	-
Other receivables from unrelated parties (Notes 4 and 11)	47,811	-	37,579	-
Other receivables from related parties (Notes 4 and 34)	215	-	68	-
Current tax assets (Note 4)	1,122	-	1,021	-
Inventories (Notes 4 and 13)	97,473	-	163,658	1
Prepayments (Note 20)	120,923	-	114,900	-
Other current assets (Note 20)	229	-	1,717	-
Total current assets	10,549,056	29	10,395,347	29
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	9,881,018	27	9,533,730	26
Financial assets at amortized cost - non-current (Notes 4, 9 and 35)	19,175	-	27,428	-
Investments accounted for using the equity method (Notes 4 and 15)	3,787,444	10	3,540,258	10
Property, plant and equipment (Notes 4, 5, 16 and 35)	4,250,010	12	4,848,433	13
Right-of-use assets (Notes 4 and 17)	1,340,366	4	1,545,094	4
Investment properties (Notes 4, 18 and 35)	6,223,380	17	6,194,334	17
Intangible assets (Notes 4 and 19)	3,845	-	6,651	-
Deferred tax assets (Notes 3 and 4)	334,360	1	310,555	1
Finance lease receivables - non-current (Notes 4 and 12)	-	-	1,111	-
Net defined benefit assets - non-current (Notes 4 and 24)	16,149	-	18,579	-
Other non-current assets (Notes 10 and 20)	59,531	-	32,714	-
Total non-current assets	25,915,278	71	26,058,887	71
TOTAL	$ 36,464,334	100	$ 36,454,234	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 21 and 35)	$ 1,356,040	4	$ 1,673,664	5
Short-term bills payable (Note 21)	744,106	2	127,614	-
Contract liabilities (Notes 4 and 26)	41,608	-	27,860	-
Notes payable to unrelated parties (Note 22)	3,337	-	1,907	-
Trade payables to unrelated parties (Note 22)	96,221	-	86,994	-
Trade payables to related parties (Note 34)	110,955	-	83,229	-
Other payables to unrelated parties (Note 23)	197,128	1	206,644	1
Current tax liabilities (Notes 4 and 28)	17,857	-	108,242	-
Lease liabilities - current (Notes 4 and 17)	112,628	-	139,172	1
Current portion of long-term borrowings (Notes 21 and 35)	571,452	2	933,090	3
Other current liabilities (Notes 23 and 34)	50,411	-	43,068	-
Total current liabilities	3,301,743	9	3,431,484	10
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 21 and 35)	7,386,018	20	7,439,628	20
Deferred tax liabilities (Notes 3 and 4)	1,604,585	5	1,636,169	5
Lease liabilities - non-current (Notes 4 and 17)	1,353,352	4	1,514,484	4
Deferred revenue - non-current (Notes 23 and 30)	311,098	1	342,402	1
Guarantee deposits - non-current (Notes 23 and 34)	88,980	-	90,640	-
Total non-current liabilities	10,744,033	30	11,023,323	30
Total liabilities	14,045,776	39	14,454,807	40
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 25)				
Share capital				
Ordinary shares	7,902,474	22	7,747,805	21
Capital surplus	1,318,181	3	1,238,426	3
Retained earnings				
Legal reserve	2,571,235	7	2,571,235	7
Special reserve	2,257,048	6	2,257,996	6
Unappropriated earnings	5,430,295	15	5,737,233	16
Total retained earnings	10,258,578	28	10,566,464	29
Other equity	3,280,168	9	2,811,250	8
Treasury shares	(1,077,950)	(3)	(1,077,950)	(3)
Total equity attributable to owners of the Company	21,681,451	59	21,285,995	58
NON-CONTROLLING INTERESTS (Note 25)	737,107	2	713,432	2
Total equity	22,418,558	61	21,999,427	60
TOTAL	$ 36,464,334	100	$ 36,454,234	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, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 26 and 34)	$ 2,911,583	100	$ 2,253,659	100
OPERATING COSTS (Notes 13, 27 and 34)	(2,545,152)	(87)	(2,121,073)	(94)
GROSS PROFIT	366,431	13	132,586	6
OPERATING EXPENSES (Notes 10, 27 and 34)				
Selling and marketing expenses	(43,836)	(2)	(42,016)	(2)
General and administrative expenses	(469,151)	(16)	(485,687)	(22)
Expected credit loss	(968)	-	(253)	-
Total operating expenses	(513,955)	(18)	(527,956)	(24)
LOSS FROM OPERATIONS	(147,524)	(5)	(395,370)	(18)
NON-OPERATING INCOME AND EXPENSES (Notes 4, 15 and 27)				
Interest income	161,666	5	76,114	3
Other income	279,095	10	445,728	20
Other gains and losses	(145,274)	(5)	(218,231)	(10)
Finance costs	(203,719)	(7)	(169,438)	(7)
Share of profit or loss of associates and joint ventures	138,523	5	139,895	6
Total non-operating income and expenses	230,291	8	274,068	12
PROFIT (LOSS) BEFORE INCOME TAX FROM CONTINUING OPERATIONS	82,767	3	(121,302)	(6)
INCOME TAX BENEFIT (EXPENSE) (Notes 4 and 28)	13,271	-	(52,584)	(2)
NET PROFIT (LOSS) FOR THE YEAR	96,038	3	(173,886)	(8)
OTHER COMPREHENSIVE INCOME (Notes 4, 25 and 28)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(2,805)	-	13,484	1
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	483,881	17	(3,355,102)	(149)

(Continued)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2023		2022	
	Amount	%	Amount	%
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	$ 22,883	1	$ (93,915)	(4)
Income tax related to items that will not be reclassified subsequently to profit or loss	561	-	(2,696)	-
	504,520	18	(3,438,229)	(152)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(38,897)	(1)	199,110	9
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	3,395	-	6,412	-
Income tax relating to items that may be reclassified subsequently to profit or loss	12,632	-	(44,016)	(2)
	(22,870)	(1)	161,506	7
Other comprehensive income (loss) for the year, net of income tax	481,650	17	(3,276,723)	(145)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	$ 577,688	20	$ (3,450,609)	(153)
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	$ 81,082	3	$ (180,762)	(8)
Non-controlling interests	14,956	-	6,876	-
	$ 96,038	3	$ (173,886)	(8)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	$ 547,705	19	$ (3,335,828)	(148)
Non-controlling interests	29,983	1	(114,781)	(5)
	$ 577,688	20	$ (3,450,609)	(153)
EARNINGS (LOSS) PER SHARE (Note 29)				
From continuing operations				
Basic	$ 0.12		$ (0.27)	
Diluted	$ 0.12		$ (0.27)	

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, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

			Retained Earnings			Other 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	Total	Non-controlling Interests	Total Equity
BALANCE, JANUARY 1, 2022	$ 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	$ 884,865	$ 25,910,233
Appropriation of 2021 earnings (Note 25)											
Legal reserve	-	-	68,062	-	(68,062)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(502,675)	-	-	-	(502,675)	-	(502,675)
Changes in equity of associates and joint ventures accounted for using the equity method (Note 25)	-	26,158	-	-	-	-	-	-	26,158	-	26,158
Unclaimed 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
Appropriation of 2022 earnings (Note 25)											
Cash dividends distributed by the Company	-	-	-	-	(232,004)	-	-	-	(232,004)	-	(232,004)
Share dividends distributed by the Company	154,669	-	-	-	(154,669)	-	-	-	-	-	-
Reverse of special reserve	-	-	-	(948)	948	-	-	-	-	-	-
Changes in equity of associates accounted for using the equity method (Note 25)	-	42,859	-	-	-	-	-	-	42,859	-	42,859
Unclaimed dividends extinguished by prescription (Note 25)	-	3,583	-	-	-	-	-	-	3,583	116	3,699
Net profit for the year ended December 31, 2023	-	-	-	-	81,082	-	-	-	81,082	14,956	96,038
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	(2,295)	(21,670)	490,588	-	466,623	15,027	481,650
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	78,787	(21,670)	490,588	-	547,705	29,983	577,688
Changes in capital surplus due to cash dividends of the Company paid to subsidiaries (Note 25)	-	33,313	-	-	-	-	-	-	33,313	-	33,313
Decrease in non-controlling interests (Note 25)	-	-	-	-	-	-	-	-	-	(6,424)	(6,424)
BALANCE, DECEMBER 31, 2023	$ 7,902,474	$ 1,318,181	$ 2,571,235	$ 2,257,048	$ 5,430,295	$ (670,392)	$ 3,950,560	$ (1,077,950)	$ 21,681,451	$ 737,107	$ 22,418,558

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, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	$ 82,767	$ (121,302)
Adjustments for:		
Depreciation expenses	456,039	494,834
Amortization expenses	2,718	2,605
Expected credit loss	968	253
Net loss on fair value changes of financial assets at fair value through profit or loss	6,520	264,762
Finance costs	203,719	169,438
Interest income	(161,666)	(76,114)
Dividend income	(218,496)	(352,303)
Share of profit of associates and joint ventures	(138,523)	(139,895)
(Gain) loss on disposal of property, plant and equipment	(4)	19,623
Gain on lease modification	(5)	(5,469)
Impairment loss recognized on non-financial assets	36,554	38,780
Realized gain on deferred revenue	(9,111)	(12,387)
Net loss (gain) on foreign currency exchange	73,162	(71,069)
Changes in operating assets and liabilities:		
Financial assets mandatorily classified as at fair value through profit or loss	(127,098)	(153,417)
Notes receivable from unrelated parties	(58,655)	(4,296)
Trade receivables from unrelated parties	(52,399)	(30,865)
Trade receivables from related parties	(4,023)	5,988
Other receivables from unrelated parties	2,352	6,349
Inventories	65,813	(112,168)
Prepayments	(7,902)	(7,140)
Other current assets	1,475	(1,548)
Contract liabilities	14,110	4,186
Notes payable to unrelated parties	1,430	(1,444)
Trade payables to unrelated parties	9,730	(31,064)
Trade payables to related parties	27,726	(40,781)
Other payables to unrelated parties	23,585	(54,795)
Other payables to related parties	-	(72)
Advanced receipts	(3,388)	(2,394)
Other current liabilities	(1,771)	3,854
Net defined benefit liability	(375)	(261)
Cash generated (used in) from operations	225,252	(208,112)
Interest paid	(180,548)	(144,019)
Income tax paid	(119,707)	(39,706)
Net cash used in operating activities	(75,003)	(391,837)

(Continued)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	$ -	$ (91,485)
Purchase of financial assets at amortized cost (Note 9)	(2,300,494)	(2,659)
Proceeds from sale of financial assets at amortized cost	8,373	1,012,087
Purchase of associates accounted for using the equity method	(54,270)	(48,698)
Payments for property, plant and equipment	(42,189)	(39,616)
Proceeds from and payments for disposal of property, plant and equipment	102	(14,696)
Increase in refundable deposits paid	(17,646)	-
Decrease in refundable deposits paid	-	2,284
(Increase) decrease in other receivables from related parties	(147)	249
Payments for intangible assets	(200)	(1,968)
Payments for investment properties	(78,168)	(82,477)
Decrease in finance lease receivables	2,916	2,852
Decrease in other non-current assets	339	2,724
Increase in prepayments for equipment	(9,400)	(1,196)
Interest received	148,435	60,808
Dividends received	252,495	390,054
Net cash (used in) generated from investing activities	(2,089,854)	1,188,263
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayments of) proceeds from short-term borrowings	(310,486)	757,900
Proceeds from (repayments of) short-term bills payable	617,000	(7,000)
Proceeds from long-term loans	667,460	1,683,707
Repayments of long-term loans	(870,774)	(2,067,665)
Proceeds of guarantee deposits received	11,207	1,830
Repayments of the principal portion of lease liabilities	(104,869)	(109,949)
Dividend paid to owners of the Company	(198,691)	(430,498)
Dividends paid to non-controlling interests	(6,301)	(55,600)
Return of unclaimed dividends extinguished by prescription	3,699	824
Net cash used in financing activities	(191,755)	(226,451)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(52,445)	208,074
NET INCREASE IN CASH AND CASH EQUIVALENTS	(2,409,057)	778,049
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	4,463,396	3,685,347
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 2,054,339	$ 4,463,396

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

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Chia Hsin Cement Corporation (the “Company”; the Company and the entities controlled by the Company are referred to as the “Group”) was incorporated in the Republic of China (ROC) with capital of $24,000 thousand in December 1954. Over the years, the Company has increased its capital through capital contributions in cash, undistributed earnings, and asset revaluation increments. As of December 31, 2023, the Company has authorized capital of $15,000,000 thousand and paid-in capital of $7,902,474 thousand. The Group’s business activities include cement manufacturing, wholesale of building materials, retail sale of building materials, non-metallic mining, mixed-concrete products manufacturing, international trade, construction and development of residences and buildings, lease, construction and development of industrial factory buildings, real estate commerce, real estate rental and leasing, reconstruction within the renewal area and warehousing and storage, healthcare, fitness and training, manufacture of beverages and bakery products, hotel management and energy technology services.

The Company’s shares have been listed on the Taiwan Stock Exchange (TWSE) since November 1969.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on February 27, 2024.

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

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

   Except for the following, the initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies:

   Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

   The amendments clarify that the initial recognition exemption under IAS 12 does not apply to transactions in which equal taxable and deductible temporary differences arise on initial recognition. The Group applied the amendments and recognized a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations on January 1, 2022. The Group shall apply the amendments prospectively to transactions other than leases and decommissioning obligations that occur on or after January 1, 2022. Upon initial application of the amendments to IAS 12, the Group recognized the cumulative effect of retrospective application in retained earnings on January 1, 2022, and restated comparative information.

Had the Group applied the original IAS 12 in the current year, the following adjustments should be made to reflect the line items and balances under the original IAS 12.

Impact on assets, liabilities and equity for the current year

	December 31, 2023
Increase in deferred tax assets	$ 39,595
Increase in assets	$ 39,595
Increase in deferred tax liabilities	$ 36,596
Increase in liabilities	$ 36,596
Increase in retained earnings	$ 3,060
Decrease in other equity	(61)
Increase in equity	$ 2,999

Impact on total comprehensive income for the current year

	For the Year Ended December 31, 2023
Increase in income tax benefit	$ 3,060
Increase in net profit for the year	3,060
Items that may be reclassified subsequently to profit or loss:	
Decrease in exchange differences on translation of the financial statements of foreign operations	(61)
Increase in total comprehensive income for the year, net of income tax	$ 2,999

Upon initial application of the amendments to IAS 12, the impact for the prior year is summarized below:

Impact on assets, liabilities and equity for the prior year

December 31, 2022	As Originally Stated	Adjustments Arising from Initial Application	Restated
Deferred tax assets	$ 268,635	$ 41,920	$ 310,555
Total effect on assets	$ 268,635	$ 41,920	$ 310,555
Deferred tax liabilities	$ 1,594,249	$ 41,920	$ 1,636,169
Total effect on liabilities	$ 1,594,249	$ 41,920	$ 1,636,169

(Continued)

	As Originally Stated	Adjustments Arising from Initial Application	Restated
January 1, 2022			
Deferred tax assets	$ 333,077	$ 43,070	$ 376,147
Total effect on assets	$ 333,077	$ 43,070	$ 376,147
Deferred tax liabilities	$ 1,583,897	$ 43,070	$ 1,626,967
Total effect on liabilities	$ 1,583,897	$ 43,070	$ 1,626,967

(Concluded)

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards will be effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

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

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

For the convenience of readers, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the ROC. 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 financial statements shall prevail.

a. Statement of compliance

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

b. Basis of preparation

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

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

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

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

Current assets include:

1) Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

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

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

d. Basis of consolidation

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

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

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

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

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

See Note 14, Table 6 and Table 7 for detailed information on subsidiaries (including percentages of ownership and main business).

e. Foreign currencies

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

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

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

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

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the non-controlling interests of the subsidiary and is included in the calculation of equity transactions but is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

f. Inventories

Inventories consist of raw materials, supplies, finished goods, and land for construction.

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

Costs of building construction are recorded separately for each construction project. Payments made for land prior to the acquisition of land use rights are recognized as "prepayment for land purchase"; as "land for construction" after the acquisition of the land use rights; as "construction in progress" when the construction on the land started; and as "land and building held for sale" upon the completion of construction. Prepayments collected from preselling of land and building are recognized as "advance receipts".

g. Investments in associates

An associate is an entity over which the Group has significant influence and is neither a subsidiary.

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

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

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

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

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

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

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities.

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

h. Property, plant and equipment

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

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

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

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

i. Investment properties

Investment properties are properties held to earn rental or for capital appreciation. Investment properties include properties under construction that meet the definition of investment properties. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized using the straight-line method.

Investment properties under construction are measured at cost less accumulated impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Depreciation of these assets commences when the assets are ready for their intended use.

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

j. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

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

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

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

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

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

l. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, and any dividends, interest earned are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 33.

ii. Financial assets at amortized cost

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

i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes receivable, trade receivables, trade receivables from related parties, other receivables (less tax refund receivables), other receivables from related parties, time deposits with original maturities over 3 months, and refundable deposits are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

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

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

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

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables), other receivables, and finance lease receivables.

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

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

For internal credit risk management purposes, the Group considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Group):

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

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

The impairment loss of all financial assets is recognized in profit or loss directly or by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

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

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

2) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

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

m. Revenue recognition

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

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of cement; sales of cement are recognized as revenue when the goods are delivered to the customer's specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently. The advance receipts before the delivery of goods are recognized as contract liabilities and reclassified to revenue after the goods are transferred to customers.

2) Revenue from the rendering of services

The revenue from rendering of services is recognized over time with reference to the progress of the fulfillment of contracts or recognized on the date the service is provided.

n. Leases

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

1) The Group as lessor

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

When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Under finance leases, the lease payments comprise fixed payments. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Group's net investment outstanding in respect of leases. For a lease modification that is not accounted for as a separate lease, if the lease would have been classified as an operating lease had the modification been in effect at the inception date, the Group accounts for the lease modification as a new lease and measures the carrying amount of the underlying asset as the finance lease receivables immediately before the effective date of the lease modification. Other lease modifications are accounted for by adjusting the finance lease receivables in accordance with IFRS 9.

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

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

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

2) The Group as lessee

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

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

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

The Group negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2022, that results in the revised consideration for the lease substantially less than the consideration for the lease immediately preceding the change. There is no substantive change to other terms and conditions. The Group elects to apply the practical expedient to all of these rent concessions and, therefore, does not assess whether the rent concessions are lease modifications. Instead, the Group recognizes the reduction in lease payment in profit or loss as other operating income and expenses, and makes a corresponding adjustment to the lease liability.

o. Borrowing costs

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

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

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

p. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

The benefit of a government loan received at a below-market rate of interest is treated as a government grant measured as the difference between the proceeds received and the fair value of the loan based on prevailing market interest rates.

q. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

r. Taxation

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

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

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

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred taxes for the year

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

4) The linked-tax system

The Company files joint income tax returns with Chia Hsin Property Management & Development Corporation. The differences between the tax expense and deferred tax liabilities and assets of the Company as a separate entity and of the Company and its qualified subsidiaries as a joint entity are adjusted on the Company; the related amounts are recognized as current tax assets or current tax liabilities.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, the Group considers the possible impact of the economic environment implications on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Key Sources of Estimation Uncertainty

Impairment of property, plant and equipment, investment property, and right-of-use asset

Impairment of equipment property, plant and equipment, investment property, and right-of-use asset is including evaluated based on the recoverable amount of assets, which is the higher of its fair value less costs of disposal and its value in use. Any changes in the market prices, future cash flows or discount rates will affect the recoverable amount of the assets and may lead to the recognition of additional impairment losses or the reversal of impairment losses.

6. CASH AND CASH EQUIVALENTS

	December 31 2023	December 31 2022
Cash on hand	$ 4,686	$ 3,869
Checking accounts and demand deposits	1,227,793	1,228,193
Cash equivalents		
Commercial paper	144,379	170,730
Time deposits with original maturities of 3 months or less	677,481	3,060,604
	$ 2,054,339	$ 4,463,396

The market rate intervals of commercial papers and cash in the bank at the end of the year were as follows:

	December 31 2023	December 31 2022
Commercial papers	1.05%-1.20%	0.82%-0.95%
Cash in the bank	0.001%-5.30%	0.001%-4.60%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31 2023	December 31 2022
Financial assets mandatorily classified as at fair value through profit or loss (FVTPL) - current		
Domestic listed shares	$ 817,713	$ 789,557
Overseas listed shares	139,505	39,077
Overseas mutual funds - beneficiary certificates	448,592	488,849
Domestic convertible bonds	29,922	-
	$ 1,435,732	$ 1,317,483

As of December 31, 2023, the Group held 356,542,623 shares of Taiwan Cement Corporation accounted for as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income at carrying amount of $817,710 thousand and $11,607,801 thousand, respectively. Information for other price risk and sensitivity analysis is provided in Note 33.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31 2023	December 31 2022
Investments in equity instruments - current		
Domestic investments		
Listed shares and emerging market shares	$ 2,478,000	$ 2,347,407

(Continued)

	December 31	
	2023	2022
Investments in equity instruments - non-current		
Domestic investments		
Listed shares and emerging market shares	$ 9,389,961	$ 9,066,633
Unlisted shares	491,057	467,097
	$ 9,881,018	$ 9,533,730

(Concluded)

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

The Group purchased ordinary shares of Gping Wellness Co., Ltd. with the amount of $91,485 thousand in January 2022. The investment is held for medium- to long-term strategic purposes. Accordingly, the management designated these investments as at FVTOCI.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2023	2022
Current		
Time deposits with original maturities of more than 3 months	$ 3,945,242	$ 1,689,701
Non-current		
Restricted deposits	$ 19,175	$ 27,428
Interest rate range		
Time deposits with original maturities of more than 3 months	0.03%-5.52%	0.05%-5.00%
Restricted deposits	0.60%-1.58%	0.42%-1.44%

a. The Group has tasked its credit management committee to develop a credit risk grading framework to determine whether the credit risk of the financial assets at amortized cost increases significantly since the initial recognition to the reporting date as well as to measure the expected credit losses. The credit rating information may be obtained from independent rating agencies where available and, if not available, the credit management committee uses other publicly available financial information to rate the debtors. In the consideration of an analysis of the debtor's current financial position and the forecasted direction of economic conditions in the industry, the Group forecasts both 12-month expected credit losses or lifetime expected credit losses of financial assets at amortized cost. As of December 31, 2023 and 2022, the Group assessed the expected credit loss rate as 0%.

b. Refer to Note 35 for the carrying amounts of financial assets pledged by the Group to secure obligations.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OVERDUE RECEIVABLES

	December 31 2023	December 31 2022
Notes receivable		
At amortized cost		
Gross carrying amount	$ 201,762	$ 143,133
Less: Allowance for impairment loss	(2,004)	(1,427)
	$ 199,758	$ 141,706
Trade receivables		
At amortized cost		
Gross carrying amount	$ 159,089	$ 109,430
Less: Allowance for impairment loss	(887)	(511)
	$ 158,202	$ 108,919
Overdue receivables (Note)		
At amortized cost		
Gross carrying amount	$ 7,243	$ 13,155
Less: Allowance for impairment loss	(7,243)	(13,155)
	$ -	$ -

Note: The overdue receivables are classified to other assets. Please refer to Note 20.

Notes Receivable

The average number of days of cashing the notes is 30 to 90 days. In order to mitigate credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals, and other monitoring procedures to ensure that follow-up action is taken to recover overdue debt. In addition, the Group reviews the recoverable amount of each individual notes receivable at the end of the year to ensure that adequate allowance is provided for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for notes receivable at an amount equal to lifetime expected credit losses (ECLs). The ECLs on notes receivable are estimated by reference to the past default experience of the debtor, an analysis of the debtor's current financial position, and economic conditions.

Trade Receivables

The average credit period of the sales of goods was 30 to 90 days, and no interest was charged on overdue trade receivables. In determining the recoverability of the trade receivables, the Group considered any change in the credit quality of the trade receivables since the date credit was initially granted to the end of the reporting period. From historical experience, most of the receivables were recovered.

Before accepting new customers, the Group assesses that the credit quality of the potential customer complied with the administration regulations of customer credit and set up the credits limit for each customer. The credit rating of customers would then be assessed by the supervisors and given an ultimate credit limit.

6.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the debtors, the debtors' current financial position, economic conditions of the industry in which the debtors operate, as well as an assessment of both the current and the forecasted direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation, or when the trade receivables are over one year past due. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. When recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of receivables (including receivables from related parties) based on the Group's provision matrix:

December 31, 2023

	Not Overdue	Overdue within 90 Days	Overdue 91-360 Days	Overdue 1 Year or More	Total
Expected credit loss rate	0.78%	0%	-	100%	
Gross carrying amount	$ 369,714	$ 36	$ -	$ 7,243	$ 376,993
Loss allowance (Lifetime ECLs)	(2,891)	-	-	(7,243)	(10,134)
Amortized cost	$ 366,823	$ 36	$ -	$ -	$ 366,859

December 31, 2022

	Not Overdue	Overdue within 90 Days	Overdue 91-360 Days	Overdue 1 Year or More	Total
Expected credit loss rate	0.75%	1.00%	-	100%	
Gross carrying amount	$ 256,640	$ 799	$ -	$ 13,155	$ 270,594
Loss allowance (Lifetime ECLs)	(1,930)	(8)	-	(13,155)	(15,093)
Amortized cost	$ 254,710	$ 791	$ -	$ -	$ 255,501

The movements of the loss allowance of receivables (including receivables from related parties) were as follows:

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 15,093	$ 14,638
Add: Net remeasurement of loss allowance	968	253
Less: Amounts written off	(5,807)	-
Foreign exchange gains and losses	(120)	202
Balance at December 31	$ 10,134	$ 15,093

11. OTHER RECEIVABLES

	December 31 2023	December 31 2022
Interest receivable	$ 35,424	$ 22,422
VAT refund receivable	2,799	2,799
Others	10,380	14,269
Less: Allowance of impairment loss	(792)	(1,911)
	$ 47,811	$ 37,579

The movements of the loss allowance of other receivables were as follows:

	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Balance at January 1	$ 1,911	$ 1,881
Less: Amounts written off	(1,109)	-
Foreign exchange gains and losses	(10)	30
Balance at December 31	$ 792	$ 1,911

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

December 31, 2023

	Not Overdue	Overdue within 90 Days	Overdue 91-360 Days	Overdue 1 Year or More	Total
Expected credit loss rate	0%	-	-	100%	
Gross carrying amount	$ 47,811	$ -	$ -	$ 792	$ 48,603
Loss allowance (Lifetime ECLs)	-	-	-	(792)	(792)
Amortized cost	$ 47,811	$ -	$ -	$ -	$ 47,811

December 31, 2022

	Not Overdue	Overdue within 90 Days	Overdue 91-360 Days	Overdue 1 Year or More	Total
Expected credit loss rate	0%	-	0%	100%	
Gross carrying amount	$ 36,080	$ -	$ 1,499	$ 1,911	$ 39,490
Loss allowance (Lifetime ECLs)	-	-	-	(1,911)	(1,911)
Amortized cost	$ 36,080	$ -	$ 1,499	$ -	$ 37,579

Other receivables were mainly interest receivable and VAT refund receivable. The Group only transacts with counterparties who have good credit ratings. The Group continues to monitor the conditions of the receivables and refers to the past default experience of the debtor and the analysis of the debtor's current financial position in determining whether the credit risk of the other receivables increased significantly since the initial recognition as well as in measuring the ECLs.

12. FINANCE LEASE RECEIVABLES

	December 31 2023	December 31 2022
Undiscounted lease payments		
Year 1	$ 1,114	$ 2,972
Year 2	-	1,114
	1,114	4,086
Less: Unearned finance income	(3)	(59)
Lease payments receivable	1,111	4,027
Net investment in leases presented as finance lease receivables	$ 1,111	$ 4,027

	December 31 2023	December 31 2022
Lease payments receivable		
Not more than 1 year	$ 1,111	$ 2,916
More than 1 year but not more than 5 years	-	1,111
	$ 1,111	$ 4,027

The Group has been subleasing its building to Gping Wellness Co., Ltd. since August 2015. As the Group subleases the retail stores for all the remaining lease term of the main lease to the sublease, the sublease contract is classified as a finance lease.

The interest rates inherent in the leases are fixed at the contract dates for the entire term of the lease. As of December 31, 2023 and 2022, the interest rate inherent in the finance leases were both approximately 2.25% per annum.

To reduce the residual asset risk related to the leased building at the end of the relevant lease, the lease contract includes general risk management strategy.

The Group measures the loss allowance for finance lease receivables at an amount equal to lifetime ECLs. As of December 31, 2023 and 2022, no finance lease receivable were past due. The Group has not recognized a loss allowance for finance lease receivables after taking into consideration the historical default experience and the future prospects of the industries in which the lessee operates, together with the value of collateral held over these finance lease receivables.

13. INVENTORIES

	December 31 2023	December 31 2022
Finished goods	$ 91,956	$ 159,315
Raw materials	336	266
Supplies	2,015	911
	94,307	160,492
Land held for construction	3,166	3,166
	$ 97,473	$ 163,658

The nature of the cost of goods sold is as follows:

	December 31	
	2023	2022
Cost of inventories sold	$ 1,236,533	$ 959,960
Inventory write-downs	-	3,780
	$ 1,236,533	$ 963,740

14. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31 2023	2022	Remark
Chia Hsin Cement Corporation	Tong Yang Chia Hsin International Corporation	General international trade (all business items that are not prohibited or restricted by law, except those that are subject to special approval)	87.18	87.18	-
Chia Hsin Cement Corporation	Chia Hsin Property Management & Development Corporation	Wholesale and retail business of machinery; residence, factory buildings and office buildings leasing and selling; PPE leasing and selling	100.00	100.00	-
Chia Hsin Cement Corporation	Chia Pei International Corporation	Mining; wholesale of building materials; nonmetallic mining; retail sale of building materials; international trade; rental and leasing business; retail sale of other machinery and equipment	100.00	100.00	-
Chia Hsin Cement Corporation	Chia Hsin Pacific Limited	Holding company	74.16	74.16	Exchange rate risk
Chia Hsin Cement Corporation	BlueSky Co., Ltd.	International trade; real estate trading; real estate leasing	100.00	100.00	-
Chia Hsin Cement Corporation	YJ International Corporation	Real estate rental and leasing; real estate management; realtor agent	100.00	100.00	-
Chia Hsin Cement Corporation	Jaho Life Plus+ Management Corp., Ltd.	Management consulting service	100.00	100.00	-
Chia Hsin Cement Corporation	Chia Hsin Green Electricity Corporation (Note 1)	Electricity generation; self-use renewable energy generation equipment; electrical installation; electrical equipment inspection and maintenance; energy technology service	100.00	-	-
YJ International Corporation	CHC Ryukyu Development GK	Real estate rental and leasing; management consulting service	100.00	100.00	Exchange rate risk
YJ International Corporation	CHC Ryukyu COLLECTIVE KK	Hotel management	100.00	100.00	Exchange rate risk
Tong Yang Chia Hsin International Corporation	Tong Yang Chia Hsin Marine Corp.	Shipping service	100.00	100.00	Exchange rate risk
Tong Yang Chia Hsin International Corporation	Chia Hsin Pacific Limited	Holding company	24.18	24.18	Exchange rate risk
Tong Yang Chia Hsin Marine Corp.	Jiangsu Jiaguo Construction & Material Storage Co., Ltd. (Note 2)	Engaging in overland delivery of ordinary goods and the processing, manufacturing and selling of cement and other construction material	100.00	100.00	Exchange rate risk and political risk arising from cross-Strait relations
Jiangsu Jiaguo Construction & Material Storage Co., Ltd.	Jiangsu Chia Hsin Real Estate Co., Ltd. (Notes 3 and 4)	Developing and operating real estate and providing property management service	-	100.00	Exchange rate risk and political risk arising from cross-Strait relations
Chia Hsin Property Management & Development Corporation	Chia Sheng Construction Corp.	Wholesale and retail business of machinery; residence, factory buildings and office buildings leasing and selling; PPE leasing and selling	100.00	100.00	-
Chia Hsin Property Management & Development Corporation	Chuang Neng Technology Co., Ltd. (Notes 5 and 6)	Energy technology service	100.00	100.00	-
Chia Hsin Pacific Limited	Effervesce Investment Pte. Ltd.	Investment and holding company	100.00	100.00	Exchange rate risk

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31 2023	2022	Remark
Effervesce Investment Pte. Ltd.	Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Consulting for developing information system for business and finance purpose.	100.00	100.00	Exchange rate risk and political risk arising from cross-Strait relations
Effervesce Investment Pte. Ltd.	Shanghai Chia Hsin Ganghui Co., Ltd.	Warehousing and packing bulk cement and formulating and delivering high-strength cement	100.00	100.00	Exchange rate risk and political risk arising from cross-Strait relations
Effervesce Investment Pte. Ltd.	Shanghai Jia Huan Concrete Co., Ltd. (Note 7)	Processing, manufacturing and selling of cement and other related products	68.00	68.00	Exchange rate risk and political risk arising from cross-Strait relations
Chia Hsin Pacific Limited	Sparksview Pte. Ltd.	Investment and holding company	100.00	100.00	Exchange rate risk
Sparksview Pte. Ltd.	Shanghai Jia Huan Concrete Co., Ltd. (Note 7)	Processing, manufacturing and selling of cement and other related products	32.00	32.00	Exchange rate risk and political risk arising from cross-Strait relations
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. (Note 8)	Consulting for management of healthcare and hospitality business	100.00	100.00	Exchange rate risk and political risk arising from cross-Strait relations
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Chia Peng Gemcare Maternity (Yangzhou) Co., Ltd. (Note 9)	Maternity and infant health care; sales of mother & baby supplies; life & beauty services	100.00	100.00	Exchange rate risk and political risk arising from cross-Strait relations
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Chia Peng Gemcare Maternity (Suzhou) Co., Ltd. (Notes 10 and 11)	Maternity and infant health care; sales of mother & baby supplies; life & beauty services	-	-	Exchange rate risk and political risk arising from cross-Strait relations

(Concluded)

Note 1: On June 27, 2023, Chia Hsin Green Electricity Corporation received an investment of $5,000 thousand from the Company, and it was legally registered by the Taipei City Government on July 11, 2023.

Note 2: The shareholders of Jiangsu Jiaguo Construction Material & Storage Co., Ltd. approved the reduction of its capital by US$9,200 thousand which were remitted to its investor on August 1, 2022.

Note 3: The shareholders of Jiangsu Chia Hsin Real Estate Co., Ltd. approved the reduction of its capital by RMB10,000 thousand which were remitted to its investor on March 31, 2022.

Note 4: The liquidation of the company was resolved by the board of directors of Jiangsu Chia Hsin Real Estate Co., Ltd. on April 26, 2023. The cancellation of registration was completed on August 29, 2023.

Note 5: On September 21, 2022, Chia Hsin Property Management & Development Corporation was invested by $5,000 thousand, and it was legally registered by the Taipei City Government on September 27, 2022.

Note 6: On August 23, 2023, Chia Hsin Property Management & Development Corporation increased its investment in Chuang Neng Technology Co., Ltd. by $17,500 thousand.

Note 7: The shareholders of Shanghai Jia Huan Concrete Co., Ltd. approved the reduction of its capital by US$7,960 thousand which were remitted to its investor on August 1, 2023.

Note 8: On June 18, 2023 and February 16, 2022, Chia Hsin Business Consulting (Shanghai) Co., Ltd. increased its investment in Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. by RMB4,000 thousand and RMB13,000 thousand, respectively.

Note 9: On March 1, 2023, June 21, 2023, February 16, 2022 and November 28, 2022, Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. increased its investment in Chia Peng Gemcare Maternity (Yangzhou) Co., Ltd. by RMB3,000 thousand, RMB2,000 thousand, RMB5,000 thousand and RMB3,000 thousand, respectively.

Note 10: On February 16, 2022, Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. increased its investment in Chia Peng Gemcare Maternity (Suzhou) Co., Ltd. by RMB5,000 thousand.

Note 11: The liquidation of the Company was resolved by the board of directors of Chia Peng Gemcare Maternity (Suzhou) Co., Ltd. on June 20, 2022. The cancellation of registration was completed on September 19, 2022.

Any transaction, account balance, revenue and expense between the consolidated entities are eliminated and not shown on the consolidated financial statements.

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

	Proportion of Ownership and Voting Rights Held by Non-controlling Interests	
	December 31	
Name of Subsidiary	**2023**	**2022**
Tong Yang Chia Hsin International Corporation	12.82%	12.82%

Refer to Note 39, Table 6 "Information on Investees" for the nature of activities, principal places of business and countries of incorporation of the subsidiaries and associates.

	Profit (Loss) Allocated to Non-controlling Interests		Accumulated Non-controlling Interests	
	For the Year Ended December 31		December 31	
Name of Subsidiary	**2023**	**2022**	**2023**	**2022**
Tong Yang Chia Hsin International Corporation	$ 15,697	$ 6,830	$ 839,177	$ 814,409

The summarized financial information below represents amounts before intragroup eliminations.

Tong Yang Chia Hsin International Corporation

	December 31	
	2023	**2022**
Current assets	$ 1,822,281	$ 1,763,722
Non-current assets	5,003,726	4,951,117
Current liabilities	(142,808)	(196,823)
Non-current liabilities	(139,121)	(167,114)
Equity	$ 6,544,078	$ 6,350,902

(Continued)

	December 31	
	2023	2022
Equity attributable to:		
Owners of the Group	$ 5,704,901	$ 5,536,493
Non-controlling interests of Tong Yang Chia Hsin International Corporation	839,177	814,409
	$ 6,544,078	$ 6,350,902
		(Concluded)

	For the Year Ended December 31	
	2023	2022
Operating revenue	$ 113,098	$ 106,592
Net profit for the year	$ 122,438	$ 53,275
Other comprehensive income (loss)	378,652	(1,401,822)
Total comprehensive income (loss) for the year	$ 501,090	$ (1,348,547)
Profit attributable to:		
Owners of the Group	$ 106,741	$ 46,445
Non-controlling interests of Tong Yang Chia Hsin International Corporation	15,697	6,830
	$ 122,438	$ 53,275
Total comprehensive income (loss) attributable to:		
Owners of the Group	$ 436,850	$ (1,175,663)
Non-controlling interests of Tong Yang Chia Hsin International Corporation	64,240	(172,884)
	$ 501,090	$ (1,348,547)
Net cash inflow (outflow) from:		
Operating activities	$ 19,934	$ 62,265
Investing activities	96,597	189,411
Financing activities	(119,209)	(314,307)
Net cash outflow	$ (2,678)	$ (62,631)

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

a. Investments in associates

	December 31	
	2023	2022
Material associates		
LDC ROME HOTELS S.R.L.	$ 417,997	$ 337,024
L'Hotel De Chine Corporation	1,325,570	1,219,545
Chia Hsin Construction & Development Corp.	1,806,338	1,747,897
Associates that are not individually material	237,539	235,792
	$ 3,787,444	$ 3,540,258

1) Material associates

	Proportion of Ownership and Voting Rights	
	December 31	
	2023	2022
LDC ROME HOTELS S.R.L.	40.00%	40.00%
Chia Hsin Construction & Development Corp.	46.18%	46.18%
L'Hotel De Chine Corporation	23.10%	23.10%

Refer to Note 39, Table 6 “Information on Investees” for the nature of activities, principal places of business and countries of incorporation of the associates.

All the associates were accounted for using the equity method.

The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRS Accounting Standards adjusted by the Group for equity accounting purposes.

LDC ROME HOTELS S.R.L.

	December 31	
	2023	2022
Current assets	$ 505,775	$ 391,523
Non-current assets	1,551,878	1,541,023
Current liabilities	(267,957)	(178,392)
Non-current liabilities	(744,704)	(911,593)
Equity	$ 1,044,992	$ 842,561
Proportion of the Group's ownership	40.00%	40.00%
Equity attributable to the Group	$ 417,997	$ 337,024
Carrying amount	$ 417,997	$ 337,024

	For the Year Ended December 31	
	2023	2022
Operating revenue	$ 774,782	$ 525,601
Net profit (loss) for the year	$ 33,783	$ (41,651)
Other comprehensive income	-	-
Total comprehensive income (loss) for the year	$ 33,783	$ (41,651)

On June 26, 2023, December 8, 2023 and September 28, 2022, the Group increased its investment in LDC ROME HOTELS S.R.L. by EUR800 thousand, EUR800 thousand and EUR1,600 thousand (equivalent to $27,056 thousand, $27,214 thousand and $48,698 thousand), respectively.

Chia Hsin Construction & Development Corp.

	December 31	
	2023	2022
Current assets	$ 1,771,361	$ 1,618,320
Non-current assets	2,410,323	2,342,794
Current liabilities	(284,103)	(191,670)
Non-current liabilities	(13,046)	(11,458)
Equity	$ 3,884,535	$ 3,757,986
Proportion of the Group's ownership	46.18%	46.18%
Equity attributable to the Group	$ 1,793,882	$ 1,735,441
Premium representing the difference between fair value and carrying amount of remaining equity investments	12,456	12,456
Carrying amount	$ 1,806,338	$ 1,747,897

	For the Year Ended December 31	
	2023	2022
Operating revenue	$ 104,068	$ 242,321
Net profit for the year	$ 67,952	$ 4,490
Other comprehensive income (loss)	57,971	(197,707)
Total comprehensive income (loss) for the year	$ 125,923	$ (193,217)
Dividends received from Chia Hsin Construction & Development Corp.	$ -	$ 37,751

L’Hotel De Chine Corporation

	December 31	
	2023	2022
Current assets	$ 576,846	$ 642,150
Non-current assets	7,530,975	6,455,691
Current liabilities	(1,550,084)	(539,850)
Non-current liabilities	(819,318)	(1,278,575)
Equity	$ 5,738,419	$ 5,279,416
Proportion of the Group’s ownership	23.10%	23.10%
Equity attributable to the Group	$ 1,325,570	$ 1,219,545
Carrying amount	$ 1,325,570	$ 1,219,545

	For the Year Ended December 31	
	2023	2022
Operating revenue	$ 1,024,386	$ 1,051,051
Net profit for the year	$ 349,561	$ 624,310
Other comprehensive income	14,934	22,165
Total comprehensive income for the year	$ 364,495	$ 646,475
Dividends received from L’Hotel De Chine Corporation	$ 33,999	$ -

2) Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2023	2022
The Group’s share of:		
Loss from continuing operations	$ (129)	$ (5,136)
Other comprehensive loss	(4,125)	(2,483)
Total comprehensive loss for the year	$ (4,254)	$ (7,619)

b. The investment in associates accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2023 and 2022 were based on the associates’ financial statements which have been audited for the same years.

16. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2023	2022
Assets used by the Group	$ 4,189,948	$ 4,784,817
Assets leased under operating leases	60,062	63,616
	$ 4,250,010	$ 4,848,433

a. Assets used by the Group

	Land	Building	Machinery and Equipment	Transportation Equipment	Leasehold Improvement	Other Equipment	Property under Construction	Total
Cost								
Balance at January 1, 2022	$ 913,842	$ 3,192,852	$ 791,304	$ 17,094	$ 2,873,727	$ 628,619	$ 86,208	$ 8,503,646
Additions	-	20	20,028	1,431	32,563	14,179	6,774	74,995
Disposals	-	-	(41,335)	(1,103)	(1,647)	(5,598)	-	(49,683)
Reclassified from property under construction	-	-	-	-	93,459	505	(93,964)	-
Reclassified from prepayments	-	-	16,089	-	-	-	-	16,089
Effect of foreign currency exchange differences	(30,621)	(107,639)	(4,664)	199	(1,648)	(11,848)	1,865	(154,356)
Balance at December 31, 2022	$ 883,221	$ 3,085,233	$ 781,422	$ 17,621	$ 2,996,454	$ 625,857	$ 883	$ 8,390,691
Revaluation								
Balance at January 1, 2022	$ -	$ -	$ 15,806	$ -	$ -	$ 230	$ -	$ 16,036
Disposals	-	-	(15,806)	-	-	-	-	(15,806)
Effect of foreign currency exchange differences	-	-	-	-	-	-	-	-
Balance at December 31, 2022	$ -	$ -	$ -	$ -	$ -	$ 230	$ -	$ 230
Accumulated depreciation								
Balance at January 1, 2022	$ -	$ 259,129	$ 591,590	$ 12,178	$ 1,877,105	$ 338,023	$ -	$ 3,078,025
Depreciation expenses	-	118,236	29,403	1,350	116,626	92,443	-	358,058
Disposals	-	-	(57,141)	(1,053)	(302)	(2,529)	-	(61,025)
Effect of foreign currency exchange differences	-	(6,542)	(132)	159	(389)	(3,454)	-	(10,358)
Balance at December 31, 2022	$ -	$ 370,823	$ 563,720	$ 12,634	$ 1,993,040	$ 424,483	$ -	$ 3,364,700
Accumulated impairment								
Balance at January 1, 2022	$ -	$ -	$ 55,939	$ -	$ 169,275	$ -	$ -	$ 225,214
Impairment losses	-	-	-	-	16,000	-	-	16,000
Effect of foreign currency exchange differences	-	-	140	-	50	-	-	190
Balance at December 31, 2022	$ -	$ -	$ 56,079	$ -	$ 185,325	$ -	$ -	$ 241,404
Carrying amount at December 31, 2022	$ 883,221	$ 2,714,410	$ 161,623	$ 4,987	$ 818,089	$ 201,604	$ 883	$ 4,784,817
Cost								
Balance at January 1, 2023	$ 883,221	$ 3,085,233	$ 781,422	$ 17,621	$ 2,996,454	$ 625,857	$ 883	$ 8,390,691
Additions	-	227	2,360	-	1,698	8,923	-	13,208
Disposals	-	-	(2,031)	(440)	-	(41,537)	-	(44,008)
Reclassified from property under construction	-	-	-	-	883	-	(883)	-
Reclassified from prepayments	-	-	-	-	-	111	-	111
Effect of foreign currency exchange differences	(57,461)	(202,008)	(11,657)	(40)	(2,768)	(22,368)	-	(296,302)
Balance at December 31, 2023	$ 825,760	$ 2,883,452	$ 770,094	$ 17,141	$ 2,996,267	$ 570,986	$ -	$ 8,063,700
Revaluation								
Balance at January 1, 2023	$ -	$ -	$ -	$ -	$ -	$ 230	$ -	$ 230
Disposals	-	-	-	-	-	-	-	-
Effect of foreign currency exchange differences	-	-	-	-	-	-	-	-
Balance at December 31, 2023	$ -	$ -	$ -	$ -	$ -	$ 230	$ -	$ 230
Accumulated depreciation								
Balance at January 1, 2023	$ -	$ 370,823	$ 563,720	$ 12,634	$ 1,993,040	$ 424,483	$ -	$ 3,364,700
Depreciation expenses	-	116,321	30,910	793	114,531	68,864	-	331,419
Disposals	-	-	(2,031)	(440)	-	(41,439)	-	(43,910)
Effect of foreign currency exchange differences	-	(27,281)	(4,691)	2	(585)	(14,808)	-	(47,363)
Balance at December 31, 2023	$ -	$ 459,863	$ 587,908	$ 12,989	$ 2,106,986	$ 437,100	$ -	$ 3,604,846

(Continued)

	Land	Building	Machinery and Equipment	Transportation Equipment	Leasehold Improvement	Other Equipment	Property under Construction	Total
Accumulated impairment								
Balance at January 1, 2023	$ -	$ -	$ 56,079	$ -	$ 185,325	$ -	$ -	$ 241,404
Impairment losses	-	-	-	-	28,196	-	-	28,196
Effect of foreign currency exchange differences	-	-	(153)	-	(311)	-	-	(464)
Balance at December 31, 2023	$ -	$ -	$ 55,926	$ -	$ 213,210	$ -	$ -	$ 269,136
Carrying amount at December 31, 2023	$ 825,760	$ 2,423,589	$ 126,260	$ 4,152	$ 676,071	$ 134,116	$ -	$ 4,189,948

(Concluded)

Due to intense competition in the healthcare industry, a declining fertility rate and the difficulty of business expansion, future cash flows were expected to decrease, resulting in the recoverable amount being less than the carrying amount. Therefore, the Group recognized $28,196 thousand and $16,000 thousand of impairment losses on leasehold improvements in 2023 and 2022, respectively. The Group determined the recoverable amounts of the relevant assets on the basis of their value in use. The discount rates used in measuring the value in use were 4.9867%-7.3742% and 7.9838% per annum, respectively.

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

Buildings	
Office building	20 years
Storage and plant	20 years
Others	6-47 years
Machinery and equipment	2-20 years
Transportation equipment	3-8 years
Leasehold improvement	
Office building	5-40 years
Storage and plant	7-24 years
Others	3-24 years
Other equipment	2-20 years

b. Assets leased under operating leases

	Machinery and Equipment	Leasehold Improvement	Other Equipment	Total
Cost				
Balance at January 1, 2022	$ 238,309	$ 82,355	$ 2,764	$ 323,428
Disposals	(4,232)	-	(398)	(4,630)
Effect of foreign currency exchange differences	3,753	1,288	46	5,087
Balance at December 31, 2022	$ 237,830	$ 83,643	$ 2,412	$ 323,885

(Continued)

6.

	Machinery and Equipment	Leasehold Improvement	Other Equipment	Total
Accumulated depreciation				
Balance at January 1, 2022	$ 206,306	$ 41,225	$ 2,463	$ 249,994
Depreciation expenses	1,138	1,472	13	2,623
Disposals	(3,809)	-	(358)	(4,167)
Effect of foreign currency exchange differences	3,245	636	41	3,922
Balance at December 31, 2022	$ 206,880	$ 43,333	$ 2,159	$ 252,372
Accumulated impairment				
Balance at January 1, 2022	$ -	$ 7,775	$ -	$ 7,775
Effect of foreign currency exchange differences	-	122	-	122
Balance at December 31, 2022	$ -	$ 7,897	$ -	$ 7,897
Carrying amount at December 31, 2022	$ 30,950	$ 32,413	$ 253	$ 63,616
Cost				
Balance at January 1, 2023	$ 237,830	$ 83,643	$ 2,412	$ 323,885
Additions	-	-	99	99
Effect of foreign currency exchange differences	(4,004)	(1,409)	(43)	(5,456)
Balance at December 31, 2023	$ 233,826	$ 82,234	$ 2,468	$ 318,528
Accumulated depreciation				
Balance at January 1, 2023	$ 206,880	$ 43,333	$ 2,159	$ 252,372
Depreciation expenses	1,136	1,468	28	2,632
Effect of foreign currency exchange differences	(3,506)	(759)	(37)	(4,302)
Balance at December 31, 2023	$ 204,510	$ 44,042	$ 2,150	$ 250,702
Accumulated impairment				
Balance at January 1, 2023	$ -	$ 7,897	$ -	$ 7,897
Effect of foreign currency exchange differences	-	(133)	-	(133)
Balance at December 31, 2023	$ -	$ 7,764	$ -	$ 7,764
Carrying amount at December 31, 2023	$ 29,316	$ 30,428	$ 318	$ 60,062

(Concluded)

Operating leases relate to the lease of machinery and equipment, leasehold improvement and other equipment in the Port of Longwu, Shanghai, with lease terms from 2019 to 2023 and continuing to lease for an additional 5 years until 2028. The operating lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the assets at the expiration of the lease periods.

The maturity analysis of lease payments receivable under operating lease payments was as follows:

	December 31	
	2023	2022
Year 1	$ 31,178	$ 30,012
Year 2	31,270	-
Year 3	31,367	-
Year 4	31,469	-
Year 5	31,576	-
	$ 156,860	$ 30,012

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

Machinery and equipment	10-15 years
Leasehold improvement	
Office building	40 years
Storage and plant	37-40 years
Others	40 years
Other equipment	2-5 years

c. Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 35.

17. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	2022
Carrying amount		
Land	$ 503,999	$ 535,221
Land improvement	695,547	812,545
Building	140,631	196,159
Transportation equipment	189	1,169
	$ 1,340,366	$ 1,545,094

	For the Year Ended December 31	
	2023	2022
Additions to right-of-use assets	$ 2,977	$ 12,179
Depreciation charge for right-of-use assets		
Land	$ 25,966	$ 26,038
Land improvement	37,692	37,761
Building	49,355	60,628
Machinery and equipment	-	57
Transportation equipment	962	1,290
	$ 113,975	$ 125,774

1) Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease of right-of-use assets during the years ended December 31, 2023 and 2022.

2) The Group terminated part of the lease contracts in advance, resulting in a decrease of $354 thousand and $52,091 thousand in right-of-use assets, and recognized $5 thousand and $5,469 thousand of gain on disposal of right-of-use assets under other gains and losses in 2023 and 2022, respectively.

3) Due to intense competition in the healthcare industry, a declining fertility rate and the difficulty of business expansion, future cash flows were expected to decrease, resulting in the recoverable amount being less than the carrying amount. Therefore, the Group recognized $8,358 thousand and $19,000 thousand of impairment losses on buildings under right-of-use assets in 2023 and 2022, respectively. The Group determined the recoverable amounts of the relevant assets on the basis of their value in use. The discount rates used in measuring the value in use was 4.9867% and 7.9838% per annum, respectively.

b. Lease liabilities

	December 31	
	2023	2022
Carrying amount		
Current	$ 112,628	$ 139,172
Non-current	$ 1,353,352	$ 1,514,484

Ranges of discount rates for lease liabilities were as follows:

	December 31	
	2023	2022
Land	1.38%-5.46%	1.38%-5.46%
Land improvement	1.38%-1.58%	1.38%-1.58%
Building	1.30%-4.99%	1.30%-4.99%
Transportation equipment	2.00%-6.12%	2.00%-6.12%

c. Material lease activities and terms as lessee

1) Warehousing and storage service at the wharves

In order to operate in cargo loading, unloading, storage and transit business, the Group entered into two lease contracts in December 2009 and December 2014, respectively, to lease the first bulk and general cargo center in Port of Taipei ("Port of Taipei") from Port of Keelung Taiwan International Ports Corporation Ltd., and to lease the wharf and equipment attached in the Port of Taichung from Port of Taichung Taiwan International Ports Corporation Ltd. ("Port of Taichung"). The lease term for Port of Taipei lasts for 35 years and 5 months that commenced on December 10, 2009; the lease term for Port of Taichung lasts from December 1, 2014 to December 31, 2024. The rentals for lands in Port of Taipei are calculated on the basis of the regional average rent and the annual rental ratio of the market price of each square meter announced by the government. The leases are adjusted in line with the regional rent and ratio of the market price announced publicly. The rentals for buildings are adjusted in accordance with annual "Construction Cost Index" published by the Directorate General of Budget, Accounting and Statistics (DGBAS), the Executive Yuan of the ROC.

The rentals for the land in Port of Taichung are calculated based on land value of the area and the annual rate of rent approved by the government, and will adapt to any adjustments made by the government. The rent for the equipment of Port of Taichung is adjusted yearly based on the Annual Wholesale Price Indices of Taiwan, and the percentage of changes is limited to 2 percent.

According to the abovementioned contracts, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessors' consent. At the end of the contract terms, the Group has the right to apply for extension, and a new contract can be signed at both parties' consent.

Joint Operating Agreement

In order to operate a bulk cement business in China, the Group entered into a joint operating agreement with Shanghai International Port (Group) Co, Ltd ("Longwu Harbor"). According to the agreement, Longwu Harbor should lease the land use right of its pier to the Group. The lease term lasts for 40 years, commencing on the date the joint venture company, established by the two parties, obtains its business license. Beginning on the sixth year of the lease term, the rent should be adjusted annually based on the increasing rate of the average annual cement price listed on the Shanghai Construction Engineering Cost Information System. When the cement price decreased, no rental adjustment should be made. At the end of the contract term, the contract can be extended and registered with relevant government agencies according to the agreement between both parties.

2) Healthcare business

In order to develop its healthcare business, the Group entered into leasing contracts of buildings for operation purposes in both Taiwan and China. The lease terms range from 10 to 15 years. At the end of the lease term, the Group has the right to apply for extension and bargain renewal options. However, the Group has no bargain purchase options and is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessors' consent.

d. Other lease information

The Group's leases as lessor of property, plant and equipment and investment properties under operating leases are set out in Notes 16 and 18, respectively; finance leases of assets are set out in Note 12.

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases	$ 4,646	$ 5,029
Expenses relating to low-value asset leases	$ 1,419	$ 1,007
Total cash outflow for leases	$ (141,435)	$ (150,136)

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

18. INVESTMENT PROPERTIES

	Land	Building	Investment Property under Construction	Total
Cost				
Balance at January 1, 2022	$ 2,163,359	$ 296,540	$ 182,533	$ 2,642,432
Additions	-	-	88,160	88,160
Effect of foreign currency exchange differences	(12,043)	990	(4,205)	(15,258)
Balance at December 31, 2022	$ 2,151,316	$ 297,530	$ 266,488	$ 2,715,334
Revaluation				
Balance at January 1, 2022	$ 3,691,636	$ 151,010	$ -	$ 3,842,646
Balance at December 31, 2022	$ 3,691,636	$ 151,010	$ -	$ 3,842,646
Accumulated depreciation				
Balance at January 1, 2022	$ -	$ 343,073	$ -	$ 343,073
Depreciation expenses	-	8,379	-	8,379
Effect of foreign currency exchange differences	-	425	-	425
Balance at December 31, 2022	$ -	$ 351,877	$ -	$ 351,877

(Continued)

	Land	Building	Investment Property under Construction	Total
Accumulated impairment				
Balance at January 1, 2022	$ -	$ 11,588	$ -	$ 11,588
Effect of foreign currency exchange differences	-	181	-	181
Balance at December 31, 2022	$ -	$ 11,769	$ -	$ 11,769
Carrying amount at December 31, 2022	$ 5,842,952	$ 84,894	$ 266,488	$ 6,194,334
Cost				
Balance at January 1, 2023	$ 2,151,316	$ 297,530	$ 266,488	$ 2,715,334
Additions	-	-	78,407	78,407
Disposals	-	(2,495)	-	(2,495)
Effect of foreign currency exchange differences	(22,601)	(1,082)	(18,392)	(42,075)
Balance at December 31, 2023	$ 2,128,715	$ 293,953	$ 326,503	$ 2,749,171
Revaluation				
Balance at January 1, 2023	$ 3,691,636	$ 151,010	$ -	$ 3,842,646
Disposals	-	(1,285)	-	(1,285)
Balance at December 31, 2023	$ 3,691,636	$ 149,725	$ -	$ 3,841,361
Accumulated depreciation				
Balance at January 1, 2023	$ -	$ 351,877	$ -	$ 351,877
Depreciation expenses	-	8,013	-	8,013
Disposals	-	(3,780)	-	(3,780)
Effect of foreign currency exchange differences	-	(529)	-	(529)
Balance at December 31, 2023	$ -	$ 355,581	$ -	$ 355,581
Accumulated impairment				
Balance at January 1, 2023	$ -	$ 11,769	$ -	$ 11,769
Effect of foreign currency exchange differences	-	(198)	-	(198)
Balance at December 31, 2023	$ -	$ 11,571	$ -	$ 11,571
Carrying amount at December 31, 2023	$ 5,820,351	$ 76,526	$ 326,503	$ 6,223,380

(Concluded)

The abovementioned investment properties are depreciated on a straight-line basis over their estimated useful lives from 5 to 60 years.

The investment properties are not evaluated by an independent valuer but valued by the Group's management using the valuation model that market participants would use in determining the fair value, and the fair value was measured using Level 3 inputs. The valuation was arrived at by reference to market evidence of transaction prices for similar properties and by discounted cash flow analysis. The significant unobservable inputs used include discount rates. The appraised fair value is as follows:

	December 31	
	2023	**2022**
The fair values of investment properties	$ 12,870,981	$ 12,483,663
Discount rate	7.3742%	7.9838%

The Group's investment properties under construction is located on the seaside, Toyosaki Japan. Because the location is still in the development stage, the comparable market transactions occur infrequently and no substitute estimated fair value can be obtained. As a result, the Group cannot reliably determine the fair value of investment property under construction.

All of the Group's investment properties are freehold properties. The investment properties pledged as collateral for bank borrowings are set out in Note 35.

19. INTANGIBLE ASSETS

	For the Year Ended December 31	
	2023	**2022**
Cost		
Balance at January 1	$ 14,069	$ 12,509
Additions	200	1,968
Effect of foreign currency exchange differences	(807)	(408)
Balance at December 31	$ 13,462	$ 14,069
Accumulated amortization		
Balance at January 1	$ 7,418	$ 4,929
Amortization expenses	2,718	2,605
Effect of foreign currency exchange differences	(519)	(116)
Balance at December 31	$ 9,617	$ 7,418
Carrying amount at December 31	$ 3,845	$ 6,651

Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	5 years

	For the Year Ended December 31	
	2023	**2022**
An analysis of amortization by function		
General and administrative expenses	$ 2,718	$ 2,605

20. OTHER ASSETS

	December 31 2023	December 31 2022
Current		
Prepayments		
Prepaid guarantee for freight	$ 75,077	$ 74,013
Overpaid sales tax	26,473	21,909
Office supplies	9,877	7,015
Prepayment for purchase	468	262
Prepaid rents	756	953
Others	8,272	10,748
	$ 120,923	$ 114,900
Other current assets		
Refundable deposits	$ 14	$ 15
Others	215	1,702
	$ 229	$ 1,717
Non-current		
Other non-current assets		
Refundable deposits	$ 46,863	$ 29,394
Prepayments for equipment	12,150	2,456
Others	518	864
Overdue receivables (Note 10)	-	-
	$ 59,531	$ 32,714

21. BORROWINGS

a. Short-term borrowings

	December 31 2023	December 31 2022
Secured borrowings	$ -	$ 585,000
Unsecured borrowings	1,356,040	1,088,664
	$ 1,356,040	$ 1,673,664

1) The ranges of interest rates on bank loans were 1.25%-1.92% and 1.30%-2.21% per annum as of December 31, 2023 and 2022, respectively.

2) Refer to Note 35 for information on collaterals for the abovementioned borrowings.

b. Short-term bills payable

	December 31 2023	December 31 2022
Commercial paper	$ 745,000	$ 128,000
Less: Unamortized discounts on bills payable	(894)	(386)
	$ 744,106	$ 127,614

Outstanding short-term bills payable were as follows:

December 31, 2023

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate Range	Collateral
Commercial paper					
Mega Bills	$ 200,000	$ (197)	$ 199,803	1.898%	None
China Bills	200,000	(169)	199,831	1.928%	None
Ta Ching Bills	200,000	(243)	199,757	1.928%	None
International Bills	145,000	(285)	144,715	1.928%	None
	$ 745,000	$ (894)	$ 744,106		

December 31, 2022

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate Range	Collateral
Commercial paper					
International Bills	$ 128,000	$ (386)	$ 127,614	2.038%	None

c. Long-term borrowings

	December 31 2023	December 31 2022
Secured borrowings		
Bank loans (1)	$ 4,773,282	$ 4,925,157
Loans from governments (2)	1,789,268	2,009,641
Unsecured borrowings		
Bank loans (3)	1,394,920	1,437,920
	7,957,470	8,372,718
Less: Current portion	(571,452)	(933,090)
Long-term borrowings	$ 7,386,018	$ 7,439,628

1) The Group signed medium-term secured loan contracts with First Commercial Bank, Cathay United Bank, Bank SinoPac, China Trust Commercial Bank and Taiwan Cooperative Bank, respectively. The bank loans are to be repaid at once or in installments according to the agreements. As of December 31, 2023 and 2022, the annual interest rates are 1.27%-1.99% and 1.27%-1.86%, respectively. The loan is repayable in 3 to 7 years, and the final maturity date of the loan is September 8, 2030.

2) The Group entered into a secured government loan facility contract with Okinawa Development Finance Corporation. The loan is to be repaid in installments according to the repayment schedule in the contract. As of December 31, 2023 and 2022, the annual interest rates are 0.2% and 0.05%-0.2%, respectively. The final maturity date of the loan is June 25, 2042.

3) The Group signed medium-term unsecured loan contracts with Taishin Bank, Bank SinoPac, and China Trust Commercial Bank. The bank loans are to be repaid at once or in installments according to the agreements. The facilities allow drawdown on a revolving basis. As of December 31, 2023 and 2022, the annual interest rates of 1.26%-1.80% and 1.27%-1.68%, respectively. The loan is repayable in 3 to 5 years, and the final maturity date of the loan is December 28, 2026.

4) Refer to Note 35 for information on collaterals for the abovementioned borrowings.

22. NOTES PAYABLE AND TRADE PAYABLES

	December 31	
	2023	2022
Notes payable		
Operating	$ 3,337	$ 1,907
Trade payables		
Operating	$ 96,221	$ 86,994

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

23. OTHER LIABILITIES

	December 31	
	2023	2022
Current		
Other payables		
Payables for salaries and bonuses	$ 73,550	$ 68,189
Payables for machinery and equipment and construction in progress (Note 31)	6,519	35,413
Payables for VAT	43,400	35,666
Payables for interests	3,692	2,548
Payables for dividends (Note 31)	1,204	1,081
Payables for professional fees	16,028	11,249

(Continued)

	December 31	
	2023	2022
Payables for insurance	$ 5,765	$ 6,058
Others	46,970	46,440
	$ 197,128	$ 206,644
Other liabilities		
Refundable deposits (Note 34)	$ 42,573	$ 29,759
Advanced receipts	3,155	6,536
Receipts under custody	4,683	6,773
	$ 50,411	$ 43,068
Non-current		
Deferred revenue		
Government grants (Note 30)	$ 311,098	$ 342,402
Other liabilities		
Refundable deposits (Note 34)	$ 88,980	$ 90,640

(Concluded)

24. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

The employees of the Group's subsidiaries in mainland China are members of a state-managed retirement benefit plan operated by the government of the People's Republic of China, which is a defined contribution plan.

The employees of the Group's subsidiaries in Japan are members of a state-managed retirement benefit plan operated by the local government. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

For the years ended on December 31, 2023 and 2022, the amounts included in the consolidated statements of comprehensive income in respect of the Group's defined contribution plan were $13,728 thousand and $12,836 thousand, respectively.

b. Defined benefit plans

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

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

	December 31	
	2023	**2022**
Present value of defined benefit obligation	$ (85,371)	$ (91,843)
Fair value of plan assets	101,520	110,422
Surplus	16,149	18,579
Net defined benefit assets	$ 16,149	$ 18,579

Movements in net defined benefit assets were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Assets**
Balance at January 1, 2022	$ (97,375)	$ 102,209	$ 4,834
Service cost			
Current service cost	(1,727)	-	(1,727)
Net interest (expense) income	(608)	646	38
Recognized in profit or loss	(2,335)	646	(1,689)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	8,349	8,349
Actuarial loss			
Changes in financial assumptions	6,855	-	6,855
Experience adjustments	(1,720)	-	(1,720)
Recognized in other comprehensive income	5,135	8,349	13,484
Benefits paid	2,732	(2,732)	-
Contributions from the employer	-	1,950	1,950
Balance at December 31, 2022	(91,843)	110,422	18,579
Service cost			
Current service cost	(1,365)	-	(1,365)
Net interest (expense) income	(1,341)	1,568	227
Recognized in profit or loss	(2,706)	1,568	(1,138)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	737	737
Actuarial loss			
Changes in financial assumptions	(1,368)	-	(1,368)
Experience adjustments	(2,174)	-	(2,174)
Recognized in other comprehensive income	(3,542)	737	(2,805)
Benefits paid	12,720	(12,720)	-
Contributions from the employer	-	1,513	1,513
Balance at December 31, 2023	$ (85,371)	$ 101,520	$ 16,149

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

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

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

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

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

	December 31	
	2023	**2022**
Discount rate	1.25%	1.125%-1.5%
Expected rate of salary increase	2.00%	2.00%

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

	December 31	
	2023	**2022**
Discount rate		
0.25% increase	$ (1,524)	$ (1,888)
0.25% decrease	$ 1,568	$ 1,946
Expected rate of salary increase		
0.25% increase	$ 1,529	$ 1,902
0.25% decrease	$ (1,493)	$ (1,854)

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

	December 31	
	2023	**2022**
Expected contributions to the plans for the next year	$ 1,458	$ 1,989
Average duration of the defined benefit obligation	8.20-9.71 years	6.2-9.2 years

25. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2023	2022
Shares authorized (in thousands of shares)	1,500,000	1,500,000
Amount of shares authorized	$ 15,000,000	$ 15,000,000
Shares issued and fully paid (in thousands of shares)	790,247	774,781
Amount of shares issued and fully paid	$ 7,902,474	$ 7,747,805

Fully paid ordinary shares, which have a par value of NT$10, carry one vote per share and carry a right to dividends.

The Company's shareholders resolved to distribute share dividends of $154,669 thousand in May 2023, which were approved by the FSC. The subscription base date was August 2, 2023 as determined by the board of directors.

b. Capital surplus

	December 31	
	2023	2022
May only be used to offset a deficit (1)		
Treasury share transaction	$ 367,772	$ 367,772
Unclaimed dividends extinguished by prescription	12,589	9,792
Unclaimed dividends extinguished by prescription of subsidiaries	3,892	3,106
Changes in equity of associates accounted for using the equity method	72,627	29,768
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (2)		
Treasury share transaction		
Dividends paid to subsidiaries	816,290	782,977
Disposal of treasury shares	24,829	24,829
Share-based payment	15,428	15,428
Share-based payment of subsidiaries	4,747	4,747
Difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal	7	7
	$ 1,318,181	$ 1,238,426

Note 1: Such capital surplus may only be used to offset a deficit.

Note 2: Such capital surplus may be used to offset a deficit; in addition, when the Group has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Group's paid-in capital each year).

For 2023 and 2022, the Company distributed cash dividends to subsidiaries, with capital surplus - treasury shares adjusted by the amounts of $33,313 thousand and $72,177 thousand, respectively.

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Articles of Incorporation of the Company, when the Company makes the financial statement to obtain after-tax surplus earnings in a fiscal year, it shall make up its accumulated losses, set aside a sum as legal reserve, set aside or reverse a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors, refer to Note 27(g).

The remaining dividend policy is taken by the Company. In consideration of the future business expansion and capital needs, an appropriate amount of earnings can be retained. If there are undistributed earnings remained after the appropriation, distribution of earnings can be made.

For the distribution of shareholders' dividends, cash dividends shall be more than 10% of total dividends distributed in the current year, the remainders will be in stock dividends.

According to the Company Act No. 237, the Company shall recognize as legal reserve 10% of the remaining profit, until the accumulated legal reserve equals the total amount of paid-in capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

When a special reserve is appropriated for cumulative net debit balance reserves from prior period, the special reserve is only appropriated from the prior unappropriated earnings. The sum of net profit for current period and items other than net profit that are included directly in the unappropriated earnings for current period is used if the prior unappropriated earnings is not sufficient.

The appropriations of earnings for 2022 and 2021 approved in the shareholders' regular meetings on May 30, 2023 and June 14, 2022, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2022	**2021**
Legal reserve	$ -	$ 68,062
Cash dividends	232,004	502,675
Cash dividends per share (NT$)	0.30	0.65
Share dividends	154,669	-
Share dividends per share (NT$)	0.20	-

The appropriation of earnings for 2023 is expected to be proposed by the board of directors in April 2024 and will be resolved by the shareholders in their meeting to be held on May 24, 2024.

The earnings of the Company and the subsidiaries are appropriated under the Articles of each company and are not restricted by contract.

d. Special reserve

If a special reserve appropriated on the first-time adoption of IFRS Accounting Standards relates to investment properties other than land, the special reserve may be reversed continuously over the period of use or may be reversed upon the disposal or reclassification of the related assets. The special reserve related to land may be reversed on the disposal or reclassification of the land.

The special reserves recognized as of December 31, 2023 and 2022 were as follows:

	December 31	
	2023	**2022**
Appropriation in respect of the Articles of Incorporation of the Company	$ 295,756	$ 295,756
First application of Rule issued by the FSC		
Revaluation of investment properties (Note)	1,792,502	1,793,450
Exchange differences on translation of the financial statements of foreign operations	168,790	168,790
	$ 2,257,048	$ 2,257,996

Note: In the third quarter of 2023, the Group completed subsequent disposal transactions and recognized a reversal of $948 thousand on revaluation of investment properties due to the initial application of the IFRS Accounting Standards.

e. Other equity items

1) Exchange differences on the translation of the financial statements of foreign operations:

	For the Year Ended December 31	
	2023	**2022**
Balance at January 1	$ (648,722)	$ (800,236)
Recognized for the year		
Exchange differences on translation of the financial statements of foreign operations	(37,485)	187,458
Share from associates accounted for using the equity method	3,395	6,412
Related income tax	12,420	(42,356)
Other comprehensive (loss) income recognized for the year	(21,670)	151,514
Balance at December 31	$ (670,392)	$ (648,722)

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

	For the Year Ended December 31	
	2023	**2022**
Balance at January 1	$ 3,459,972	$ 6,779,354
Recognized for the year		
Unrealized gain (loss) on financial assets at FVTOCI	467,418	(3,223,381)
Unrealized gain (loss) on financial assets at FVTOCI held by associates accounted for using the equity method	23,170	(96,001)
Other comprehensive income (loss) recognized for the year	490,588	(3,319,382)
Balance at December 31	$ 3,950,560	$ 3,459,972

f. Non-controlling interests

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 713,432	$ 884,865
Share in profit for the year	14,956	6,876
Other comprehensive (loss) income during the year		
Exchange differences on translation of the financial statements of foreign entities	(1,412)	11,652
Related income tax	212	(1,660)
Unrealized gain (loss) on financial assets at FVTOCI	16,463	(131,721)
Unrealized (loss) gain on financial assets at FVTOCI held by associates accounted for using the equity method	(270)	(162)
Remeasurement on defined benefit plans	42	292
Income tax relating to defined benefit plans	(8)	(58)
Adjustments of capital surplus due to unclaimed dividends extinguished by prescription	116	29
Cash dividends	(6,424)	(56,681)
Balance at December 31	$ 737,107	$ 713,432

g. Treasury shares

Purpose of Buy-back	Shares Transferred to Employees (In Thousands of Shares)	Shares Held by Subsidiaries (In Thousands of Shares)	Total (In Thousands of Shares)
Number of shares at January 1, 2022	1,435	127,371	128,806
Increase during the year	-	-	-
Decrease during the year	-	-	-
Number of shares at December 31, 2022	1,435	127,371	128,806
Number of shares at January 1, 2023	1,435	127,371	128,806
Increase during the year (Note)	-	2,547	2,547
Decrease during the year	-	-	-
Number of shares at December 31, 2023	1,435	129,918	131,353

Note: The shares dividend distributed by the Company of the year 2023.

Prior to the amendment of the Company Act at the end of 2001, subsidiaries purchased shares of the Company on the open market in line with government policy and in order to maintain the stability of the share price on the open market. The relevant information on the holding of the Company's shares is as follows:

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Based on the Shareholding Ratio Carrying Amount	Market Price
December 31, 2023			
By direct investment			
Tong Yang Chia Hsin International Corporation	129,918	$ 1,055,710	$ 2,157,646
December 31, 2022			
By direct investment			
Tong Yang Chia Hsin International Corporation	127,371	$ 1,055,710	$ 1,932,121

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to receive dividends and to vote. The subsidiaries holding treasury shares, however, are bestowed shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

26. REVENUE

	For the Year Ended December 31 2023	2022
Revenue from contracts with customers		
Revenue from the sale of goods	$ 1,274,487	$ 992,780
Revenue from the rent	291,007	277,180
Revenue from rendering of services	703,717	609,845
Revenue from catering and hospitality	642,372	373,854
	$ 2,911,583	$ 2,253,659

a. Contract information

Revenue from the sale of goods

The main operating revenue of the Group is from the sales of cement and other goods. All goods are sold at their respective fixed price as agreed in the contracts.

Revenue from the rent

The rental income comes from the lease of property, plant and equipment. The Group recognizes the revenue according to the contract on accrual basis.

Revenue from rendering of services

The Group operates the cement silo and other storage and transport facilities in the wharves to provide warehousing and storage services. The fee is calculated based on the actual amount of goods delivered and the agreed price in the signed contracts.

Revenue from catering and hospitality services

The Group recognizes the revenue from catering services once the merchandise is sold to the client. The consideration is collected from the client upon occurrence of the purchase transaction.

The Group recognizes the revenue from hospitality services once the service is rendered to the client. The contractual consideration is collected according to the agreed time schedule.

b. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Notes receivable and trade receivables from unrelated parties (Note 10)	$ 357,960	$ 250,625	$ 215,745
Trade receivables from related parties (Note 34)	$ 8,899	$ 4,876	$ 10,864
Contract liabilities - current	$ 41,608	$ 27,860	$ 23,704

Revenue recognized in the current reporting period that was included in the contract liability balance at the beginning of the period and from the performance obligations satisfied for the years ended December 31, 2023 and 2022 was $27,860 thousand and $23,704 thousand, respectively.

c. Disaggregation of revenue

For information on disaggregation of revenue, please refer to Note 40.

27. NET PROFIT

Net profit from continuing operations was attributable to:

a. Interest income

	For the Year Ended December 31	
	2023	2022
Bank deposits	$ 161,666	$ 76,114

b. Other income

	For the Year Ended December 31	
	2023	2022
Rental income	$ 33,462	$ 31,947
Dividends (Note 34)	218,496	352,303
Government grants (Note 30)	9,111	20,301
Remuneration of directors (Note 34)	10,029	27,021
Others	7,997	14,156
	$ 279,095	$ 445,728

c. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Gain (loss) on disposal of property, plant and equipment	$ 4	$ (19,623)
Net foreign exchange (losses) gains (Note 27-h)	(95,471)	96,986
Loss on fair value changes of financial assets at FVTPL	(6,520)	(264,762)
Impairment loss on property, plant and equipment (Note 16)	(28,196)	(16,000)
Impairment loss on right-of-use assets (Note 17)	(8,358)	(19,000)
Gain on disposal of right-of-use assets	5	5,469
Others	(6,738)	(1,301)
	$ (145,274)	$ (218,231)

d. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest on bank loans	$ 173,457	$ 140,970
Interest on lease liabilities	30,501	34,151
Less: Capitalized interest amount	(239)	(5,683)
	$ 203,719	$ 169,438

Information about capitalized interest is as follows:

	For the Year Ended December 31	
	2023	2022
Capitalized interest amount	$ 239	$ 5,683
Capitalization rate	1.68%-2.04%	0.96%-1.68%

e. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
Property, plant and equipment	$ 334,051	$ 360,681
Investment properties	8,013	8,379
Right-of-use assets	113,975	125,774
Other intangible assets	2,718	2,605
	$ 458,757	$ 497,439
An analysis of depreciation by function		
Operating costs	$ 395,013	$ 416,967
Operating expenses	61,026	77,867
	$ 459,039	$ 494,834
An analysis of amortization by function		
Operating expenses	$ 2,718	$ 2,605

f. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Short-term benefits	$ 482,457	$ 456,101
Post-employment benefits (Note 24)		
Defined contribution plan	13,728	12,836
Defined benefit plans	1,138	1,689
Other employee benefits	17,836	16,423
	$ 515,159	$ 487,049
An analysis of employee benefits expense by function		
Operating costs	$ 233,406	$ 199,684
Operating expenses	281,753	287,365
	$ 515,159	$ 487,049

g. Compensation of employees and remuneration of directors

According to the Company’s Articles of Incorporation, the Company accrues compensation of employees at rates of no less than 0.01% and no higher than 3%, and remuneration of directors at rates of no higher than 3% of net profit before income tax, compensation of employees and remuneration of directors.

The Company had loss before income tax for the year ended December 31, 2022. Therefore, no compensation of employees and remuneration of directors was accrued for the relevant period. The compensation of employees and the remuneration of directors for the years ended December 31, 2023, which was approved by the Company's board of directors on February 27, 2024, are as follows:

Accrual rate

	For the Year Ended December 31, 2023
Compensation of employees	2.87%
Remuneration of directors	2.87%

Amount

	For the Year Ended December 31, 2023	
	Cash	Shares
Compensation of employees	$ 700	$ -
Remuneration of directors	700	-

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

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the financial statements for the years ended December 31, 2022 and 2021.

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

h. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2023	2022
Foreign exchange gains	$ 72,940	$ 213,419
Foreign exchange losses	(168,411)	(116,433)
Net foreign exchange (losses) gains	$ (95,471)	$ 96,986

28. INCOME TAXES

According to regulations stipulated by Ruling Letter No. 910458039 dated February 12, 2003, "Principles and regulations of profit-seeking businesses filing joint tax returns in accordance with Article 49 of the Financial Holding Company Law and Article 40 of Enterprise Merger Law", as a result of division in accordance with Article 40 of Enterprise Merger Law, the Company is elected as a tax payer and file a joint tax return which holds more than 90% shares of a domestic subsidiary for 12 months during a taxable year.

The Company filed the joint income tax returns of the Company and Chia Hsin Property Management & Development Corporation. The objective of the Company under the linked-tax system is to reduce the income tax liabilities of the companies by maximizing the benefits from the synergy of the Group and its subsidiaries.

a. Income tax recognized in profit or loss

Major components of income tax (benefit) expense are as follows:

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	$ 28,863	$ 18,296
Income tax on unappropriated earnings	-	7,736
Adjustments for prior years	123	(1,530)
	28,986	24,502
Deferred tax		
In respect of the current year	(42,257)	28,082
Income tax expense recognized in profit or loss	$ (13,271)	$ 52,584

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

	For the Year Ended December 31	
	2023	2022
Profit (loss) before tax from continuing operations	$ 82,767	$ (121,302)
Income tax expense (benefit) calculated at the statutory rate	$ 16,553	$ (24,260)
Nondeductible expenses in determining taxable income	4,708	7,708
Tax-exempt income	(73,590)	(22,033)
Income tax on unappropriated earnings	-	7,736
Unrecognized loss carryforwards	50,245	106,572
Loss carryforwards utilized in the current year	(2,540)	(23,531)
Unrecognized deductible temporary differences	(48,464)	9,791
Effect of different tax rates of group entities in the Group operating in other jurisdictions	39,694	(7,869)
Adjustments for prior years' income tax	123	(1,530)
Income tax (benefit) expense recognized in profit or loss	$ (13,271)	$ 52,584

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2023	2022
Deferred tax		
In respect of the current year		
Translation of foreign operations	$ 12,632	$ (44,016)
Remeasurement of defined benefit plans	561	(2,696)
Total income tax recognized in other comprehensive income	$ 13,193	$ (46,712)

c. Current tax assets and liabilities

	December 31 2023	December 31 2022
Current tax assets		
Tax refund receivable	$ 1,122	$ 1,021
Current tax liabilities		
Income tax payable	$ 17,857	$ 108,242

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Deferred tax assets					
Temporary differences					
Lease liability	$ 41,920	$ (1,566)	$ -	$ (759)	$ 39,595
Impairment of inventory	2,229	(844)	-	-	1,385
Fair value changes of financial assets at FVTPL	2,121	4,354	-	-	6,475
Unrealized gain or loss on foreign exchange	115	9,581	-	-	9,696
Allowance for impairment loss	973	-	-	-	973
Exchange differences on translating the financial statements of foreign operations	196,573	-	12,632	-	209,205
Retirement benefit over statutory limit	57,146	(75)	-	-	57,071
Payables for annual leave	537	(36)	-	-	501
Defined benefit obligations	7,354	-	626	-	7,980
Others	1,587	(108)	-	-	1,479
	$ 310,555	$ 11,306	$ 13,258	$ (759)	$ 334,360
Deferred tax liabilities					
Temporary differences					
Right-of-use assets	$ 41,920	$ (4,626)	$ -	$ (698)	$ 36,596
Gain on investments accounted for using the equity method	425,399	(12,856)	-	-	412,543
Exchange differences on translating the financial statements of foreign operations	229	-	-	-	229
Provision for land value increment tax	1,150,820	-	-	-	1,150,820
Defined benefit obligations	4,194	-	65	-	4,259
Unrealized gain or loss on foreign exchange	13,547	(13,469)	-	-	78
Others	60	-	-	-	60
	$ 1,636,169	$ (30,951)	$ 65	$ (698)	$ 1,604,585

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Deferred tax assets					
Temporary differences					
Lease liability	$ 43,070	$ (4,626)	$ -	$ 699	$ 41,920
Impairment of inventory	1,473	756	-	-	2,229
Fair value changes of financial assets at FVTPL	26	2,095	-	-	2,121
Unrealized gain or loss on foreign exchange	21,401	(21,286)	-	-	115
Allowance for impairment loss	973	-	-	-	973
Exchange differences on translating the financial statements of foreign operations	240,589	-	(44,016)	-	196,573
Retirement benefit over statutory limit	57,198	(52)	-	-	57,146
Payables for annual leave	561	(24)	-	-	537
Defined benefit obligations	9,595	-	(2,241)	-	7,354
Others	1,261	326	-	-	1,587
	$ 376,147	$ (20,034)	$ (46,257)	$ 699	$ 310,555
Deferred tax liabilities					
Temporary differences					
Right-of-use assets	$ 43,070	$ (1,849)	$ -	$ 699	$ 41,920
Gain on investments accounted for using the equity method	423,318	2,081	-	-	425,399
Fair value changes of financial assets at FVTPL	5,731	(5,731)	-	-	-
Exchange differences on translating the financial statements of foreign operations	229	-	-	-	229
Provision for land value increment tax	1,150,820	-	-	-	1,150,820
Defined benefit obligations	3,739	-	455	-	4,194
Unrealized gain or loss on foreign exchange	-	13,547	-	-	13,547
Others	60	-	-	-	60
	$ 1,626,967	$ 8,048	$ 455	$ 699	$ 1,636,169

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

	December 31	
	2023	2022
Loss carryforwards		
Expiry in 2023	$ -	$ 8,066
Expiry in 2024	18,824	19,281
Expiry in 2025	23,575	24,304
Expiry in 2026	56,251	57,893
Expiry in 2027	99,835	101,488
Expiry in 2028	74,863	31,650
Expiry in 2029	237,455	250,612
Expiry in 2030	443,311	469,860
Expiry in 2031	343,788	364,535
Expiry in 2032	359,813	394,939
Expiry in 2033	172,092	-
	$ 1,829,807	$ 1,722,628

(Continued)

	December 31	
	2023	2022
Deductible temporary differences		
Impairment loss on non-financial assets	$ 1,909	$ 1,942
Loss on fair value changes of financial assets	16,409	-
Gain or loss on investments in subsidiaries and associates accounted for using the equity method	3,881,912	3,663,166
Impairment loss on property, plant and equipment	65,801	46,618
Impairment loss on investment properties	11,570	11,769
Impairment loss on right-of-use	53,535	47,453
Credit loss allowance	8,035	8,172
Others	10,329	8,829
	$ 4,049,500	$ 3,787,949

(Concluded)

f. Income tax assessments

1) The income tax returns of the Company and its subsidiaries, Chia Hsin Property Management & Development Corporation, Tong Yang Chia Hsin International Corporation, Chia Pei International Corporation and Chia Sheng Construction Corp., Jaho Life Plus+ Management Corp., Ltd., BlueSky Co., Ltd. and YJ International Corporation through 2021 have been assessed by the tax authorities. Except for the abovementioned issues, the Company and the abovementioned subsidiaries do not involve in material pending action in regard of taxation.

2) Other overseas group entities in the Group do not involve in any material pending action in regard of taxation.

29. EARNINGS (LOSS) PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2023	2022
Basic earnings (loss) per share	$ 0.12	$ (0.27)
Diluted earnings (loss) per share	$ 0.12	$ (0.27)

The weighted average number of shares outstanding used for the earnings (loss) per share computation was adjusted retroactively for the issuance of bonus shares on August 2, 2023. The basic and diluted earnings (loss) per share adjusted retrospectively for the year ended December 31, 2022 were as follows:

Unit: NT$ Per Share

	Before Retrospective Adjustment	After Retrospective Adjustment
Basic earnings (loss) per share	$ (0.28)	$ (0.27)
Diluted earnings (loss) per share	$ (0.28)	$ (0.27)

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

Net Profit (Loss) for the Year

	For the Year Ended December 31	
	2023	**2022**
Profit (loss) for the year attributable to owners of the Company	$ 81,082	$ (180,762)
Effect of potentially dilutive ordinary shares		
Compensation of employees	-	-
Earnings (loss) used in the computation of diluted earnings (loss) per share from continuing operations	$ 81,082	$ (180,762)

Weighted Average Number of Ordinary Shares Outstanding (In Thousands of Shares)

	For the Year Ended December 31	
	2023	**2022**
Weighted average number of ordinary shares used in the computation of basic earnings (loss) per share	658,894	658,894
Effect of potentially dilutive ordinary shares:		
Compensation of employees	37	- (Note)
Weighted average number of ordinary shares used in the computation of diluted earnings (loss) per share	658,931	658,894

Note: The balance was anti-dilutive and excluded from the computation of diluted earnings per share.

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

30. GOVERNMENT GRANTS

a. In order to finance the construction of Hotel COLLECTIVE in Okinawa and to respond the impact on operation due to Covid-19, the Group applied for a loan from Okinawa Development Finance Corporation. The loan facility was JPY10,500,000 thousand. The term of the loan lasts for 25 years, and the loan is to be repaid semi-annually in 42 installments, with the first installment commencing in the fourth year after the first drawdown date on December 20, 2017. The Group had drawn JPY10,500,000 thousand in total. The fair value of the borrowing was JPY8,873,333 thousand discounted at the market interest rate at the borrowing date. The difference of JPY1,626,667 thousand between the proceeds and the fair value of the loan is the benefit derived from the low-interest loan and has been recognized as deferred revenue. As of December 31, 2023 and 2022, the amount of deferred revenue was JPY1,432,310 thousand and JPY1,473,330 thousand, respectively (equivalent to $311,098 thousand and $342,402 thousand), respectively. The deferred revenue will be reclassified to other revenue gradually along with the depreciation recognized over the estimated useful lives of buildings acquired. For the years ended December 31, 2023 and 2022, a total of JPY41,020 thousand and JPY54,449 thousand (equivalent to $9,111 thousand and $12,387 thousand) was recognized under other income, respectively.

b. The Group received short-term compensation from Ministry of Health, Labor and Welfare in Japan. For the year ended December 31, 2022, the Group has recognized JPY28,557 thousand (equivalent to $6,497 thousand) in total under other income.

c. In accordance with the Japanese government's emergency declaration, the Group received salaries grants for decreasing working hours. For the year ended December 31, 2022, the Group has recognized JPY6,228 thousand (equivalent to $1,417 thousand) under other income.

31. CASH FLOW INFORMATION

a. Non-cash transactions

For the years ended December 31, 2023 and 2022, the Group entered into the following non-cash investing and financing activities which were not reflected in the statements of cash flows:

1) As of December 31, 2023 and 2022, the payables for equipment - property, plant and equipment were $6,519 thousand and $35,413 thousand, respectively.

2) As of December 31, 2023 and 2022, the dividends declared but not yet paid to non-controlling interests - unrelated party were $1,204 thousand and $1,081 thousand, respectively.

3) The Group transferred $41,520 thousand of prepayment for investments into financial assets at FVTPL for the year ended December 31, 2022.

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2023

			Non-cash Changes					
	Opening Balance	Cash Flows	New Leases	Amortization of Interest Expense	Lease Modifications	Change in Exchange Rate	Others	Closing Balance
Short-term borrowings	$ 1,673,664	$ (310,486)	$ -	$ -	$ -	$ (7,138)	$ -	$ 1,356,040
Short-term bills payable	127,614	617,000	-	(508)	-	-	-	744,106
Long-term borrowings	8,372,718	(203,314)	-	22,754	-	(234,688)	-	7,957,470
Guarantee deposits received	120,399	11,207	-	-	-	(53)	-	131,533
Lease liabilities	1,653,656	(104,869)	2,977	30,501	(82,748)	(3,036)	(30,501)	1,465,980
	$ 11,948,051	$ 9,538	$ 2,977	$ 52,747	$ (82,748)	$ (244,915)	$ (30,501)	$ 11,655,149

For the year ended December 31, 2022

			Non-cash Changes					
	Opening Balance	Cash Flows	New Leases	Amortization of Interest Expense	Lease Modifications	Change in Exchange Rate	Others	Closing Balance
Short-term borrowings	$ 914,000	$ 757,900	$ -	$ -	$ -	$ 1,764	$ -	$ 1,673,664
Short-term bills payable	134,842	(7,000)	-	(228)	-	-	-	127,614
Long-term borrowings	8,856,786	(383,958)	-	30,171	-	(130,281)	-	8,372,718
Guarantee deposits received	118,546	1,830	-	-	-	23	-	120,399
Lease liabilities	1,731,714	(109,949)	12,179	34,151	15,446	4,266	(34,151)	1,653,656
	$ 11,755,888	$ 258,823	$ 12,179	$ 64,094	$ 15,446	$ (124,228)	$ (34,151)	$ 11,948,051

32. CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remained unchanged in recent years.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings and other equity).

The management of the Group periodically reviews its capital structure. As part of the review, the management considers the cost of capital and related risks in determining the proper structure for its capital. Followed the management's suggestion, the Group balances its overall capital structure by obtaining financing facilities from financial institutions and adjusting the amount of dividends paid to the shareholders.

33. FINANCIAL INSTRUMENTS

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

The Group's management believes that the carrying amount of financial assets and financial liabilities recognized in the financial statements which are not measured at fair value approximates their fair value or that the fair value of such assets and liabilities cannot be reliably measured.

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

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares in domestic market	$ 817,713	$ -	$ -	$ 817,713
Listed shares in foreign market	139,505	-	-	139,505
Mutual funds	21,059	-	427,533	448,592
Convertible bonds	-	-	29,922	29,922
	$ 978,277	$ -	$ 457,455	$ 1,435,732
Financial assets at FVTOCI				
Listed shares in domestic market	$ 11,867,961	$ -	$ -	$ 11,867,961
Unlisted shares in domestic market	-	-	491,057	491,057
	$ 11,867,961	$ -	$ 491,057	$ 12,359,018

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares in domestic market	$ 789,557	$ -	$ -	$ 789,557
Listed shares in foreign market	39,077	-	-	39,077
Mutual funds	20,010	-	468,839	488,849
	$ 848,644	$ -	$ 468,839	$ 1,317,483

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Listed shares in domestic market	$ 11,414,040	$ -	$ -	$ 11,414,040
Unlisted shares in domestic market	-	-	467,097	467,097
	$ 11,414,040	$ -	$ 467,097	$ 11,881,137

(Concluded)

There were no transfers between Levels 1 and 2 in 2023 and 2022.

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

For the year ended December 31, 2023

Financial Assets	Financial Assets at FVTPL Mutual Funds	Financial Assets at FVTPL Convertible Bonds	Financial Assets at FVTOCI Equity Instruments	Total
Balance at January 1, 2023	$ 468,839	$ -	$ 467,097	$ 935,936
Purchase	-	30,000	-	30,000
Disposal	(35,661)	-	-	(35,661)
Recognized in profit or loss	(5,645)	(78)	-	(5,723)
Recognized in other comprehensive income	-	-	23,960	23,960
Balance at December 31, 2023	$ 427,533	$ 29,922	$ 491,057	$ 948,512
Unrealized gain for the current year included in profit or loss relating to assets held at the end of the year	$ (5,645)	$ (78)	$ -	$ (5,723)

For the year ended December 31, 2022

Financial Assets	Financial Assets at FVTPL Mutual Funds	Financial Assets at FVTOCI Equity Instruments	Total
Balance at January 1, 2022	$ 251,261	$ 394,326	$ 645,587
Purchase	269,462	91,485	360,947
Disposal	(74,526)	-	(74,526)
Recognized in profit or loss	22,642	-	22,642
Recognized in other comprehensive (loss) income	-	(18,714)	(18,714)
Balance at December 31, 2022	$ 468,839	$ 467,097	$ 935,936
Unrealized gain for the current year included in profit or loss relating to assets held at the end of the year	$ 12,784	$ -	$ 12,784

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

The fair value of mutual funds is determined using the method and hypothesis described below:

The fair value is determined by the use of valuation techniques or the price quotations from various counterparties. The fair value measurement using valuation techniques uses as reference the published current fair value of instruments with similar terms and characteristics, or uses discounted cash flow method or other valuation methods, including the use of a valuation model using market information available at the balance sheet date.

The Group holds unlisted shares. The significant unobservable input in the measurement of such investments is liquidity discount. The fair value of unlisted shares is determined using market approach where the fair value of the shares of similar or peer companies is used as reference. As of December 31, 2023 and 2022, the ranges of liquidity discount used were 20.00%-30.00% and 14.18%-30.00%, respectively.

c. Categories of financial instruments

	December 31	
	2023	**2022**
Financial assets		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	$ 1,435,732	$ 1,317,483
Financial assets measured at amortized cost (1)	6,477,719	6,503,082
Financial assets at FVTOCI		
Equity instruments	12,359,018	11,881,137
Financial liabilities		
Financial liabilities at amortized cost (2)	10,472,891	10,562,175

1) The balances include financial assets, which comprise cash and cash equivalent, notes receivable from unrelated parties, trade receivables from unrelated parties and related parties, other receivables from unrelated parties (excluding tax refund receivables) and related parties, financial assets at amortized cost, and refundable deposits.

2) The balances include financial liabilities, which comprise short-term loans, short-term bills payable, notes payable to unrelated parties, trade payables to unrelated parties and related parties, other payables to unrelated parties (excluding payable for salaries and bonus, tax payable, payable for insurance and payable for dividends) and other payables to related parties (excluding payable for dividends), current portion of long-term borrowings payable, long-term borrowings and guarantee deposits.

d. Financial risk management objectives and policies

The Group’s major financial instruments include equity securities, trade receivables, financial assets at amortized cost, trade payables, lease liabilities and borrowings. The Group’s corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The corporation's treasury function keeps close attention, and continuously tracks financial information and acts in concert with investment projects, plans and diversifies the positions of major international currencies to effectively manage the risks of interest rate and exchange rate changes and achieve the purpose of reducing risks. Also, the corporate treasury function reports regularly to the Group's management, which monitors risks and implements policies to mitigate risk exposures.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other price (see (c) below).

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The Group has foreign currency transactions, which exposes the Group to foreign currency risk. Exchange rate exposures are managed by the delegated team, which regularly monitors and properly adjusts the assets and liabilities affected by the exchange rate to manage foreign currency risk.

Since the Group's net investments in foreign operations are strategic investments, the Group does not seek to hedge against the currency risk.

The carrying amounts of the Group's foreign-currency-denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 38.

Sensitivity analysis

The Group was mainly exposed to the USD and JPY.

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollar (i.e., the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 5%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the year for a 5% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit and other equity associated with the New Taiwan dollar strengthening 5% against the relevant currency. For a 5% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity, and the balances below would be negative.

	USD Impact (i)		**JPY Impact (ii)**	
	For the Year Ended December 31		**For the Year Ended December 31**	
	2023	**2022**	**2023**	**2022**
Profit or loss	$ 66,272	$ 52,715	$ 64,404	$ 65,995

i. The result was mainly attributable to the exposure on outstanding cash and cash equivalents and other receivables in USD that were not hedged at the end of the year.

ii. The result was mainly attributable to the exposure on outstanding cash and cash equivalents in JPY that were not hedged at the end of the year.

The above results of the Group's tests of sensitivity to changes in foreign exchange rates during the current period were mainly due to the increase in financial assets in USD.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

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

	December 31	
	2023	**2022**
Fair value interest rate risk		
Financial assets	$ 4,669,399	$ 4,839,323
Financial liabilities	4,901,546	4,524,575
Cash flow interest rate risk		
Financial assets	1,252,662	1,243,849
Financial liabilities	6,622,050	7,303,077

Sensitivity analysis

The sensitivity analysis below is based on the Group's exposure to interest rates of derivative and non-derivative instruments at the end of the year. For floating rate liabilities, the analysis was prepared assuming the amount of the liabilities outstanding at the end of the year was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2023 and 2022 would have decreased/increased by $13,423 thousand and $15,148 thousand, respectively.

For the year ended December 31, 2023, the Group's sensitivity to interest rates decreased during the current period mainly due to the decrease in floating rate liabilities.

c) Other price risk

The Group is exposed to equity price risk through its investments in equity securities and mutual funds. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

Sensitivity analysis

The sensitivity analysis below is based on the exposure to equity price risk at the end of year.

If equity price (except for equity securities of Taiwan Cement Corporation) had been 1% higher/lower, the pre-tax profit or loss for the year ended December 31, 2023 would have increased/decreased by $6,180 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the year ended December 31, 2023 would have increased/decreased by $7,512 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If equity price of Taiwan Cement Corporation had been 1% higher/lower, the pre-tax profit or loss for the year ended December 31, 2023 would have increased/decreased by $8,177 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the year ended December 31, 2023 would have increased/decreased by $116,078 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If equity price (except for equity securities of Taiwan Cement Corporation) had been 1% higher/lower, the pre-tax profit or loss for the year ended December 31, 2022 would have increased/decreased by $5,279 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the year ended December 31, 2022 would have increased/decreased by $6,730 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If equity price of Taiwan Cement Corporation had been 1% higher/lower, the pre-tax profit or loss for the year ended December 31, 2022 would have increased/decreased by $7,896 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the year ended December 31, 2022 would have increased/decreased by $112,081 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

Except for equity securities of Taiwan Cement Corporation, the Group's sensitivity to equity price of the financial assets increased due to the increase in the amount of such equity securities.

The difference of the Group's sensitivity to equity price of Taiwan Cement Corporation due to the change from the price of such equity securities.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. At the end of the year, the Group's maximum exposure to credit risk which would cause a financial loss to the Group due to failure of counterparties to discharge their obligations and due to the financial guarantees provided by the Group, could be equal to the carrying amount of the respective recognized financial assets as stated in the balance sheets and the amount that could arise as liabilities on financial guarantees provided by the Group.

The Group adopted a policy of only dealing with creditworthy counterparties and financial institution to obtain sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group also delegates a special team to monitor the credit risk exposures and the credit amount of the counterparties and, therefore, does not expect any material credit risk.

The credit risk was mainly concentrated on the top 10 customers of the Group. As of December 31, 2023 and 2022, receivables from the top 10 customers were both 56% of total receivables.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals, and other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, as of the end of the accounting period, the Group reviews the recoverability of the receivables and provides proper allowance for assessed irrecoverable receivables. In view of the methods mentioned above, the management considered the Group's credit risk has materially declined.

Transactions with banks of high credit ratings given by international rating agencies are mostly free from credit risks.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2023 and 2022, the Group had available unutilized bank loan facilities set out in (b) below.

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

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

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

December 31, 2023

	On Demand or Less than 1 Month	1 Month to 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing liabilities	$ 182,619	$ 120,716	$ 24,164	$ 29,876	$ 59,104
Fixed interest rate liabilities	710,392	940,544	115,583	459,683	1,467,498
Lease liabilities	25,806	4,491	110,164	402,558	1,190,627
Variable interest rate liabilities	189,910	19,264	816,260	4,915,144	1,056,013
	$ 1,108,727	$ 1,085,015	$ 1,066,171	$ 5,807,261	$ 3,773,242

Additional information on the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 140,461	$ 402,558	$ 415,545	$ 358,765	$ 327,890	$ 88,427

December 31, 2022

	On Demand or Less than 1 Month	1 Month to 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing liabilities	$ 221,262	$ 54,125	$ 23,233	$ 37,989	$ 52,651
Fixed interest rate liabilities	451,023	412,070	123,680	492,973	1,692,747
Lease liabilities	26,578	5,138	138,249	460,870	1,331,879
Variable interest rate liabilities	60,204	909,692	889,516	5,531,051	576,365
	$ 759,067	$ 1,381,025	$ 1,174,678	$ 6,522,883	$ 3,653,642

Additional information on the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 169,965	$ 460,870	$ 443,931	$ 383,555	$ 343,179	$ 161,214

b) Financing facilities

	December 31	
	2023	2022
Unsecured bank overdraft facilities, reviewed annually and payable on demand:		
Amount used	$ 3,495,960	$ 2,654,584
Amount unused	3,515,720	4,172,936
	$ 7,011,680	$ 6,827,520
Secured bank overdraft facilities:		
Amount used	$ 6,775,915	$ 7,771,904
Amount unused	1,260,000	465,000
	$ 8,035,915	$ 8,236,904

34. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed as follows.

a. Related party name and category

Related Party Name	Related Party Category
Taiwan Cement Corporation	The Company acts as a member of the board of directors (B.O.D.)
Overseas Investment & Development Crop.	The Company acts as a member of the B.O.D.
International Chia Hsin Corporation	Associate
Chia Hsin Construction & Development Corp.	Associate
LDC ROME HOTELS S.R.L.	Associate
FDC International Hotels Corporation	Associate
L'Hotel de Chine Corporation	Associate
Chia Hsin Winn Corp.	Substantive related party
Sung Ju Investment Corp.	Substantive related party
La Trinite Naturelle Crop.	Substantive related party
Chia Hsin Foundation	Substantive related party
Pak Lion Investment Co., Ltd.	Substantive related party
Taiwan Transport & Storage Corp.	The Company acts as a member of the B.O.D. of its ultimate parent company
Pan Asian (Engineers & Constructors) Corporation	The Company acts as a supervisor

b. Revenue

Line Item	Related Party Category/Name	For the Year Ended December 31 2023	2022
Rental revenue	Associates	$ 17,096	$ 15,633
	Substantive related parties	9,771	9,766
	The Company acts as a member of the B.O.D. of its ultimate parent company	2,522	2,468
		$ 29,389	$ 27,867
Service revenue	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	$ 38,410	$ 33,372

The Group leases out the office and factory buildings to related parties at market price. The lease agreements were negotiated by both sides. The rentals are collected monthly.

The Group renders cement warehousing and storage service to a related party. The agreement for the service was negotiated by both sides. The fee is collected monthly.

c. Cost of goods sold

Line Item	Related Party Category/Name	For the Year Ended December 31 2023	2022
Purchases of goods	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	$ 583,700	$ 544,950
	Substantive related parties	711	665
		$ 584,411	$ 545,615

The purchase prices and payment terms to related parties were not significantly different from those of purchase from third parties. The payment term is 60 days after the purchase of goods.

d. Receivables from related parties (excluding loans to related parties)

Line Item	Related Party Category/Name	December 31 2023	2022
Trade receivables	Associates		
	FDC International Hotels Corporation	$ 1,426	$ 1,648
	Others	14	18
	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	7,455	3,206
	Substantive related parties	4	4
		$ 8,899	$ 4,876
Other receivables - other	Associates		
	Others	$ 215	$ 68

The outstanding trade and other receivables from related parties are unsecured. For the years ended December 31, 2023 and 2022, no impairment loss was recognized for trade and other receivables from related parties.

e. Payables to related parties (excluding loans from related parties)

Line Item	Related Party Category/Name	December 31 2023	2022
Trade payables	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	$ 110,880	$ 83,160
	Substantive related parties	75	69
		$ 110,955	$ 83,229

The outstanding trade payables to related parties are unsecured.

f. Lease arrangements

The Group is lessor under operating leases

The Group leases out the office buildings and factory buildings to its related parties under operating leases. The lease agreements were negotiated by both sides. The rentals were paid monthly or quarterly.

Future lease payment receivables are as follows:

Related Party Category/Name	December 31 2023	December 31 2022
Associates	$ 1,035	$ 952
Substantive related parties	25,668	5,150
The Company acts as a member of the B.O.D. of its ultimate parent company	1,468	3,902
	$ 28,171	$ 10,004

g. Others

1)

Line Item	Related Party Category/Name	December 31 2023	December 31 2022
Refundable deposits	Substantive related parties	$ 764	$ 764
	Associates	971	971
	The Company acts as a member of the B.O.D. of its ultimate parent company	423	423
		$ 2,158	$ 2,158

Line Item	Related Party Category/Name	For the Year Ended December 31 2023	For the Year Ended December 31 2023
Dividend revenue	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	$ 178,171	$ 323,918
	Others	2,000	2,400
		$ 180,171	$ 326,318

2) The Group acts as a member of the B.O.D of related parties. The receipts of remuneration of directors recognized as other income are as follows:

Line Item	Related Party Category/Name	For the Year Ended December 31 2023	2022
Other income	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	$ 9,243	$ 26,220
	Others	383	657
	Associates	215	144
	The Company acts as a supervisor	188	-
		$ 10,029	$ 27,021

3)

Line Item	Related Party Category/Name	For the Year Ended December 31 2023	2022
General and administrative expenses	Substantive related parties	$ 9,667	$ 8,498

h. Endorsements and guarantees

Endorsements and guarantees provided by the Group

	December 31 2023 Amount Utilized	2023 Amount Endorsed	2022 Amount Utilized	2022 Amount Endorsed
Associates				
LDC ROME HOTELS S.R.L.	$ 258,248	$ 340,000	$ 314,112	$ 340,000

i. Remuneration of key management personnel

	For the Year Ended December 31 2023	2022
Short-term employee benefits	$ 44,128	$ 54,982
Post-employment benefits	536	-
	$ 44,664	$ 54,982

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and with reference to market trends.

35. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The amounts of restricted assets of the Group that were provided as guarantees are as follows:

	December 31	
	2023	2022
Financial assets at amortized cost - non-current	$ 19,175	$ 27,428
Carrying amount of property, plant and equipment	2,655,717	2,861,259
Land	821,092	878,553
Buildings	1,834,625	1,982,706
Carrying amount of investment properties	3,153,385	3,180,543
Land - after revaluation	3,122,452	3,145,054
Buildings - after revaluation	30,933	35,489
	$ 5,828,277	$ 6,069,230

36. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

a. As of December 31, 2023 and 2022, the Group had bank guarantees of $139,288 thousand, issued under its name for the operations in the ports.

b. Unrecognized commitments were as follows:

	December 31	
	2023	2022
Property under construction	$ 204,572	$ 145,412

As of December 31, 2023 and 2022, the abovementioned unrecognized commitments also include contractual commitments signed by CHC Ryukyu Development GK for Tomigusuku development project in the amounts of $151,375 thousand and $121,247 thousand, respectively.

37. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
Financial assets			
Monetary items			
USD	$ 30,295	30.705 (USD:NTD)	$ 930,218
USD	12,872	1.3196 (USD:SGD)	395,226
JPY	2,336,359	0.0071 (JPY:USD)	507,474
JPY	3,593,942	0.2172 (JPY:NTD)	780,604
Non-monetary items			
Investments accounted for using the equity method			
EUR	12,301	33.98 (EUR:NTD)	417,997
Financial assets at FVTPL			
USD	9,932	30.705 (USD:NTD)	304,949
HKD	6,567	3.9320 (HKD:NTD)	25,820
EUR	4,227	33.98 (EUR:NTD)	143,643

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
Financial assets			
Monetary items			
USD	$ 29,567	30.71 (USD:NTD)	$ 908,011
USD	4,764	1.3398 (USD:SGD)	146,292
JPY	2,335,666	0.0076 (JPY:USD)	542,840
JPY	3,343,622	0.2324 (JPY:NTD)	777,058
Non-monetary items			
Investments accounted for using the equity method			
EUR	10,300	32.72 (EUR:NTD)	337,024
Financial assets at FVTPL			
USD	10,889	30.71 (USD:NTD)	334,409
HKD	9,937	3.9324 (HKD:NTD)	39,077
EUR	4,720	32.72 (EUR:NTD)	154,440

For the years ended December 31, 2023 and 2022, realized and unrealized net foreign exchange (losses) gains were $(95,471) thousand and $96,986 thousand, respectively. It is impractical to disclose net foreign exchange gains or losses by each significant foreign currency due to the variety of functional currencies of the entities in the Group.

38. OTHERS

a. Important contracts

1) The Group as lessee leased the East Wharf Nos. 13, 14 and 15 in the Port of Taipei from Taiwan International Ports Co., Ltd. and committed to constructing East Wharf No. 16 and its related office, silos and transportation equipment. The leased land is 65,000 square meters and is used in operation of the subsidiary, Chia Pei International Corporation, to load and unload coal, sandstone, bulk and others. The lease term is 35 years and 5 months from December 10, 2009, the date of the transfer of the titles of related constructed equipment to Taiwan International Ports Co., Ltd. The annual minimum guaranteed volume for transportation is 1,200 thousand tons of coal and 5,950 thousand tons of sandstone.

   The Group settled with Taiwan International Ports Co., Ltd. on December 27, 2016 and agreed that the Group's annual guaranteed transportation volume of sand and gravel can be replaced by the actual transportation of coal or other bulk cargoes during the year. (The annual replaceable limit shall be 4,050 thousand tons of guaranteed volume for transporting eastern sand and gravel to the north).

   To promote the transporting of eastern sand and gravel to the north, Taiwan International Ports Co., Ltd. suspended Group's priority right to berth and provided Cargo the choice to berth their sand and gravel at Taipei Port First Bulk Cargo Center or Taipei Port Second Bulk Cargo Center according to their willingness instead. Meanwhile, Taiwan International Ports Co., Ltd. suspended 1,900 thousand tons of guaranteed volume for sand and gravel from January 1, 2020 to December 31, 2023.

2) In order to satisfy the demand for cement in the northern part of Taiwan, the Group leased from Taiwan International Ports Co., Ltd. the land measuring 5,900.35 square meters at the West Wharf No. 33 of the Port of Keelung. The Group committed to build silos, loading and unloading equipment at the Wharf No. 33 under the name of Keelung Harbor Bureau, Transportation Department of Taiwan Government and the title of the property belongs to the Keelung Harbor Bureau, while the Group has the right to use the property free of charge within the lease term for operating the business of loading and unloading, transporting and storing cement. The lease term is 23 years and 9 months from October 7, 2000, the date of the transfer of the titles of related constructed equipment to Keelung Harbor Bureau. The minimum guaranteed transporting volume is 900,000 tons of cement per year and the management fees will be charged based on the minimum guaranteed volume of 900,000 tons regardless if the Group reached the volume or not. The rental is charged based on the average rental rate in the port and 5% of the rental rate published by the Taiwanese government. The Group has priority to lease the property when the lease contract has expired. In addition, during the lease period, the Group should pay the land use and administrative fees monthly, which will be adjusted according to the adjustment of the loading fee in the port.

3) In order to satisfy the demand for cement in Taichung and its surrounding area, the Group leased, from Taichung Harbor Bureau, Taiwan International Ports Corporation Ltd, the land, cement warehouses and facilities at Wharf No. 27, Port of Taichung through its subsidiary, Tong Yang Chia Hsin International Corporation to operate the business of loading and unloading, transporting and storing cement. The lease period started from December 1, 2014 to December 31, 2024 and the Group has priority to lease the property when the lease contract has expired. In addition, during the lease period, the Group should pay the land use and administrative fees monthly, which will be adjusted according to the adjustment of loading fee in the Port.

4) In order to further establish the core development and transformation to the resort industry, the Group developed nearly 37 thousand square meters beach-side resorts at Toyosaki, Okinawa. On August 17, 2019, the Group and the Japan subsidiary of InterContinental Hotels Group (IHG), a large international hotel chain, signed a long-term management service contract for the management of InterContinental Okinawa Chura SUN Resort with the service period of 20 years from the completion of the resorts. It is expected to introduce the entrusted management of the resort from IHG.

b. Others

The East Wharf No. 15 in the Port of Taipei collapsed on January 21, 2019, and then at the Port of Keelung, Taiwan International Ports Corporation Ltd. ("Ports Corporation") repaired the wharf, which was completed on November 12, 2020. Ports Corporation claimed that Chia Hsin Cement Corporation compensate the related repair expenses in the amount of $116,791 thousand. After many court sessions and meetings, Ports Corporation confirmed that the collapse of East Wharf No. 15 in the Port of Taipei in 2019 was not attributable to Chia Hsin Cement Corporation. The two parties reached a settlement on May 3, 2023, and Chia Hsin Cement Corporation did not need to bear any repair expenses or penalties for damages.

39. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and b. investees:

1) Financing provided to others (None)

2) Endorsements/guarantees provided (Table 1)

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 2)

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital (None)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital (None)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital (None)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 3)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 4)

9) Trading in derivative instruments (Notes 7 and 33)

10) Other: Business relationships and inter-company transactions between the parent company and the subsidiaries (Table 5)

11) Information on investees (Table 6)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income and limit on the amount of investment in the mainland China area (Table 7)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (None)

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period

c) The amount of property transactions and the amount of the resultant gains or losses

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes

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

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 8)

e. The disclosure of related information on affiliated companies as follows:

1) Disclosed items on the consolidated financial statements of affiliates are as follows:

No.	Items	Description
1	Subsidiaries' company names, relationships to the controlling company, nature of business, and the controlling company's shareholding or capital proportion.	Refer to Note 14
2	Variation of subsidiaries which are included in the current consolidated financial statements.	Refer to Note 14
3	Subsidiaries' company names, shareholding or capital proportion and the reasons that they are not listed on the consolidated financial statements.	None
4	The adjustments and the ways to manage when the controlling company and a subsidiary have different fiscal year start/end dates.	None
5	The adjustments when the controlling company and a subsidiary have different accounting policies.	None
6	Operating risk such as exchange risk for an overseas subsidiary.	Refer to Note 14
7	Retained earnings allocation of each subsidiary restricted by regulations or contracts.	Refer to Note 25
8	Consolidated amortization methods and expirations.	None
9	Others.	None

2) Disclosed items from each individual affiliate are as follows:

No.	Items	Description
1	Elimination transactions between the controlling company and subsidiaries and between subsidiaries.	Refer to Table 5
2	Information about accommodations of funds or endorsements.	Refer to Table 1
3	Information about derivative instrument transactions.	Notes 7 and 33
4	Significant contingencies.	None
5	Significant events after the reporting period.	None
6	Names, quantities, costs, market prices (if not available, disclose net worth per share), capital proportions and the highest shareholding situation of the securities.	Refer to Tables 2, 6 and 7
7	Others.	None

f. The subsidiaries holding the parent company's shares should list clearly the Company's name, number of shares held, the total amounts and the related reasons: Refer to Note 25.

40. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments were as follows:

Cement segment - in charge of cement sale.

Real estate segment - in charge of real estate trading and leasing.

Warehousing and storage segment - in charge of loading and unloading, warehousing and storage business in the port.

Hospitality and catering services segment - in charge of catering and room service in the hotel and the maternal and childcare center

Each of the abovementioned segment includes a number of direct operations, which were considered a separate operating segment by the chief operating decision maker (CODM). For the purposes of financial statement presentation, the individual operating segments of cement real estate, warehousing and storage and hospitality and catering services have been aggregated into a single operating segment, taking into account the following factors:

a. These operating segments have similar long-term gross profit margins.

b. The nature of the products and production processes are similar.

c. The methods used to distribute the products to the customers are the same.

The segment information reported on the following pages.

a. Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments:

	Segment Revenue For the Year Ended December 31		Segment Profit or Loss For the Year Ended December 31	
	2023	2022	2023	2022
Cement segment	$ 1,273,406	$ 991,101	$ (6,538)	$ (23,784)
Real estate segment	287,432	270,161	163,110	144,089
Warehousing and storage segment	635,069	543,526	40,485	4,937
Hospitality and catering services segment	715,676	448,871	(149,736)	(329,272)
Other segment	-	-	(25,562)	(30,045)
Revenue from continuing operation	$ 2,911,583	$ 2,253,659		
Interest income			161,666	76,114
Other income			279,095	445,728
Other gains and losses			(145,274)	(218,231)
Finance costs			(203,719)	(169,438)
Share of profit or loss of associates and joint ventures accounted for using the equity method			138,523	139,895
General and administrative expenses and remuneration of director			(169,283)	(161,295)
Profit (loss) before income tax			$ 82,767	$ (121,302)

The abovementioned revenue was the transactions between entities in the Group and the third parties. All inter-segment transactions for the years ended December 31, 2023 and 2022 were eliminated through the consolidation.

Segment profit represents the profit before tax earned by each segment without allocation of general and administrative expenses and remuneration of directors, interest income, other income, other gains and losses, finance costs, share of profit or loss of associates and joint ventures accounted for using the equity method and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Total segment assets and liabilities

The measure of assets and liabilities of the Group is not reported to the operating decision maker. Therefore, the information of segment assets and liabilities does not need to be disclosed.

c. Revenue from major products and services

The following is an analysis of the Group's revenue from continuing operations from its major products and services.

	For the Year Ended December 31	
	2023	2022
Revenue from the sale of goods	$ 1,274,487	$ 992,780
Revenue from the rent	291,007	277,180
Revenue from rendering of services	703,717	609,845
Revenue from catering and hospitality	642,372	373,854
	$ 2,911,583	$ 2,253,659

d. Geographical information

The Group operates in three principal geographical areas - Taiwan, China and Japan.

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2023	2022	2023	2022
Taiwan	$ 2,286,621	$ 1,890,368	$ 7,466,068	$ 7,759,605
China	26,236	19,994	327,599	387,093
Japan	598,726	343,297	4,036,602	4,452,245
	$ 2,911,583	$ 2,253,659	$ 11,830,269	$ 12,598,943

Non-current assets exclude investments accounted for using the equity method, financial instruments, deferred tax assets, refundable deposits and net defined benefit assets.

e. Information about major customers

Included in revenue of $2,911,583 thousand and $2,253,659 thousand in 2023 and 2022, respectively, is revenue of $327,847 thousand and $263,598 thousand which represents sales to the Group's largest customer.

Single customers contributed 10% or more to the Group's revenue are detailed below:

	For the Year Ended December 31	
	2023	2022
Customer A (Note)	$ 327,847	$ 263,598

Note: Revenue from sales of cement.

TABLE 1

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 5)										
0	Chia Hsin Cement Corporation (Note 2)	LDC ROME HOTELS S.R.L.	f.	$ 7,902,474 (Paid-in capital)	$ 340,000	$ 340,000	$ 258,248	$ -	1.57%	$ 21,681,451	No	No	No
	Chia Hsin Cement Corporation (Notes 2 and 6)	CHC Ryukyu Development GK	b.	7,902,474 (Paid-in capital)	766,920	716,760	325,800	-	3.31%	21,681,451	Yes	No	No
		CHC Ryukyu COLLECTIVE KK	b.	7,902,474 (Paid-in capital)	1,525,955	1,340,273	1,151,160	-	6.18%	21,681,451	Yes	No	No
1	Chia Hsin Property Management & Development Corporation (Notes 3 and 6)	Chia Hsin Cement Corporation	c.	21,681,451	7,940,000	6,440,000	4,280,000	6,440,000	29.70%	21,681,451	No	Yes	No
2	Jaho Life Plus+ Management Corp., Ltd. (Note 4)	Gemcare Maternity Center	a.	18,714	2,500	2,500	2,500	2,500	0.01%	400,000	No	No	No
		Gemcare Dunhua Maternity Center	a.	26,761	1,000	1,000	1,000	1,000	0.00%	400,000	No	No	No

Note 1: a. The Company is coded "0."
b. The investees are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: The amount of guarantee to any individual entity shall not exceed the paid-in capital of the Company. The total amount of guarantees shall not exceed the net worth of the Company.

Note 3: The amount of guarantees from Chia Hsin Property Management & Development Corporation shall not exceed the net worth of the Company.

Note 4: The amount of guarantees from Jaho Life Plus+ Management Corp., Ltd. shall not exceed the paid-in capital of the Company. The amounts of guarantee to any individual entity shall not exceed the half of paid-in capital of the Company. The amounts of guarantee for the business relationship shall not exceed the total amount of transaction one operating cycle.

Note 5: The seven types of relationships between the endorser/guarantor and endorsee/guarantee indicated as numbers in the table above are as follows:

a. Having a business relationship.
b. The endorser/guarantor owns directly or indirectly more than 50% of the ordinary shares of the endorsee/guarantee.
c. The endorsee/guarantee owns directly or indirectly more than 50% of the ordinary shares of the endorser/guarantor.
d. The endorser/guarantor owns directly or indirectly more than 90% of the ordinary shares of the endorsee/guarantee.
e. Mutually endorsed/guaranteed companies for the construction project based on the construction contract.
f. Due to joint venture, each shareholder provides endorsements/guarantees to the endorsee/guarantee in proportion to its ownership.
g. Companies in the same industry that are liable for joint endorsements/guarantees of the preconstruction house contract under the consumer protection law.

Note 6: The listed amounts were eliminated upon consolidation.

TABLE 2

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Chia Hsin Cement Corporation	Shares							
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTPL - current	8,513,782	$ 296,705	0.11	$ 296,705	
	Asia Cement Corporation		Financial assets at FVTPL - current	71	3	0.00	3	
	Foreign shares							
	Anhui Conch Cement Co., Ltd.		Financial assets at FVTPL - current	364,000	25,820	0.01	25,820	
	Foreign fund							
	JPMorgan Funds - Russia		Financial assets at FVTPL - current	81,953	-	-	-	
	JPMorgan Funds - ASEAN Fund		Financial assets at FVTPL - current	2,697	11,715	-	11,715	
	JPMorgan Funds - Pacific Technology Fund		Financial assets at FVTPL - current	3,769	9,344	-	9,344	
	The Partners Fund - Class N-N (SERIES 27)		Financial assets at FVTPL - current	2,453	107,302	-	107,302	
	Blackstone Real Estate Income Trust iCapital Offshore Access Fund SPC-Class A ACC - (Series 14)		Financial assets at FVTPL - current	1,420	68,047	-	68,047	
	Blackstone Real Estate Income Trust iCapital Offshore Access Fund SPC-Class A ACC - (Series 30)		Financial assets at FVTPL - current	1,147	54,955	-	54,955	
	Gopher US Venture Fund III		Financial assets at FVTPL - current	-	53,586	-	53,586	
	Barings Europe Core Property Fund		Financial assets at FVTPL - current	4,192	143,643	-	143,643	
	Bonds							
	Smart Ageing Tech Co., Ltd. - convertible bonds	The Company acts as a member of the B.O.D.	Financial assets at FVTPL - current	-	29,922	-	29,922	
	Shares							
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - current	27,939,039	973,676	0.36	973,036	
	CHC Resources Corporation		Financial assets at FVTOCI - current	4,285,694	246,856	1.72	246,856	
	Chien Kuo Construction Co., Ltd.		Financial assets at FVTOCI - current	771,256	13,304	0.31	13,304	
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	203,176,955	7,080,717	2.62	7,080,717	
	B Current Impact Investment Fund 3	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	1,000,000	10,696	10.00	10,696	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Pan Asian (Engineers & Constructors) Corporation	The Company acts as a supervisor	Financial assets at FVTOCI - non-current	2,718,217	$ 43,192	2.38	$ 43,192	
	Chia Hsin Ready-Mixed Concrete Corporation		Financial assets at FVTOCI - non-current	13,163,585	262,877	13.71	262,877	
	Overseas Investment & Development Corp.	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	2,000,000	22,920	2.22	22,920	
	Smart Ageing Tech Co., Ltd.	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	3,600,000	51,660	10.62	51,660	
	Gping Wellness Co., Ltd.		Financial assets at FVTOCI - non-current	494,512	91,371	18.00	91,371	
	Asia Pacific Gongshanglian Corporation Limited		Financial assets at FVTOCI - non-current	21,090	-	0.03	-	
	Chia Hsin Livestock Corp.		Financial assets at FVTOCI - non-current	6,600,000	-	1.17	-	
	Huatung Heping River Mining Industry Development Co., Ltd.		Financial assets at FVTOCI - non-current	9,350	-	1.87	-	
Tong Yang Chia Hsin International Corporation	Shares							
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTPL - current	14,949,915	521,005	0.19	521,005	
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - current	35,700,561	1,244,164	0.46	1,244,164	
	Chia Hsin Cement Corporation	Parent company	Financial assets at FVTOCI - non-current	129,917,726	2,474,933	16.44	2,474,933	Has been eliminated through consolidation
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	66,262,371	2,309,244	0.85	2,309,244	
	IBT Second Venture Capital Co., Ltd.		Financial assets at FVTOCI - non-current	725,493	5,653	4.17	5,653	
	Kaohsiung Tug and Port Service Corp.		Financial assets at FVTOCI - non-current	350,000	2,688	0.88	2,688	
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Shares							
	Anhui Conch Cement Co., Ltd.		Financial assets at FVTPL - current	1,162,400	113,685	0.02	113,685	

Note 1: For the information about subsidiaries, associates and joint ventures, refer to Table 6 and Table 7.

Note 2: All the marketable securities as shown above have not been pledged as collateral.

(Concluded)

TABLE 3

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes Receivable (Payable)/Trade Receivables (Payables)		Note
			Purchases/Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Chia Hsin Cement Corporation	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Purchases	$ 583,700	50	60 days from the purchase day	N/A (equal to the price for other clients)	N/A (same as the term for other clients)	$ (110,880)	(60)	

TABLE 4

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
Chia Hsin Cement Corporation	Chia Pei International Corporation	Subsidiary	$ 1,197,853 (Notes 1 and 3)	-	$ -	-	$ 14,517	$ -

Note 1: The amount is finance lease receivable from the sublease of the wharf in the Port of Taipei.

Note 2: The amount received in subsequent period as of February 27, 2024.

Note 3: The transaction has been eliminated through consolidation.

TABLE 5

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount (Note 5)	Payment Terms	% of Total Sales or Assets (Note 3)
0	Chia Hsin Cement Corporation	Chia Pei International Corporation	a.	Warehousing and storage service revenue	$ 93,763	The fee is billed monthly and paid quarterly with receipts issued in the same month when the fee is billed.	3.22
		Chia Pei International Corporation	a.	Finance lease receivables	1,197,853		3.28
		Chia Pei International Corporation	a.	Interest income from sublease	19,468		0.67
		CHC Ryukyu Development GK	a.	Endorsement or guarantee	716,760		1.97
		CHC Ryukyu COLLECTIVE KK	a.	Endorsement or guarantee	1,340,273		3.68
		Chia Hsin Property Management & Development Corporation	a.	Investment accounted for using the equity method	110,000	Cash dividends	0.30
		Chia Hsin Property Management & Development Corporation	a.	Other receivables	33,961	Every May (Linked tax payment)	0.09
		Tong Yang Chia Hsin International Corporation	a.	Investment accounted for using the equity method	43,702	Cash dividends	0.12
1	Chia Pei International Corporation	Chia Hsin Cement Corporation	b.	Service revenue	14,414	Billed and paid quarterly	0.50
2	Tong Yang Chia Hsin International Corporation	Chia Hsin Cement Corporation	b.	Service revenue	64,566	The fee is billed monthly and collected in the next month.	2.22
		Chia Hsin Cement Corporation	b.	Dividend revenue	33,313	Cash dividends	1.14
3	Chia Hsin Property Management & Development Corporation	Chia Hsin Cement Corporation	b.	Endorsement or guarantee	6,440,000		17.66
		Chia Hsin Cement Corporation	b.	Other income	17,164	Transaction fee arising from endorsement or guarantee	0.59
		Chia Hsin Cement Corporation	b.	Other receivables	18,023	Transaction fee arising from endorsement or guarantee	0.05
		Jaho Life Plus+ Management Corp., Ltd.	c.	Rental revenue	12,356		0.42
4	Effervesce Investment Pte. Ltd.	Shanghai Jia Huan Concrete Co., Ltd.	c.	Investment accounted for using the equity method	166,421	Capital reduction	0.46
5	Sparksview Pte. Ltd.	Shanghai Jia Huan Concrete Co., Ltd.	c.	Investment accounted for using the equity method	77,991	Capital reduction	0.21
6	Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	c.	Investment accounted for using the equity method	17,341	Cash injection	0.05
7	Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Chia Peng Gemcare Maternity (Yangzhou) Co., Ltd.	c.	Investment accounted for using the equity method	26,011	Cash injection	0.07

(Continued)

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount (Note 5)	Payment Terms	% of Total Sales or Assets (Note 3)
8	Jiangsu Jiaguo Construction Material & Storage Co., Ltd.	Jiangsu Chia Hsin Real Estate Co., Ltd.	c.	Investment accounted for using the equity method	$ 47,733	Cash return on capital due to liquidation	0.13

Transactions with amount above $10 million are listed in this table.

Note 1: The Company and the subsidiaries listed on the table are coded according to the following rules:

a. The Company is coded “0”.
b. The subsidiaries are coded consecutively beginning from “1” in the order presented in the table above.

Note 2: The three types of relationships are as follows:

a. The parent company to the subsidiary.
b. The subsidiary to the parent company.
c. The subsidiary to the subsidiary.

Note 3: For the calculation of percentage, percentage for balance sheet items is calculated by dividing the year-end balance with consolidated assets. Percentage for income items is calculated by dividing the accumulated sum with total operating income for the year.

Note 4: The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of December 31, 2023: US$1=NT$30.705, JPY1=NT$0.2172, RMB1=NT$4.335206; net income items denominated in foreign currencies are translated using the average exchange rate of 2023: US$1=NT$31.155, JPY1=NT$0.2221, RMB1=NT$4.423991.

Note 5: The transaction has been eliminated through consolidation.

(Concluded)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, or Otherwise Stated)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income/(Loss) of the Investee	Share of Profit/(Loss) of Investee	Remark
				December 31, 2023	December 31, 2022	Number of Shares (In Thousands)	%	Carrying Amount			
Chia Hsin Cement Corporation	Chia Hsin Construction & Development Corp.	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Office buildings construction and lease and sale of public housings	$ 656,292	$ 656,292	31,458,920	46.18	$ 1,806,338	$ 67,952	$ 31,380	(Notes 4 and 5)
	Tong Yang Chia Hsin International Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	General international trade (all business items that are not prohibited or restricted by law, except those that are subject to special approval)	1,600,159	1,600,159	257,073,050	87.18	5,704,901	122,438	106,741	Subsidiary (Note 3)
	Chia Hsin Property Management & Development Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Wholesale and retail business of machinery; warehousing; residence, factory buildings and office buildings leasing and selling; PPE leasing and selling	1,000,000	1,000,000	1,000,000	100.00	3,988,327	139,391	139,391	Subsidiary (Note 3)
	Chia Pei International Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Mining; wholesale of building materials; nonmetallic mining; retail sale of building materials; international trade; rental and leasing business; retail sale of other machinery and equipment	120,000	120,000	19,560,000	100.00	212,378	12,869	12,869	Subsidiary (Note 3)
	BlueSky Co., Ltd.	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	International trade; real estate trading; real estate leasing	81,561	81,561	8,300,000	100.00	84,144	527	527	Subsidiary (Note 3)
	Chia Hsin Pacific Limited	Cayman Islands	Holding company	969,104	969,104	19,186,070	74.16	2,382,037	(44,591)	(33,066)	Subsidiary (Note 3)
	YJ International Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Real estate rental and leasing; real estate management; realtor agent	2,280,000	2,280,000	228,000,000	100.00	369,300	(156,696)	(156,696)	Subsidiary (Note 3)
	Jaho Life Plus+ Management Corp., Ltd.	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Management consulting service	400,000	400,000	40,000,000	100.00	84,951	(40,379)	(40,379)	Subsidiary (Note 3)
	Chia Hsin Green Electricity Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Electricity generation; self-use renewable energy generation equipment; electrical installation; electrical equipment inspection and maintenance; energy technology service	5,000	-	500,000	100.00	4,993	(7)	(7)	Subsidiary (Note 3)
	LDC ROME HOTELS S.R.L.	Rome, Italy	Hotel management	813,055	758,785	-	40.00	417,997	33,783	13,514	(Note 4)
	L'Hotel De Chine Corporation	11F, No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Hotel and tourism	1,157,340	1,157,340	67,998,915	23.10	1,325,570	349,561	93,758	(Notes 4 and 5)
	International Chia Hsin Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	International trade; general investment	69,341	69,341	5,800,000	19.33	112,282	(323)	(63)	
Chia Hsin Property Management & Development Corporation	Chia Sheng Construction Corp.	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Wholesale and retail business of machinery; residence, factory buildings and office buildings leasing and selling; PPE leasing and selling	250,000	250,000	25,000,000	100.00	259,685	8,529	8,529	Subsidiary (Note 3)
	Chuang Neng Technology Co., Ltd.	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Energy technology service	22,500	5,000	2,250,000	100.00	22,287	(203)	(203)	Subsidiary (Note 3)
YJ International Corporation	CHC Ryukyu Development GK	2-5-7 Matsuo, Naha-shi, Okinawa, Japan	Real estate rental and leasing; management consulting service	269,931	269,931	-	100.00	106,962	(11,303)	(11,303)	Subsidiary (Note 3)
	CHC Ryukyu COLLECTIVE KK	2-5-7 Matsuo, Naha-shi, Okinawa, Japan	Hotel management	1,948,968	1,948,968	-	100.00	190,811	(138,922)	(138,922)	Subsidiary (Note 3)
Chia Hsin Pacific Limited	Effervesce Investment Pte. Ltd.	Singapore	Investment and holding company	NT$ 954,270 (US$ 31,078,656)	NT$ 954,270 (US$ 31,078,656)	53,274,892	100.00	NT$ 1,287,344 (US$ 41,926,193)	NT$ (60,247) (US$ -1,933,797)	NT$ (60,247) (US$ -1,933,797)	Subsidiary (Note 3)
	Sparksview Pte. Ltd.	Singapore	Investment and holding company	NT$ 88,195 (US$ 2,872,328)	NT$ 88,195 (US$ 2,872,328)	3,763,350	100.00	NT$ 175,586 (US$ 5,718,487)	NT$ (813) (US$ -26,096)	NT$ (813) (US$ -26,096)	Subsidiary (Note 3)
Tong Yang Chia Hsin International Corporation	International Chia Hsin Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	International trade; general investment	36,642	36,642	6,052,636	20.18	125,257	(323)	(66)	
	Tong Yang Chia Hsin Marine Corp.	Panama	Shipping service	78,490	78,490	2,700	100.00	477,266	8,761	8,761	Subsidiary (Note 3)
	Chia Hsin Pacific Limited	Cayman Islands	Holding company	626,119	626,119	6,257,179	24.18	776,857	(44,591)	(10,784)	Subsidiary (Note 3)

Note 1: For information on investments in mainland China, refer to Table 7.

Note 2: The original investment amounts listed above were translated using the original investment rate. The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of December 31, 2023: US$1=NT$30.705, JPY1=NT$0.2172, EUR1=NT$33.98; net income items denominated in foreign currencies are translated using the average exchange rate of 2023: US$1=NT$31.155, JPY1=NT$0.2221, EUR1=NT$33.7.

Note 3: The investment has been eliminated upon consolidation.

Note 4: Material associates.

Note 5: The carrying amount and the profit or loss of investment includes the amortization of discount and premium.

Note 6: The highest number of shares held of each investee during the period is the same as those held at the end of period, and all the shares held are not pledged as collateral.

TABLE 7

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, or in Thousands of Foreign Currencies)

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1 (a.))	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023 (Note 1 (a.))	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023 (Note 1 (a.))	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1 (a.) and Note 6)	Carrying Amount as of December 31, 2023 (Note 1 (a.))	Accumulated Repatriation of Investment Income as of December 31, 2023	Note
					Outward (Note 1 (a.))	Inward (Note 1 (a.))							
Shanghai Jia Huan Concrete Co., Ltd.	Processing, manufacturing and selling of cement and other related products	$ 15,353 (US$ 500)	b. and c.	$ 390,629 (US$ 12,722)	$ - (US$ -)	$ - (US$ -)	$ 390,629 (US$ 12,722)	$ 5,664 (US$ 182)	95.23	$ 5,664 (US$ 182)	$ 279,861 (US$ 9,114)	$ - (US$ -)	(Note 1 (b.) (2) and Note 5)
Shanghai Chia Hsin Ganghui Co., Ltd.	Warehousing and packing bulk cement and formulating and delivering high-strength cement	322,403 (US$ 10,500)	b.	493,307 (US$ 16,066)	- (US$ -)	- (US$ -)	493,307 (US$ 16,066)	11,699 (US$ 376)	95.23	11,699 (US$ 376)	403,438 (US$ 13,139)	- (US$ -)	(Note 1 (b.) (2) and Note 5)
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Consulting for developing information system for business and finance purpose	531,504 (US$ 17,310)	b.	813,590 (US$ 26,497)	- (US$ -)	- (US$ -)	813,590 (US$ 26,497)	(77,203) (US$ -2,478)	95.23	(76,489) (US$ -2,455)	374,678 (US$ 12,203)	- (US$ -)	(Note 1 (b.) (2) and Note 5)
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Consulting for management of healthcare and hospitality business	325,140 (RMB 75,000)	e. Investor: Chia Hsin Business Consulting (Shanghai) Co., Ltd.	- (US$ -)	- (US$ -)	- (US$ -)	- (US$ -)	(56,396) (RMB -12,748)	95.23	(56,396) (RMB -12,748)	113,837 (RMB 26,259)	- (US$ -)	(Note 1 (b.) (2) and Note 5)
Chia Peng Gemcare Maternity (Yangzhou) Co., Ltd.	Maternity and infant health care; sales of mother & baby supplies; life & beauty services	242,772 (RMB 56,000)	e. Investor: Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	- (US$ -)	- (US$ -)	- (US$ -)	- (US$ -)	(53,023) (RMB -11,985)	95.23	(53,023) (RMB -11,985)	108,846 (RMB 25,107)	- (US$ -)	(Note 1 (b.) (2) and Note 5)
Jiangsu Jiaguo Construction & Material Storage Co., Ltd.	Engaging in overland delivery of ordinary goods and the processing, manufacturing and selling of cement and other construction material	122,820 (US$ 4,000)	d.	425,172 (US$ 13,847)	- (US$ -)	- (US$ -)	425,172 (US$ 13,847)	(6,209) (US$ -199)	87.18	(6,209) (US$ -199)	168,896 (US$ 5,501)	- (US$ -)	(Note 1 (b.) (2) and Note 5)
Jiangsu Chia Hsin Real Estate Co., Ltd. (Note 7)	Developing and selling real estate and providing property management service	- (RMB -)	e. Investor: Jiangsu Jiaguo Construction & Material Storage Co., Ltd.	- (US$ -)	- (US$ -)	- (US$ -)	- (US$ -)	(2,604) (RMB -589)	87.18	(2,604) (RMB -589)	- (RMB -)	- (US$ -)	(Note 1 (b.) (2) and Note 5)

(Continued)

b. Limit on the amount of investments in the mainland China area:

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2023	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (Notes 3 and 4)
$ 7,051,956 (US$ 229,668)	$ 7,127,367 (US$ 232,124)	$ 13,451,135

c. Significant transactions with investee companies in the Mainland Area, either directly or indirectly through a third area: None.

Note 1: a. The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of December 31, 2023: US$1=$30.705, RMB1=$4.335206; net income items denominated in foreign currencies are translated using the average exchange rate of 2023: US$1=$31.155, RMB1=$4.423991.

b. The basis for investment income (loss) recognition includes the following:

1) The investment income (loss) is recognized based on the financial statements audited and attested by an international accounting firm which has cooperative relationship with an accounting firm in the ROC.
2) The investment income (loss) is recognized based on the financial statements audited and attested by the parent company's CPA in the ROC.
3) Other.

Note 2: The method of investment includes the following:

a. Direct investment in mainland China.

b. Indirect investment in mainland China through companies registered in a third region. The Company and Tong Yang Chia Hsin International Corporation invest in Chia Hsin Pacific Limited, which then invests in Effervesce Investment Pte. Ltd., the company that invests in mainland China.

c. Indirect investment in mainland China through companies registered in a third region. The Company and Tong Yang Chia Hsin International Corporation invest in Chia Hsin Pacific Limited, which then invests in Sparksview Pte. Ltd., the company that invests in mainland China.

d. Indirect investment in mainland China through companies registered in a third region. The Company and Tong Yang Chia Hsin International Corporation invest in Tong Yang Chia Hsin Marine Corp., which then invests in mainland China.

e. Other method.

Note 3: Calculated by the 60% of consolidated net worth of Chia Hsin Cement Corporation according to the letter NO. 09704604680 issued by Ministry of Economic Affairs.

Note 4: The Company conducted a stock-for-stock transaction with Taiwan Cement Corporation to get rid of the investment via TCC International Holdings Ltd. in mainland China. The result of the stock-for-stock transaction will be a decrease in investment in mainland China. On May 17, 2018, the aforementioned write-off of the amount and the ratio of investment was approved by the Investment Commission, Ministry of Economic Affairs.

Note 5: The transaction has been eliminated upon consolidation.

Note 6: Including the gains and losses recognized by using the equity method and the gains and losses on internal unrealized transactions.

Note 7: The liquidation of the Company was resolved by the board of directors on April 26, 2023. The cancellation of registration was completed on August 29, 2023.

Note 8: Expected for Jiangsu Chia Hsin Real Estate Co., Ltd. The highest number of Shares held of each investee during the period was the same as the those held at the end of the period and all the Shares held are not pledged as collateral.

(Concluded)

TABLE 8

CHIA HSIN CEMENT CORPORATION

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Tong Yang Chia Hsin International Corporation	129,917,726	16.44
Sung Ju Investment Corp.	70,155,843	8.87
Yung-Ping Chang	42,583,141	5.38

Note: The information of major shareholders comes from the summary of shareholders holding more than 5% of total ordinary and special shares registered as dematerialized security (including treasury shares) in the centralized securities depository enterprise as of the last business day of the reporting period. Based on different calculation method, the number of shares recorded in the consolidated financial statements could be different from that registered as dematerialized security.

6.5 Parent Company Only Financial Statements

Deloitte.

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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, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information (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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of 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, 2023. 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, 2023 is stated as follows:

Impairment of Investment in Subsidiaries Accounted for Using the Equity Method

As of December 31, 2023, the net carrying amount of property, plant and equipment of CHC Ryukyu COLLECTIVE KK was NT$3,405,765 thousand, which was material to the financial statements. Management assesses the asset impairment of the subsidiary's property, plant and equipment. Since the recoverable amount in the impairment assessment involves subjective judgments based on various assumptions and estimates made by management, 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 with respect to the above area included the following:

We obtained an impairment assessment report from the management, 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, 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 in the impairment assessment report.

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, 2023 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.

Chinghsun Chen   Sheng-Tai Liang

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 27, 2024

<u>*Notice to Readers*</u>

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

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

CHIA HSIN CEMENT CORPORATION

BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023		2022	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 1,035,969	4	$ 1,445,328	5
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 31)	801,042	3	814,418	3
Financial assets at fair value through other comprehensive income - current (Notes 4, 8 and 31)	1,233,836	4	1,146,083	4
Financial assets at amortized cost - current (Notes 4 and 9)	785,428	3	347,231	1
Notes receivable from unrelated parties (Notes 4, 10 and 25)	198,457	1	141,265	-
Trade receivables from unrelated parties (Notes 4, 10 and 25)	63,505	-	28,010	-
Trade receivables from related parties (Notes 4, 25 and 32)	11,462	-	9,637	-
Finance lease receivables - current (Notes 4, 12 and 32)	54,114	-	73,719	-
Other receivables from unrelated parties (Notes 4 and 11)	9,338	-	3,399	-
Other receivables from related parties (Notes 4 and 32)	39,358	-	36,240	-
Current tax assets	517	-	624	-
Inventories (Notes 4 and 13)	86,331	-	154,220	1
Prepayments (Note 19)	1,908	-	2,392	-
Total current assets	4,321,265	15	4,202,566	14
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 31)	7,563,433	25	7,295,724	25
Financial assets at amortized cost - non-current (Notes 4, 9 and 33)	1,103	-	9,476	-
Investments accounted for using the equity method (Notes 4, 14 and 32)	15,437,508	52	15,247,296	53
Property, plant and equipment (Notes 4, 5 and 15)	537,254	2	622,127	2
Right-of-use assets (Notes 4 and 16)	4,032	-	5,784	-
Investment properties (Notes 4 and 17)	263,950	1	265,186	1
Intangible assets (Notes 4 and 18)	1,176	-	1,534	-
Deferred tax assets (Notes 4 and 27)	203,265	1	184,091	1
Finance lease receivables - non-current (Notes 4, 12 and 32)	1,143,739	4	1,246,591	4
Net defined benefit assets - non-current (Notes 4 and 23)	-	-	842	-
Other non-current assets (Notes 4 and 19)	7,206	-	7,093	-
Total non-current assets	25,162,666	85	24,885,744	86
TOTAL	$ 29,483,931	100	$ 29,088,310	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4, 20 and 33)	$ 1,000,000	3	$ 1,340,000	5
Short-term bills payable (Notes 4 and 20)	744,106	3	127,614	1
Contract liabilities (Notes 4 and 25)	20,053	-	12,753	-
Notes payable to unrelated parties (Note 21)	3,329	-	1,907	-
Trade payables to unrelated parties (Note 21)	66,133	-	64,037	-
Trade payables to related parties (Note 32)	116,869	1	89,022	-
Other payables to unrelated parties (Note 22)	36,418	-	27,294	-
Other payables to related parties (Note 32)	18,059	-	19,818	-
Current tax liabilities (Notes 4 and 27)	8,948	-	-	-
Lease liabilities - current (Notes 4 and 16)	56,374	-	77,999	-
Current portion of long-term borrowings (Notes 4, 20 and 33)	393,750	1	577,500	2
Guarantee deposits - current	629	-	540	-
Total current liabilities	2,464,668	8	2,338,484	8
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 4, 20 and 33)	3,886,250	13	3,888,750	14
Deferred tax liabilities (Notes 4 and 27)	282,205	1	304,447	1
Lease liabilities - non-current (Notes 4 and 16)	1,145,679	4	1,248,248	4
Net defined benefit liabilities - non-current (Notes 4 and 23)	2,115	-	-	-
Guarantee deposits - non-current	21,563	-	22,386	-
Total non-current liabilities	5,337,812	18	5,463,831	19
Total liabilities	7,802,480	26	7,802,315	27
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)				
Share capital				
Ordinary shares	7,902,474	27	7,747,805	27
Capital surplus	1,318,181	5	1,238,426	4
Retained earnings				
Legal reserve	2,571,235	9	2,571,235	9
Special reserve	2,257,048	8	2,257,996	8
Unappropriated earnings	5,430,295	18	5,737,233	19
Total retained earnings	10,258,578	35	10,566,464	36
Other equity	3,280,168	11	2,811,250	10
Treasury shares	(1,077,950)	(4)	(1,077,950)	(4)
Total equity attributable to owners of the Company	21,681,451	74	21,285,995	73
Total equity	21,681,451	74	21,285,995	73
TOTAL	$ 29,483,931	100	$ 29,088,310	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, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023 Amount	2023 %	2022 Amount	2022 %
OPERATING REVENUE (Notes 4, 25 and 32)				
Sales	$ 1,269,680	87	$ 986,402	84
Rental revenue	4,766	-	4,730	-
Service revenue	30,485	2	33,896	3
Other operating revenue	158,220	11	151,322	13
Total operating revenue	1,463,151	100	1,176,350	100
OPERATING COSTS (Notes 13, 26 and 32)				
Cost of goods sold	(1,261,020)	(87)	(987,044)	(84)
Rental costs	(1,945)	-	(1,746)	-
Service costs	(28,437)	(2)	(29,758)	(3)
Other operating costs	(133,489)	(9)	(133,202)	(11)
Total operating costs	(1,424,891)	(98)	(1,151,750)	(98)
GROSS PROFIT	38,260	2	24,600	2
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Note 4)	(380)	-	(1,100)	-
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (Note 4)	-	-	895	-
REALIZED GROSS PROFIT	37,880	2	24,395	2
OPERATING EXPENSES (Notes 26 and 32)				
Selling and marketing expenses	(12,922)	(1)	(11,417)	(1)
General and administrative expenses	(166,776)	(11)	(174,713)	(15)
Expected credit loss (Note 10)	(936)	-	(128)	-
Total operating expenses	(180,634)	(12)	(186,258)	(16)
LOSS FROM OPERATIONS	(142,754)	(10)	(161,863)	(14)
NON-OPERATING INCOME AND EXPENSES (Notes 4, 26 and 32)				
Interest income	64,391	4	34,026	3
Other income	171,585	12	268,635	23
Other gains and losses	(73,335)	(5)	(70,310)	(6)

(Continued)

CHIA HSIN CEMENT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
Finance costs	$ (131,592)	(9)	$ (102,470)	(9)
Share of profit or loss of subsidiary, associates and joint ventures	134,656	9	(154,239)	(13)
Total non-operating income and expenses	165,705	11	(24,358)	(2)
PROFIT (LOSS) BEFORE INCOME TAX	22,951	1	(186,221)	(16)
INCOME TAX BENEFIT (Notes 4 and 27)	58,131	4	5,459	-
NET PROFIT (LOSS) FOR THE YEAR	81,082	5	(180,762)	(16)
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	(3,132)	-	11,206	1
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	355,462	24	(2,327,630)	(198)
Share of the other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using the equity method	135,337	9	(987,915)	(84)
Income tax relating to items that will not be reclassified subsequently to profit or loss	626	-	(2,241)	-
	488,293	33	(3,306,580)	(281)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(2,539)	-	165,564	14
Share of the other comprehensive (loss) income of subsidiaries, associates and joint ventures accounted for using the equity method	(24,548)	(2)	23,830	2
Income tax relating to items that may be reclassified subsequently to profit or loss	5,417	1	(37,880)	(3)
	(21,670)	(1)	151,514	13
Other comprehensive income (loss) for the year, net of income tax	466,623	32	(3,155,066)	(268)
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	$ 547,705	37	$ (3,335,828)	(284)

(Continued)

CHIA HSIN CEMENT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
EARNINGS (LOSS) PER SHARE (Note 28)				
Basic	$ 0.12		$ (0.27)	
Diluted	$ 0.12		$ (0.27)	

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, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

			Retained Earnings			Other 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	Total Equity
BALANCE, JANUARY 1, 2022	$ 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)									
Legal reserve	-	-	68,062	-	(68,062)	-	-	-	-
Cash dividends	-	-	-	-	(502,675)	-	-	-	(502,675)
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 (Note 24)	-	-	-	-	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)	21,285,995
Appropriation of 2022 earnings (Note 24)									
Cash dividends	-	-	-	-	(232,004)	-	-	-	(232,004)
Share dividends	154,669	-	-	-	(154,669)	-	-	-	-
Reverse of special reserve	-	-	-	(948)	948	-	-	-	-
Changes in equity of associates accounted for using the equity method (Note 24)	-	43,645	-	-	-	-	-	-	43,645
Unclaimed dividends extinguished by prescription (Note 24)	-	2,797	-	-	-	-	-	-	2,797
Net profit for the year ended December 31, 2023	-	-	-	-	81,082	-	-	-	81,082
Other comprehensive income (loss) for the year ended December 31, 2023 (Note 24)	-	-	-	-	(2,295)	(21,670)	490,588	-	466,623
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	78,787	(21,670)	490,588	-	547,705
Change in capital surplus due to cash dividends of the Company paid to subsidiary (Notes 14 and 24)	-	33,313	-	-	-	-	-	-	33,313
BALANCE, DECEMBER 31, 2023	$ 7,902,474	$ 1,318,181	$ 2,571,235	$ 2,257,048	$ 5,430,295	$ (670,392)	$ 3,950,560	$ (1,077,950)	$ 21,681,451

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, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	$ 22,951	$ (186,221)
Adjustments for:		
Depreciation expenses	97,839	108,629
Amortization expenses	358	243
Expected credit loss	936	128
Net loss on fair value changes of financial assets at fair value through profit or loss	7,715	120,353
Finance costs	131,592	102,470
Interest income	(64,391)	(34,026)
Dividend income	(155,174)	(235,473)
Share of (profit) loss of subsidiaries, associates and joint ventures	(134,656)	154,239
Gain on disposal of right-of-use assets	(5)	-
Write-down of inventories	-	3,587
Unrealized gain on transactions with subsidiaries, associates and joint ventures	380	1,100
Realized gain on transactions with subsidiaries, associates and joint ventures	-	(895)
Net loss (gain) on foreign currency exchange	48,476	(67,393)
Changes in operating assets and liabilities:		
Financial assets mandatorily classified as at fair value through profit or loss	5,661	(190,680)
Notes receivable from unrelated parties	(57,770)	(5,183)
Trade receivables from unrelated parties	(35,853)	(7,550)
Trade receivables from related parties	(1,825)	7,158
Other receivables from unrelated parties	1	(11)
Other receivables from related parties	(603)	3,668
Inventories	67,889	(110,783)
Prepayments	484	1,560
Contract liabilities	7,300	475
Notes payable to unrelated parties	1,422	(1,444)
Trade payables to unrelated parties	2,096	(27,950)
Trade payables to related parties	27,847	(40,574)
Other payables to unrelated parties	7,831	(23,192)
Other payables to related parties	(1,759)	(1,081)
Net defined benefit liabilities	(175)	(164)
Cash used in operations	(21,433)	(429,010)
Interest paid	(131,187)	(101,855)
Income tax refunds	29,298	10,518
Net cash used in operating activities	(123,322)	(520,347)

(Continued)

CHIA HSIN CEMENT CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	$ -	$ (91,485)
Purchase of financial assets at amortized cost	(429,824)	-
Proceeds from sale of financial assets at amortized cost	-	540,227
Acquisition of investments accounted for using the equity method	(59,270)	(48,698)
Payments for property, plant and equipment	(6,975)	(904)
Increase in refundable deposits	(184)	-
Payments for intangible assets	-	(1,608)
Decrease in finance lease receivables	39,131	36,925
Decrease in other non-current assets	71	1,772
Interest received	58,451	31,223
Dividends received from subsidiaries, associates and joint ventures	188,542	548,984
Other dividends received	155,174	235,473
Net cash (used in) generated from investing activities	(54,884)	1,251,909
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	-	536,000
Repayments of short-term borrowings	(340,000)	-
Proceeds from short-term bills payable	617,000	-
Repayment of short-term bills payable	-	(7,000)
Repayments of long-term loans	(186,250)	(377,500)
Refund of guarantee deposits received	(734)	(821)
Repayment of the principal portion of lease liabilities	(43,486)	(41,469)
Cash dividends paid	(232,004)	(502,675)
Return of unclaimed dividends extinguished by prescription	2,797	598
Net cash used in financing activities	(182,677)	(392,867)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(48,476)	67,393
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(409,359)	406,088
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,445,328	1,039,240
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,035,969	$ 1,445,328

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

CHIA HSIN CEMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Chia Hsin Cement Corporation (the "Company") was incorporated in the Republic of China (ROC) with capital of $24,000 thousand in December 1954. Over the years, the Company has increased its capital through capital contributions in cash, undistributed earnings, and asset revaluation increments. As of December 31, 2023, the Company has authorized capital of $15,000,000 thousand and paid-in capital of $7,902,474 thousand. The Company's business activities include cement manufacturing, wholesale of building materials, retail sale of building materials, non-metallic mining, mixed-concrete products manufacturing, international trade, construction and development of residences and buildings, lease, construction and development of industrial factory buildings, real estate commerce, real estate rental and leasing, reconstruction within the renewal area and warehousing and storage.

The Company's shares have been listed on the Taiwan Stock Exchange (TWSE) since November 1969.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Company's board of directors on February 27, 2024.

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

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

Except for the following, the initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Company's accounting policies:

Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

The amendments clarify that the initial recognition exemption under IAS 12 does not apply to transactions in which equal taxable and deductible temporary differences arise on initial recognition. The Company applied the amendments and recognized a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations on January 1, 2022. The Company shall apply the amendments prospectively to transactions other than leases and decommissioning obligations that occur on or after January 1, 2022. Upon initial application of the amendments to IAS 12, the Company recognized the cumulative effect of retrospective application in retained earnings on January 1, 2022, and restated comparative information.

Had the Company applied the original IAS 12 in the current year, the following adjustments should be made to reflect the line items and balances under the original IAS 12.

Impact on assets, liabilities and equity for the current year

	December 31, 2023
Increase in investments accounted for using the equity method	$ 2,999
Increase in assets	$ 2,999
Increase in retained earnings	$ 3,060
Decrease in other equity	(61)
Increase in equity	$ 2,999

Impact on total comprehensive income for the current year

	For the Year Ended December 31, 2023
Increase in share of profit or loss of subsidiary, associates and joint ventures	$ 3,060
Increase in net profit for the year	3,060
Items that may be reclassified subsequently to profit or loss:	
Decrease in share of the other comprehensive income of associates and joint ventures accounted for using the equity method	(61)
	(61)
Increase in other comprehensive income for the year, net of income tax	$ 2,999

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards will be effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

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

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

For the convenience of readers, the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the ROC. 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 financial statements shall prevail.

a. Statement of compliance

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

b. Basis of preparation

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

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

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

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

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

Current assets include:

1) Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and

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

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

d. Foreign currencies

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

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

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

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

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

In partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the non-controlling interests of the subsidiary and is included in the calculation of equity transactions but is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

e. Inventories

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

f. Investments in subsidiaries

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

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

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

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

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

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business over the cost of acquisition is recognized immediately in profit or loss.

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

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

Profit or loss resulting from downstream transactions is eliminated in full only in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

g. Investments in associates

An associate is an entity over which the Company has significant influence and is neither a subsidiary.

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

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

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

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

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

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

The Company discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate and attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities.

When the Company transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Company's financial statements only to the extent of interests in the associate of parties that are not related to the Company.

h. Property, plant and equipment

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

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

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

i. Investment properties

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

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized using the straight-line method.

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

j. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

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

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

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

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

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

l. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

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

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

ii. Financial assets at amortized cost

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

i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes receivable, trade receivables, trade receivables from related parties, other receivables, other receivables from related parties, time deposits with original maturities over 3 months, and refundable deposits are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

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

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

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

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost and finance lease receivables.

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

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

For internal credit risk management purposes, the Company considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Company):

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

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

The impairment loss of all financial assets is recognized in profit or loss directly or by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

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

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

2) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

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

m. Revenue recognition

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

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of cement; sales of cement are recognized as revenue when the goods are delivered to the customer's specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently. The advance receipts before the delivery of goods are recognized as contract liabilities and reclassified to revenue after the goods are transferred to customers.

2) Revenue from the rendering of services

The revenue from rendering of services is recognized over time with reference to the progress of the fulfillment of contracts or recognized on the date the service is provided.

3) Other income

The Company operates cement silo and other storage and transport facilities in wharves to provide warehousing and storage services. The fee is calculated based on the actual number of goods delivered and the price agreed in the signed contracts.

n. Leases

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

1) The Company as lessor

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

When the Company subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Company, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Under finance leases, the lease payments comprise fixed payments. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Company's net investment outstanding in respect of leases. For a lease modification that is not accounted for as a separate lease, if the lease would have been classified as an operating lease had the modification been in effect at the inception date, the Company accounts for the lease modification as a new lease and measures the carrying amount of the underlying asset as the finance lease receivables immediately before the effective date of the lease modification. Other lease modifications are accounted for by adjusting the finance lease receivables in accordance with IFRS 9.

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

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

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

2) The Company as lessee

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

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

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

o. Borrowing costs

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

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

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

p. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

q. Taxation

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

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

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

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred taxes for the year

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

4) The linked-tax system

The Company files joint income tax returns with Chia Hsin Property Management & Development Corporation. The differences between the tax expense and deferred tax liabilities and assets of the Company as a separate entity and of the Company and its qualified subsidiaries as a joint entity are adjusted on the Company; the related amounts are recognized as current tax assets or current tax liabilities.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, the Company considers the possible impact of the economic environment implications on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Key Sources of Estimation Uncertainty

Impairment of property, plant and equipment and investment property

Impairment of property, plant and equipment and investment property is including evaluated based on the recoverable amount of assets, which is the higher of its fair value less costs of disposal and its value in use. Any changes in the market prices, future cash flows or discount rates will affect the recoverable amount of the assets and may lead to the recognition of additional impairment losses or the reversal of impairment losses.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	2022
Cash on hand	$ 899	$ 421
Checking accounts and demand deposits	860,703	826,686
Cash equivalents		
Time deposits with original maturities of 3 months or less	161,410	608,234
Commercial paper	12,957	9,987
	$ 1,035,969	$ 1,445,328

The market rate intervals of cash in the bank and commercial papers at the end of the year were as follows:

	December 31	
	2023	2022
Cash in the Bank	0.001%-4.90%	0.001%-4.60%
Commercial paper	1.20%	0.85%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2023	2022
Financial assets mandatorily classified as at fair value through profit or loss (FVTPL) - current		
Domestic listed shares	$ 296,708	$ 286,492
Overseas listed shares	25,820	39,077
Overseas mutual funds - beneficiary certificates	448,592	488,849
Domestic convertible bonds	29,922	-
	$ 801,042	$ 814,418

As of December 31, 2023, the Company held 239,629,776 shares of Taiwan Cement Corporation accounted for as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income at carrying amount of $296,705 thousand and $8,054,393 thousand, respectively. Information for other price risk and sensitivity analysis is provided in Note 31.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2023	2022
Investments in equity instruments - current		
Domestic investments		
Listed shares and emerging market shares	$ 1,233,836	$ 1,146,083
Investments in equity instruments - non-current		
Domestic investments		
Listed shares and emerging market shares	$ 7,080,717	$ 6,836,905
Unlisted shares	482,716	458,819
	$ 7,563,433	$ 7,295,724

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

The Company purchased ordinary shares of Gping Wellness Co., Ltd. with the amount of $91,485 thousand in January 2022. The investment is held for medium- to long-term strategic purposes. Accordingly, the management designated these investments as at FVTOCI.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2023	2022
Current		
Time deposits with original maturities of more than 3 months	$ 785,428	$ 347,231
Non-current		
Restricted deposits	$ 1,103	$ 9,476
Interest rate range		
Time deposits with original maturities of more than 3 months	1.31%-5.50%	2.90%-5.00%
Restricted deposits	1.58%	0.795%-1.44%

a. The Company has tasked its credit management committee to develop a credit risk grading framework to determine whether the credit risk of the financial assets at amortized cost increases significantly since the initial recognition to the reporting date as well as to measure the expected credit losses. The credit rating information may be obtained from independent rating agencies where available and, if not available, the credit management committee uses other publicly available financial information to rate the debtors. In the consideration of an analysis of the debtor's current financial position and the forecasted direction of economic conditions in the industry, the Company forecasts both 12-month expected credit losses or lifetime expected credit losses of financial assets at amortized cost. As of December 31, 2023 and 2022, the Company assessed the expected credit loss rate as 0%.

b. Refer to Note 33 for the carrying amounts of financial assets pledged by the Company to secure obligations.

10. NOTES RECEIVABLE AND TRADE RECEIVABLES

	December 31	
	2023	2022
Notes receivable		
At amortized cost		
Gross carrying amount	$ 200,462	$ 142,692
Less: Allowance for impairment loss	(2,005)	(1,427)
	$ 198,457	$ 141,265
Trade receivables		
At amortized cost		
Gross carrying amount	$ 64,146	$ 28,293
Less: Allowance for impairment loss	(641)	(283)
	$ 63,505	$ 28,010

Notes Receivable

The average number of days of cashing the notes is 30 to 90 days. In order to mitigate credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals, and other monitoring procedures to ensure that follow-up action is taken to recover overdue debt. In addition, the Company reviews the recoverable amount of each individual notes receivable at the end of the year to ensure that adequate allowance is provided for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced.

The Company measures the loss allowance for notes receivable at an amount equal to lifetime expected credit losses (ECLs). The ECLs on notes receivable are estimated by reference to the past default experience of the debtor, an analysis of the debtor's current financial position, and economic conditions.

Trade Receivables

The average credit period of the sales of goods was 60 to 90 days, and no interest was charged on overdue trade receivables. In determining the recoverability of the trade receivables, the Company considered any change in the credit quality of the trade receivables since the date credit was initially granted to the end of the reporting period. From historical experience, most of the receivables were recovered.

Before accepting new customers, the Company assesses that the credit quality of the potential customer complied with the administration regulations of customer credit and set up the credits limit for each customer. The credit rating of customers would then be assessed by the supervisors and given an ultimate credit limit.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the debtors, the debtors' current financial position, economic conditions of the industry in which the debtors operate, as well as an assessment of both the current and the forecasted direction of economic conditions at the reporting date. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

The Company writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation, or when the trade receivables are over one year past due. For trade receivables that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. When recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of receivables (including receivables from related parties) based on the Company's provision matrix:

December 31, 2023

	Not Overdue	Overdue within 90 Days	Overdue 91-360 Days	Overdue 1 Year or More	Total
Expected credit loss rate	0%-1%	-	-	100%	
Gross carrying amount	$ 276,070	$ -	$ -	$ -	$ 276,070
Loss allowance (Lifetime ECLs)	(2,646)	-	-	-	(2,646)
Amortized cost	$ 273,424	$ -	$ -	$ -	$ 273,424

December 31, 2022

	Not Overdue	Overdue within 90 Days	Overdue 91-360 Days	Overdue 1 Year or More	Total
Expected credit loss rate	0%-1%	-	-	100%	
Gross carrying amount	$ 180,622	$ -	$ -	$ -	$ 180,622
Loss allowance (Lifetime ECLs)	(1,710)	-	-	-	(1,710)
Amortized cost	$ 178,912	$ -	$ -	$ -	$ 178,912

The movements of the loss allowance of receivables (including receivables from related parties) were as follows:

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 1,710	$ 1,582
Add: Net remeasurement of loss allowance	936	128
Balance at December 31	$ 2,646	$ 1,710

11. OTHER RECEIVABLES

	December 31	
	2023	2022
Interest receivable	$ 9,216	$ 3,276
Others	122	123
	$ 9,338	$ 3,399

Other receivables were mainly interest receivable. The Company only transacts with counterparties who have good credit ratings. The Company continues to monitor the conditions of the receivables and refers to the past default experience of the debtor and the analysis of the debtor's current financial position in determining whether the credit risk of the other receivables increased significantly since the initial recognition as well as in measuring the ECLs. As of December 31, 2023 and 2022, the Company assessed the expected credit loss rate of other receivables as 0%.

12. FINANCE LEASE RECEIVABLES

	December 31	
	2023	2022
Undiscounted lease payments		
Year 1	$ 72,398	$ 93,626
Year 2	65,578	68,636
Year 3	65,578	68,636
Year 4	65,578	68,636
Year 5	65,578	68,636
Year 6 onwards	1,072,094	1,190,749
	1,406,804	1,558,919
Less: Unearned finance income	(208,951)	(238,609)
Lease payments receivable	1,197,853	1,320,310
Net investment in leases presented as finance lease receivables	$ 1,197,853	$ 1,320,310
Lease payments receivable		
Not more than 1 year	$ 54,114	$ 73,719
More than 1 year but not more than 5 years	196,830	202,783
More than 5 years	946,909	1,043,808
	$ 1,197,853	$ 1,320,310

Since December 2009, the Company has been subleasing the land, facilities and equipment located in the Taipei Port Container Terminal to its subsidiary - Chia Pei International Corporation. Since all the remaining terms of the main lease has been subleased, the sublease contract is classified as a finance lease.

The interest rates inherent in the leases are fixed at the contract dates for the entire term of the lease. As of December 31, 2023 and 2022, the interest rate inherent in the finance leases were approximately 1.58% per annum.

To reduce the residual asset risk related to the leased land and machineries and equipment at the end of the relevant lease, the lease contract includes general risk management strategy.

The Company measures the loss allowance for finance lease receivables at an amount equal to lifetime ECLs. As of December 31, 2023, no finance lease receivable were past due. The Company has not recognized a loss allowance for finance lease receivables after taking into consideration the historical default experience and the future prospects of the industries in which the lessee operates, together with the value of collateral held over these finance lease receivables.

13. INVENTORIES

	December 31	
	2023	2022
Finished goods	$ 85,232	$ 153,360
Raw materials	1,099	860
	$ 86,331	$ 154,220

The nature of the cost of goods sold is as follows:

	For the Year Ended December 31	
	2023	2022
Cost of inventories sold	$ 1,261,020	$ 983,457
Inventory write-downs	-	3,587
	$ 1,261,020	$ 987,044

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2023	2022
Investments in subsidiaries	$ 11,775,321	$ 11,828,467
Investments in associates	3,662,187	3,418,829
	$ 15,437,508	$ 15,247,296

a. Investments in subsidiaries

	December 31	
	2023	2022
Unlisted companies		
Tong Yang Chia Hsin International Corporation	$ 5,704,901	$ 5,536,493
Chia Hsin Property Management & Development Corporation	3,988,327	3,958,936
Jaho Life Plus+ Management Corp., Ltd.	84,951	125,330
Chia Pei International Corporation	212,378	199,509
YJ International Corporation	369,300	548,620
BlueSky. Co., Ltd.	84,144	84,458
Chia Hsin Green Electricity Corporation	4,993	-
Chia Hsin Pacific Limited	2,382,037	2,430,831
	12,831,031	12,884,177
Less: Reclassified to treasury stocks (Note 24)	(1,055,710)	(1,055,710)
	$ 11,775,321	$ 11,828,467

	Proportion of Ownership and Voting Rights	
	December 31	
	2023	2022
Tong Yang Chia Hsin International Corporation	87.18%	87.18%
Chia Hsin Property Management & Development Corporation	100.00%	100.00%
Jaho Life Plus+ Management Corp., Ltd.	100.00%	100.00%
Chia Pei International Corporation	100.00%	100.00%
YJ International Corporation	100.00%	100.00%
BlueSky. Co., Ltd.	100.00%	100.00%
Chia Hsin Green Electricity Corporation.	100.00%	-
Chia Hsin Pacific Limited	74.16%	74.16%

Note 1: The Company received $154,543 thousand and $511,233 thousand of cash dividends from its subsidiaries in 2023 and 2022, respectively.

Note 2: The Company's cash dividend to subsidiaries in 2023 and 2022 was written off against investments in subsidiaries, associates and joint ventures accounted for using the equity method and adjusted the carrying amount of capital surplus - treasury share of $33,313 thousand and $72,177 thousand, respectively.

Note 3: For the years ended December 31, 2023 and 2022, the amounts recognized in share of profit or loss of subsidiaries accounted for using the equity method and share of the other comprehensive income of subsidiaries accounted for using the equity method were based on the audited financial statements.

b. Investments in associates

	December 31	
	2023	2022
Material associates		
LDC ROME HOTELS S.R.L.	$ 417,997	$ 337,024
L'Hotel De Chine Corporation	1,325,570	1,219,545
Chia Hsin Construction & Development Corp.	1,806,338	1,747,897
	3,549,905	3,304,466
Associates that are not individually material	112,282	114,363
	$ 3,662,187	$ 3,418,829

1) Material associates

	Proportion of Ownership and Voting Rights	
	December 31	
	2023	2022
LDC ROME HOTELS S.R.L.	40.00%	40.00%
Chia Hsin Construction & Development Corp.	46.18%	46.18%
L'Hotel De Chine Corporation	23.10%	23.10%

Refer to Note 37, Table 5 "Information on Investees" for the nature of activities, principal places of business and countries of incorporation of the associates.

All the associates were accounted for using the equity method.

The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRS Accounting Standards adjusted by the Company for equity accounting purposes.

LDC ROME HOTELS S.R.L.

	December 31	
	2023	2022
Current assets	$ 505,775	$ 391,523
Non-current assets	1,551,878	1,541,023
Current liabilities	(267,957)	(178,392)
Non-current liabilities	(744,704)	(911,593)
Equity	$ 1,044,992	$ 842,561

(Continued)

	December 31	
	2023	2022
Proportion of the Company's ownership	40.00%	40.00%
Equity attributable to the Company	$ 417,997	$ 337,024
Carrying amount	$ 417,997	$ 337,024

(Concluded)

	For the Year Ended December 31	
	2023	2022
Operating revenue	$ 774,782	$ 525,601
Net profit (loss) for the year	$ 33,783	$ (41,651)
Other comprehensive income	-	-
Total comprehensive income (loss) for the year	$ 33,783	$ (41,651)

On June 26, 2023, December 8, 2023 and September 28, 2022, the Company increased its investment in LDC ROME HOTELS S.R.L. by EUR800 thousand, EUR800 thousand and EUR1,600 thousand (equivalent to $27,056 thousand, $27,214 thousand and $48,698 thousand), respectively.

Chia Hsin Construction & Development Corp.

	December 31	
	2023	2022
Current assets	$ 1,771,361	$ 1,618,320
Non-current assets	2,410,323	2,342,794
Current liabilities	(284,103)	(191,670)
Non-current liabilities	(13,046)	(11,458)
Equity	$ 3,884,535	$ 3,757,986
Proportion of the Company's ownership	46.18%	46.18%
Equity attributable to the Company	$ 1,793,882	$ 1,735,441
Premium representing the difference between fair value and carrying amount of remaining equity investments	12,456	12,456
Carrying amount	$ 1,806,338	$ 1,747,897

	For the Year Ended December 31	
	2023	2022
Operating revenue	$ 104,068	$ 242,321
Net profit for the year	$ 67,952	$ 4,490
Other comprehensive income (loss)	57,971	(197,707)
Total comprehensive income (loss) for the year	$ 125,923	$ (193,217)
Dividends received from Chia Hsin Construction & Development Corp.	$ -	$ 37,751

L'Hotel De Chine Corporation

	December 31	
	2023	2022
Current assets	$ 576,846	$ 642,150
Non-current assets	7,530,975	6,455,691
Current liabilities	(1,550,084)	(539,850)
Non-current liabilities	(819,318)	(1,278,575)
Equity	$ 5,738,419	$ 5,279,416
Proportion of the Company's ownership	23.10%	23.10%
Equity attributable to the Company	$ 1,325,570	$ 1,219,545
Carrying amount	$ 1,325,570	$ 1,219,545

	For the Year Ended December 31	
	2023	2022
Operating revenue	$ 1,024,386	$ 1,051,051
Net profit for the year	$ 349,561	$ 624,310
Other comprehensive income	14,934	22,165
Total comprehensive income for the year	$ 364,495	$ 646,475
Dividends received from L'Hotel De Chine Corporation	$ 33,999	$ -

2) Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2023	2022
The Company's share of:		
Loss from continuing operations	$ (63)	$ (2,513)
Other comprehensive loss	(2,018)	(1,215)
Total comprehensive loss for the year	$ (2,081)	$ (3,728)

The investment in associates accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2023 and 2022 were based on the associates' financial statements which have been audited for the same years.

15. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2023	2022
Assets used by the Company	$ 40,449	$ 45,640
Assets leased under operating leases	496,805	576,487
	$ 537,254	$ 622,127

a. Assets used by the Company

	Land	Machinery and Equipment	Transportation Equipment	Leasehold Improvement	Other Equipment	Total
Cost						
Balance at January 1, 2022	$ 4,669	$ 41,336	$ 2,966	$ 547,385	$ 21,745	$ 618,101
Additions	-	-	-	-	904	904
Disposals	-	(41,336)	-	-	-	(41,336)
Balance at December 31, 2022	$ 4,669	$ -	$ 2,966	$ 547,385	$ 22,649	$ 577,669
Revaluation						
Balance at January 1, 2022	$ -	$ 15,807	$ -	$ -	$ -	$ 15,807
Disposals	-	(15,807)	-	-	-	(15,807)
Balance at December 31, 2022	$ -	$ -	$ -	$ -	$ -	$ -
Accumulated depreciation and impairment						
Balance at January 1, 2022	$ -	$ 57,143	$ 2,576	$ 496,095	$ 10,151	$ 565,965
Depreciation expense	-	-	94	20,049	3,064	23,207
Disposals	-	(57,143)	-	-	-	(57,143)
Balance at December 31, 2022	$ -	$ -	$ 2,670	$ 516,144	$ 13,215	$ 532,029
Carrying amount at December 31, 2022	$ 4,669	$ -	$ 296	$ 31,241	$ 9,434	$ 45,640
Cost						
Balance at January 1, 2023	$ 4,669	$ -	$ 2,966	$ 547,385	$ 22,649	$ 577,669
Additions	-	-	-	5,851	1,504	7,355
Balance at December 31, 2023	$ 4,669	$ -	$ 2,966	$ 553,236	$ 24,153	$ 585,024
Accumulated depreciation and impairment						
Balance at January 1, 2023	$ -	$ -	$ 2,670	$ 516,144	$ 13,215	$ 532,029
Depreciation expense	-	-	96	10,631	1,819	12,546
Balance at December 31, 2023	$ -	$ -	$ 2,766	$ 526,775	$ 15,034	$ 544,575
Carrying amount at December 31, 2023	$ 4,669	$ -	$ 200	$ 26,461	$ 9,119	$ 40,449

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

Machinery and equipment	15 years
Transportation equipment	2-5 years
Other equipment	3-8 years
Leasehold improvement	
Office building	24 years
Plant	7-24 years
Others	3-24 years

b. Assets leased under operating leases

	Machinery and Equipment	Leasehold Improvement	Total
Cost			
Balance at January 1, 2022	$ 429,490	$ 2,131,443	$ 2,560,933
Additions	-	-	-
Balance at December 31, 2022	$ 429,490	$ 2,131,443	$ 2,560,933
Accumulated depreciation and impairment			
Balance at January 1, 2022	$ 429,490	$ 1,475,273	$ 1,904,763
Depreciation expenses	-	79,683	79,683
Balance at December 31, 2022	$ 429,490	$ 1,554,956	$ 1,984,446
Carrying amount at December 31, 2022	$ -	$ 576,487	$ 576,487
Cost			
Balance at January 1, 2023	$ 429,490	$ 2,131,443	$ 2,560,933
Additions	-	-	-
Balance at December 31, 2023	$ 429,490	$ 2,131,443	$ 2,560,933
Accumulated depreciation and impairment			
Balance at January 1, 2023	$ 429,490	$ 1,554,956	$ 1,984,446
Depreciation expenses	-	79,682	79,682
Balance at December 31, 2023	$ 429,490	$ 1,634,638	$ 2,064,128
Carrying amount at December 31, 2023	$ -	$ 496,805	$ 496,805

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

Machinery and equipment	8 years
Leasehold improvement	
Office building	8-20 years
Plant	8-20 years
Others	10-20 years

In 2023 and 2022, the Company leased machinery and leasehold improvements under operating leases. According to the contract, lease payments receivable under operating lease is based on the amount of usage. The fee is settled monthly and paid quarterly.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31 2023	December 31 2022
Carrying amount		
Building	$ 2,431	$ 531
Land improvement	1,601	4,802
Transportation equipment	-	451
	$ 4,032	$ 5,784

	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Additions to right-of-use assets	$ 2,977	$ -
Depreciation charge for right-of-use assets		
Building	$ 723	$ 529
Land improvement	3,201	3,202
Transportation equipment	451	774
	$ 4,375	$ 4,505

b. Lease liabilities

	December 31 2023	December 31 2022
Carrying amount		
Current	$ 56,374	$ 77,999
Non-current	$ 1,145,679	$ 1,248,248

Ranges of discount rates for lease liabilities were as follows:

	December 31 2023	December 31 2022
Building	1.30%-2.05%	1.30%
Land improvement	1.38%-1.58%	1.38%-1.58%
Transportation equipment	2.30%	2.30%

From January 1, 2023 to December 31, 2023, the Company terminated part of the lease contracts in advance, resulting in a decrease of $354 thousand in right-of-use assets, and recognized $5 thousand and of gain on disposal of right-of-use assets under other gains and losses.

c. Material lease activities and terms

Warehousing and storage service at the wharves

In order to operate in cargo loading, unloading, storage and transit business, the Company signed as lessee lease contracts with Port of Keelung, Taiwan International Ports Co., Ltd. for the leasing of facilities and lands in (a) wharf No. 33 in the west port of Keelung ("Port of Keelung") and (b) No. 1 general cargo terminal in port of Taipei ("Port of Taipei"). The period of the lease of the Port of Keelung is 23 years and 9 months which started on October 7, 2000. The period of the lease of the Port of Taipei is 35 years and 5 months which started on December 10, 2009. The rentals for lands are calculated on the basis of the regional average rental and the annual rental rate per square meter announced by the government. The land rental rates are adjusted in line with the regional rental rate and the market rate announced publicly. The rentals for buildings are adjusted in accordance with annual Construction Cost Index published by the Directorate General of Budget, Accounting and Statistics (DGBAS) of the Executive Yuan of the ROC. In addition, the Company is prohibited from subleasing or transferring all or any portion of the underlying assets in the leases mentioned above without the lessor's consent. The Company may renew the lease contract at the end of the lease term by signing a new one.

d. Other leasing information

The Company's leases as lessor of property, plant and equipment and investment properties under operating leases are set out in Notes 15 and 17, respectively; finance leases of assets are set out in Note 12.

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases	$ 9,847	$ 9,509
Total cash outflow for leases	$ (72,897)	$ (71,209)

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

17. INVESTMENT PROPERTIES

	For the Year Ended December 31	
	2023	2022
Cost		
Balance at January 1	$ 277,135	$ 277,135
Additions	-	-
Balance at December 31	$ 277,135	$ 277,135
Accumulated depreciation		
Balance at January 1	$ 11,949	$ 10,715
Depreciation expenses	1,236	1,234
Balance at December 31	$ 13,185	$ 11,949

(Continued)

	For the Year Ended December 31	
	2023	2022
Carrying amount		
Carrying amount at January 1	$ 265,186	$ 266,420
Carrying amount at December 31	$ 263,950	$ 265,186

(Concluded)

The abovementioned investment properties are depreciated on a straight-line basis over their estimated useful lives as follows:

Building	
Office building	14-15 years

The investment properties are not evaluated by an independent valuer but valued by the Company's management using the valuation model that market participants would use in determining the fair value. The valuation was arrived at by reference to market evidence of transaction prices for similar properties and by discounted cash flow analysis. The significant unobservable inputs used include discount rates. The appraised fair value is as follows:

	December 31	
	2023	2022
The fair values of investment properties	$ 363,138	$ 354,645
Discount rate	7.37%	7.98%

The investment properties were leased out for 1 to 5 years, with an option to extend for additional years. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties as of December 31, 2023 and 2022 is as follows:

	December 31	
	2023	2022
Year 1	$ 4,584	$ 4,549
Year 2	743	4,367
Year 3	310	743
Year 4	-	310
	$ 5,637	$ 9,969

18. INTANGIBLE ASSETS

	For the Year Ended December 31	
	2023	2022
Cost		
Balance at January 1	$ 1,792	$ 184
Additions	-	1,608
Balance at December 31	$ 1,792	$ 1,792
Accumulated amortization		
Balance at January 1	$ 258	$ 15
Amortization expenses	358	243
Balance at December 31	$ 616	$ 258
Carrying amount		
Carrying amount at January 1	$ 1,534	$ 169
Carrying amount at December 31	$ 1,176	$ 1,534

Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	5 years

	For the Year Ended December 31	
	2023	2022
An analysis of amortization by function		
General and administrative expenses	$ 358	$ 243

19. OTHER ASSETS

	December 31	
	2023	2022
Current		
Prepayments		
Others	$ 1,908	$ 2,392
Non-current		
Refundable deposits	$ 7,190	$ 7,006
Others	16	87
	$ 7,206	$ 7,093

20. BORROWINGS

a. Short-term borrowings

	December 31 2023	December 31 2022
Secured borrowings	$ -	$ 585,000
Unsecured borrowings	1,000,000	755,000
	$ 1,000,000	$ 1,340,000

The ranges of interest rates on bank loans were 1.78%-1.92% and 1.47%-2.21% per annum as of December 31, 2023 and 2022, respectively.

b. Short-term bills payable

	December 31 2023	December 31 2022
Commercial paper	$ 745,000	$ 128,000
Less: Unamortized discounts on bills payable	(894)	(386)
	$ 744,106	$ 127,614

Outstanding short-term bills payable were as follows:

December 31, 2023

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral
Commercial paper					
Mega Bills	$ 200,000	$ (197)	$ 199,803	1.898%	None
China Bills	200,000	(169)	199,831	1.928%	None
Ta Ching Bills	200,000	(243)	199,757	1.928%	None
International Bills	145,000	(285)	144,715	1.928%	None
	$ 745,000	$ (894)	$ 744,106		

December 31, 2022

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral
Commercial paper					
International Bills	$ 128,000	$ (386)	$ 127,614	2.038%	None

c. Long-term borrowings

	December 31	
	2023	2022
Bank loans		
Secured borrowings	$ 4,210,000	$ 4,376,250
Unsecured borrowings	70,000	90,000
	4,280,000	4,466,250
Less: Current portion	(393,750)	(577,500)
Long-term borrowings	$ 3,886,250	$ 3,888,750

1) The Company signed medium-term secured loan contracts with First Commercial Bank, Cathay United Bank, Bank SinoPac, China Trust Commercial Bank, and Taiwan Cooperative Bank, respectively. The bank loans are to be repaid at once or in installments according to the agreement. As of December 31, 2023 and 2022, the annual interest rates were 1.80%-1.99% and 1.43%-1.86%, respectively. The loan is repayable in 5 to 7 years, and the final maturity date of the loan is September 8, 2030.

2) Refer to Note 32 for the secured loans guaranteed by related parties or collaterals by related parties.

21. NOTES PAYABLE AND TRADE PAYABLES

	December 31	
	2023	2022
Notes payable		
Operating	$ 3,329	$ 1,907
Trade payables		
Operating	$ 66,133	$ 64,037

The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

22. OTHER LIABILITIES

	December 31	
	2023	2022
Current		
Other payables		
Payables for salaries and bonuses	$ 18,099	$ 15,244
Payables for interests	2,833	1,920
Payable for insurance	1,032	962
Payables for professional fees	4,770	3,894
Payables for VAT	6,304	2,070
Payables for machinery and equipment	380	-
Others	3,000	3,204
	$ 36,418	$ 27,294

23. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

b. Defined benefit plans

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

The amounts included in the balance sheets in respect of the Company's defined benefit plans are as follows:

	December 31	
	2023	2022
Present value of defined benefit obligation	$ (81,091)	$ (82,670)
Fair value of plan assets	78,976	83,512
Surplus (deficit)	(2,115)	842
Net defined benefit assets (liabilities)	$ (2,115)	$ 842

Movements in net defined benefit assets (liabilities) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Assets (Liabilities)
Balance at January 1, 2022	$ (87,927)	$ 77,399	$ (10,528)
Service cost			
Current service cost	(1,727)	-	(1,727)
Net interest (expense) income	(550)	491	(59)
Recognized in profit or loss	(2,277)	491	(1,786)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	6,404	6,404
Actuarial loss			
Changes in financial assumptions	6,562	-	6,562
Experience adjustments	(1,760)	-	(1,760)
Recognized in other comprehensive income	4,802	6,404	11,206

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Assets (Liabilities)
Benefits paid	$ 2,732	$ (2,732)	$ -
Contributions from the employer	-	1,950	1,950
Balance at December 31, 2022	(82,670)	83,512	842
Service cost			
Current service cost	(1,365)	-	(1,365)
Net interest (expense) income	(1,233)	1,260	27
Recognized in profit or loss	(2,598)	1,260	(1,338)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	475	475
Actuarial loss			
Changes in financial assumptions	(1,421)	-	(1,421)
Experience adjustments	(2,186)	-	(2,186)
Recognized in other comprehensive income	(3,607)	475	(3,132)
Benefits paid	7,784	(7,784)	-
Contributions from the employer	-	1,513	1,513
Balance at December 31, 2023	$ (81,091)	$ 78,976	$ (2,115)

(Concluded)

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

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

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

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

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

	December 31	
	2023	2022
Discount rate	1.25%	1.50%
Expected rate of salary increase	2.00%	2.00%

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

	December 31	
	2023	2022
Discount rate(s)		
0.25% increase	$ (1,421)	$ (1,748)
0.25% decrease	$ 1,462	$ 1,802
Expected rate(s) of salary increase		
0.25% increase	$ 1,425	$ 1,762
0.25% decrease	$ (1,393)	$ (1,717)

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

	December 31	
	2023	2022
Expected contributions to the plans for the next year	$ 1,458	$ 1,989
Average duration of the defined benefit obligation	8.2 years	9.8 years

24. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2023	2022
Shares authorized (in thousands of shares)	1,500,000	1,500,000
Amount of shares authorized	$ 15,000,000	$ 15,000,000
Shares issued and fully paid (in thousands of shares)	790,247	774,781
Amount of shares issued and fully paid	$ 7,902,474	$ 7,747,805

Fully paid ordinary shares, which have a par value of NT$10, carry one vote per share and carry a right to dividends.

The Company's shareholders resolved to distribute share dividends of $154,669 thousand in May 2023, which were approved by the FSC. The subscription base date was August 2, 2023 as determined by the board of directors.

b. Capital surplus

	December 31 2023	December 31 2022
May only be used to offset a deficit (1)		
Treasury share transaction	$ 367,772	$ 367,772
Unclaimed dividends extinguished by prescription	12,589	9,792
Unclaimed dividends extinguished by prescription of subsidiaries	3,892	3,106
Changes in equity of associates accounted for using the equity method	72,627	29,768
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (2)		
Treasury share transaction		
Dividends paid to subsidiaries	816,290	782,977
Disposal of treasury shares	24,829	24,829
Share-based payment	15,428	15,428
Share-based payment of subsidiaries	4,747	4,747
Difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal	7	7
	$ 1,318,181	$ 1,238,426

Note 1: Such capital surplus may only be used to offset a deficit.

Note 2: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's paid-in capital each year).

For the years ended December 31, 2023 and 2022, the Company distributed cash dividends to subsidiaries, with capital surplus - treasury shares adjusted by the amounts of $33,313 thousand and $72,177 thousand, respectively.

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Articles of Incorporation of the Company, when the Company makes the financial statement to obtain after-tax surplus earnings in a fiscal year, it shall make up its accumulated losses, set aside a sum as legal reserve, set aside or reverse a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors, refer to Note 26(g).

The remaining dividend policy is taken by the Company. In consideration of the future business expansion and capital needs, an appropriate amount of earnings can be retained. If there are undistributed earnings remained after the appropriation, distribution of earnings can be made.

For the distribution of shareholders' dividends, cash dividends shall be more than 10% of total dividends distributed in the current year, the remainders will be in stock dividends.

According to the Company Act No. 237, the Company shall recognize as legal reserve 10% of the remaining profit, until the accumulated legal reserve equals the total amount of paid-in capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

When a special reserve is appropriated for cumulative net debit balance reserves from prior period, the special reserve is only appropriated from the prior unappropriated earnings. The sum of net profit for current period and items other than net profit that are included directly in the unappropriated earnings for current period is used if the prior unappropriated earnings is not sufficient.

The appropriations of earnings for 2022 and 2021 approved in the shareholders' regular meetings on May 30, 2023 and June 14, 2022, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2022	2021
Legal reserve	$ -	$ 68,062
Cash dividends	232,004	502,675
Cash dividends per share (NT$)	0.30	0.65
Share dividends	154,669	-
Share dividends per share (NT$)	0.20	-

The appropriation of earnings for 2023 is expected to be proposed by the board of directors in April 2024 and will be resolved by the shareholders in their meeting to be held on May 24, 2024.

d. Special reserve

If a special reserve appropriated on the first-time adoption of IFRS Accounting Standards relates to investment properties other than land, the special reserve may be reversed continuously over the period of use or may be reversed upon the disposal or reclassification of the related assets. The special reserve related to land may be reversed on the disposal or reclassification of the land.

The special reserves recognized as of December 31, 2023 and 2022 were as follows:

	December 31	
	2023	2022
Appropriation in respect of the Articles of Incorporation of the Company	$ 295,756	$ 295,756
First application of Rule issued by the FSC		
Revaluation of investment properties (Note)	1,792,502	1,793,450
Exchange differences on translation of the financial statements of foreign operations	168,790	168,790
	$ 2,257,048	$ 2,257,996

Note: In the third quarter of 2023, the Company completed subsequent disposal transactions and recognized a reversal of $948 thousand on revaluation of investment properties due to the initial application of the IFRS Accounting Standards.

e. Other equity items

1) Exchange differences on the translation of the financial statements of foreign operations:

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ (648,722)	$ (800,236)
Recognized for the year		
Exchange differences on translation of the financial statements of foreign operations	(2,539)	165,564
Share of other comprehensive income of subsidiaries and associates accounted for using the equity method	(24,548)	23,830
Related income tax	5,417	(37,880)
Other comprehensive (loss) income recognized for the year	(21,670)	151,514
Balance at December 31	$ (670,392)	$ (648,722)

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 3,459,972	$ 6,779,354
Recognized for the year		
Unrealized gain (loss) on financial assets at FVTOCI	355,462	(2,327,630)
Unrealized gain (loss) on financial assets at FVTOCI held by associates accounted for using the equity method	135,126	(991,752)
Other comprehensive income (loss) recognized for the year	490,588	(3,319,382)
Balance at December 31	$ 3,950,560	$ 3,459,972

f. Treasury shares

Purpose of Buy-back	Shares Transferred to Employees (In Thousands of Shares)	Shares Held by Subsidiaries (In Thousands of Shares)	Total (In Thousands of Shares)
Number of shares at January 1, 2022	1,435	127,371	128,806
Increase during the year	-	-	-
Decrease during the year	-	-	-
Number of shares at December 31, 2022	1,435	127,371	128,806
Number of shares at January 1, 2023	1,435	127,371	128,806
Increase during the year (Note)	-	2,547	2,547
Decrease during the year	-	-	-
Number of shares at December 31, 2023	1,435	129,918	131,353

Note: The shares dividend distributed by the Company of the year 2023.

Prior to the amendment of the Company Act at the end of 2001, subsidiaries purchased shares of the Company on the open market in line with government policy and in order to maintain the stability of the share price on the open market. The relevant information on the holding of the Company's shares is as follows:

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Based on the Shareholding Ratio Carrying Amount	Based on the Shareholding Ratio Market Price
December 31, 2023			
By direct investment			
Tong Yang Chia Hsin International Corporation	129,918	$ 1,055,710	$ 2,157,646
December 31, 2022			
By direct investment			
Tong Yang Chia Hsin International Corporation	127,371	$ 1,055,710	$ 1,932,121

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to receive dividends and to vote. The subsidiaries holding treasury shares, however, are bestowed shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

25. REVENUE

a. Contract information

Revenue from the sale of goods

The main operating revenue of the Company is from the sale of cement. All goods are sold at their respective fixed price as agreed in the contracts.

Revenue from the rent

The rental income comes from the lease of property, plant and equipment. The Company recognizes the revenue according to the contract on accrual basis.

Revenue from the rendering of services

The Company renders management service to its subsidiaries. The Company charges the subsidiaries upon finishing the services according to the signed management contracts.

Other revenue - warehousing and storage services

The Company operates the cement silo and other storage and transport facilities in the wharves to provide warehousing and storage services. The fee is calculated based on the actual amount of goods delivered and the agreed price in the signed contracts.

b. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Notes receivable and trade receivables (Note 10)	$ 261,962	$ 169,275	$ 156,670
Trade receivables from related parties (Note 32)	$ 11,462	$ 9,637	$ 16,795
Contract liabilities - current			
Sale of goods	$ 20,053	$ 12,753	$ 12,278

Revenue recognized in the current reporting period that was included in the contract liability balance at the beginning of the period for the years ended December 31, 2023 and 2022 was $12,753 thousand and $12,278 thousand, respectively.

c. Disaggregation of revenue

	For the Year Ended December 31	
	2023	2022
Type of goods or services		
Sale of goods	$ 1,269,680	$ 986,402
Rental income	4,766	4,730
Rendering of service	30,485	33,896
Other revenue		
Revenue from warehousing and storage service	158,220	151,322
	$ 1,463,151	$ 1,176,350

26. NET PROFIT

Net profit from continuing operations was attributable to:

a. Interest income

	For the Year Ended December 31	
	2023	2022
Bank deposits	$ 44,923	$ 13,909
Net investments in leases (Note 32)	19,468	20,117
	$ 64,391	$ 34,026

b. Other income

	For the Year Ended December 31	
	2023	2022
Dividends (Note 32)	$ 155,174	$ 235,473
Remuneration of director (Note 32)	15,196	31,727
Others	1,215	1,435
	$ 171,585	$ 268,635

c. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Net foreign exchange (losses) gains (Note 26-h)	$ (48,450)	$ 68,895
Loss on fair value changes of financial assets mandatorily classified as at FVTPL	(7,715)	(120,353)
Service fee arising from endorsement guarantee (Note 32)	(17,164)	(18,842)
Gain on disposal of right-of-use assets (Note 16)	5	-
Others	(11)	(10)
	$ (73,335)	$ (70,310)

d. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest on bank loans	$ 112,028	$ 82,239
Interest on lease liabilities	19,564	20,231
	$ 131,592	$ 102,470

e. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
Property, plant and equipment	$ 92,228	$ 102,890
Investment properties	1,236	1,234
Right-of-use assets	4,375	4,505
Intangible assets	358	243
	$ 98,197	$ 108,872
An analysis of depreciation by function		
Operating costs	$ 94,635	$ 104,262
Operating expenses	3,204	4,367
	$ 97,839	$ 108,629
An analysis of amortization by function		
Operating expenses	$ 358	$ 243

f. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Short-term benefits	$ 118,959	$ 129,657
Post-employment benefits (Note 23)		
Defined contribution plan	4,006	3,571
Defined benefit plans	1,338	1,786
Other employee benefits	6,708	5,514
	$ 131,011	$ 140,528
An analysis of employee benefits expense by function		
Operating costs	$ 18,791	$ 13,450
Operating expenses	112,220	127,078
	$ 131,011	$ 140,528

g. Compensation of employees and remuneration of directors

According to the Company's Articles of Incorporation, the Company accrues compensation of employees at rates of no less than 0.01% and no higher than 3%, and remuneration of directors at rates of no higher than 3% of net profit before income tax, compensation of employees and remuneration of directors.

The Company had loss before income tax for the year ended December 31, 2022. Therefore, no compensation of employees and remuneration of directors was accrued for the relevant period. The compensation of employees and the remuneration of directors for the year ended December 31, 2023, which was approved by the Company's board of directors on February 27, 2024, are as follows:

Accrual rate

	For the Year Ended December 31, 2023
Compensation of employees	2.87%
Remuneration of directors	2.87%

Amount

	For the Year Ended December 31, 2023	
	Cash	Shares
Compensation of employees	$ 700	$ -
Remuneration of directors	700	-

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

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the financial statements for the years ended December 31, 2022 and 2021.

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

h. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2023	2022
Foreign exchange gains	$ 52,796	$ 147,373
Foreign exchange losses	(101,246)	(78,478)
Net foreign exchange (losses) gains	$ (48,450)	$ 68,895

27. INCOME TAXES

According to regulations stipulated by Ruling Letter No. 910458039 dated February 12, 2003, "Principles and regulations of profit-seeking businesses filing joint tax returns in accordance with Article 49 of the Financial Holding Company Law and Article 40 of Enterprise Merger Law", as a result of division in accordance with Article 40 of Enterprise Merger Law, the Company is elected as a tax payer and file a joint tax return which holds more than 90% shares of a domestic subsidiary for 12 months during a taxable year.

The Company filed the joint income tax returns of the Company and Chia Hsin Property Management & Development Corporation. The objective of the Company under the linked-tax system is to reduce the income tax liabilities of the companies by maximizing the benefits from the synergy of the Company and its subsidiary.

a. Income tax recognized in profit or loss

Major components of income tax benefit are as follows:

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	$ (22,881)	$ (31,466)
Adjustments for prior years	123	(299)
	(22,758)	(31,765)
Deferred tax		
In respect of the current year	(35,373)	26,306
Income tax benefit recognized in profit or loss	$ (58,131)	$ (5,459)

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

	For the Year Ended December 31	
	2023	2022
Profit (loss) before tax from continuing operations	$ 22,951	$ (186,221)
Income tax expense (benefit) calculated at the statutory rate	$ 4,590	$ (37,243)
Nondeductible expenses in determining taxable income	172	159
Tax-exempt income	(102,593)	(43,960)
Unrecognized deductible temporary differences	39,577	75,884
Adjustments for prior years' income tax	123	(299)
Income tax benefit recognized in profit or loss	$ (58,131)	$ (5,459)

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2023	2022
Deferred tax		
In respect of the current year		
Translation of foreign operations	$ (5,417)	$ 37,880
Remeasurement of defined benefit plans	(626)	2,241
Total income tax recognized in other comprehensive income	$ (6,043)	$ 40,121

c. Current tax liabilities

	December 31	
	2023	2022
Current tax liabilities		
Income tax payable	$ 8,948	$ -

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Retirement pension	$ 51,590	$ (35)	$ -	$ 51,555
Defined benefit obligations	6,929	-	626	7,555
Payables for annual leave	477	(50)	-	427

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Unrealized gain or loss on foreign exchange	$ -	$ 9,697	$ -	$ 9,697
Exchange differences on the translation of the financial statements of foreign operations	120,676	-	5,417	126,093
Fair value changes of financial assets at FVTPL	2,122	4,353	-	6,475
Inventories write-downs	718	(718)	-	-
Others	1,579	(116)	-	1,463
	$ 184,091	$ 13,131	$ 6,043	$ 203,265
Deferred tax liabilities				
Temporary differences				
Net gain on investment accounted for using the equity method	$ 290,907	$ (8,764)	$ -	$ 282,143
Unrealized gain or loss on foreign exchange	13,478	(13,478)	-	-
Others	62	-	-	62
	$ 304,447	$ (22,242)	$ -	$ 282,205

(Concluded)

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Retirement pension	$ 51,623	$ (33)	$ -	$ 51,590
Defined benefit obligations	9,170	-	(2,241)	6,929
Payables for annual leave	505	(28)	-	477
Unrealized gain or loss on foreign exchange	21,249	(21,249)	-	-
Exchange differences on the translation of the financial statements of foreign operations	158,556	-	(37,880)	120,676
Fair value changes of financial assets at FVTPL	-	2,122	-	2,122
Inventories write-downs	-	718	-	718
Others	1,258	321	-	1,579
	$ 242,361	$ (18,149)	$ (40,121)	$ 184,091

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehen-sive Income	Closing Balance
Deferred tax liabilities				
Temporary differences				
Fair value changes of financial assets at FVTPL	$ 5,730	$ (5,730)	$ -	$ -
Net gain on investment accounted for using the equity method	290,498	409	-	290,907
Unrealized gain or loss on foreign exchange	-	13,478	-	13,478
Others	62	-	-	62
	$ 296,290	$ 8,157	$ -	$ 304,447

(Concluded)

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

	December 31	
	2023	2022
Deductible temporary differences		
Loss on investments in subsidiaries and associates accounted for using the equity method	$ 2,326,579	$ 2,107,833

f. Income tax assessments

The business income tax returns of the Company through 2021 have been assessed by the tax authorities.

28. EARNINGS (LOSS) PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2023	2022
Basic earnings (loss) per share	$ 0.12	$ (0.27)
Diluted earnings (loss) per share	$ 0.12	$ (0.27)

The weighted average number of shares outstanding used for the earnings (loss) per share computation was adjusted retroactively for the issuance of bonus shares on August 2, 2023. The basic and diluted earnings (loss) per share adjusted retrospectively for the year ended December 31, 2022 were as follows:

Unit: NT$ Per Share

	Before Retrospective Adjustment	After Retrospective Adjustment
Basic loss per share	$ (0.28)	$ (0.27)
Diluted loss per share	$ (0.28)	$ (0.27)

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

Net Profit (Loss) for the Year

	For the Year Ended December 31	
	2023	2022
Profit (loss) for the year	$ 81,082	$ (180,762)
Effect of potentially dilutive ordinary shares		
Compensation of employees	-	-
Earnings (loss) used in the computation of diluted earnings (loss) per share	$ 81,082	$ (180,762)

Weighted Average Number of Ordinary Shares Outstanding (In Thousands of Shares)

	For the Year Ended December 31	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings (loss) per share	658,894	658,894
Effect of potentially dilutive ordinary shares		
Compensation of employees	37	- (Note)
Weighted average number of ordinary shares used in the computation of diluted earnings (loss) per share	658,931	658,894

Note: The balance was anti-dilutive and excluded from the computation of diluted earnings (loss) per share.

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

29. CASH FLOW INFORMATION

Changes In Liabilities Arising from Financing Activities

For the year ended December 31, 2023

	Opening Balance	Cash Flows	Non-cash Changes: Re-measurement	Non-cash Changes: New Leases	Non-cash Changes: Amortization of Interest Expense	Non-cash Changes: Others	Closing Balance
Short-term borrowings	$ 1,340,000	$ (340,000)	$ -	$ -	$ -	$ -	$ 1,000,000
Short-term bills payable	127,614	617,000	-	-	(508)	-	744,106
Long-term borrowings	4,466,250	(186,250)	-	-	-	-	4,280,000
Guarantee deposits received	22,926	(734)	-	-	-	-	22,192
Lease liabilities	1,326,247	(43,486)	(83,685)	2,977	19,564	(19,564)	1,202,053
	$ 7,283,037	$ 46,530	$ (83,685)	$ 2,977	$ 19,056	$ (19,564)	$ 7,248,351

For the year ended December 31, 2022

	Opening Balance	Cash Flows	Non-cash Changes: Re-measurement	Non-cash Changes: New Leases	Non-cash Changes: Amortization of Interest Expense	Non-cash Changes: Others	Closing Balance
Short-term borrowings	$ 804,000	$ 536,000	$ -	$ -	$ -	$ -	$ 1,340,000
Short-term bills payable	134,842	(7,000)	-	-	(228)	-	127,614
Long-term borrowings	4,843,750	(377,500)	-	-	-	-	4,466,250
Guarantee deposits received	23,747	(821)	-	-	-	-	22,926
Lease liabilities	1,296,047	(41,469)	71,669	-	20,231	(20,231)	1,326,247
	$ 7,102,386	$ 109,210	$ 71,669	$ -	$ 20,003	$ (20,231)	$ 7,283,037

30. CAPITAL MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remained unchanged in recent years.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Company (comprising issued capital, reserves, retained earnings, and other equity).

The management of the Company periodically reviews its capital structure. As part of the review, the management considers the cost of capital and related risks in determining the proper structure for its capital. Followed the management's suggestion, the Company balances its overall capital structure by obtaining financing facilities from financial institutions and adjusting the amount of dividends paid to the shareholders.

31. FINANCIAL INSTRUMENTS

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

The Company's management believes that the carrying amount of financial assets and financial liabilities recognized in the financial statements which are not measured at fair value approximates their fair value or that the fair value of such assets and liabilities cannot be reliably measured.

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

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares in domestic market	$ 296,708	$ -	$ -	$ 296,708
Listed shares in foreign market	25,820	-	-	25,820
Mutual funds	21,059	-	427,533	448,592
Convertible bonds	-	-	29,922	29,922
	$ 343,587	$ -	$ 457,455	$ 801,042
Financial assets at FVTOCI				
Listed shares in domestic market	$ 8,314,553	$ -	$ -	$ 8,314,553
Unlisted shares in domestic market	-	-	482,716	482,716
	$ 8,314,553	$ -	$ 482,716	$ 8,797,269

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares in domestic market	$ 286,492	$ -	$ -	$ 286,492
Listed shares in foreign market	39,077	-	-	39,077
Mutual funds	20,010	-	468,839	488,849
	$ 345,579	$ -	$ 468,839	$ 814,418
Financial assets at FVTOCI				
Listed shares in domestic market	$ 7,982,988	$ -	$ -	$ 7,982,988
Unlisted shares in domestic market	-	-	458,819	458,819
	$ 7,982,988	$ -	$ 458,819	$ 8,441,807

There were no transfers between Levels 1 and 2 in 2023 and 2022.

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

For the year ended December 31, 2023

Financial Assets	Financial Assets at FVTPL Mutual Funds	Financial Assets at FVTPL Convertible Bonds	Financial Assets at FVTOCI Equity Instruments	Total
Balance at January 1, 2023	$ 468,839	$ -	$ 458,819	$ 927,658
Purchase	-	30,000	-	30,000
Disposal	(35,661)	-	-	(35,661)
Recognized in profit or loss	(5,645)	(78)	-	(5,723)
Recognized in other comprehensive income	-	-	23,897	23,897
Balance at December 31, 2023	$ 427,533	$ 29,922	$ 482,716	$ 940,171
Unrealized gain for the current year included in profit or loss relating to assets held at the end of the year	$ (5,645)	$ (78)	$ -	$ (5,723)

For the year ended December 31, 2022

Financial Assets	Financial Assets at FVTPL Mutual Funds	Financial Assets at FVTOCI Equity Instruments	Total
Balance at January 1, 2022	$ 218,927	$ 387,002	$ 605,929
Purchase	269,463	91,485	360,948
Disposal	(37,263)	-	(37,263)
Recognized in profit or loss	17,712	-	17,712
Recognized in other comprehensive (loss) income	-	(19,668)	(19,668)
Balance at December 31, 2022	$ 468,839	$ 458,819	$ 927,658
Unrealized gain for the current year included in profit or loss relating to assets held at the end of the year	$ 12,784	$ -	$ 12,784

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

The fair value of mutual funds is determined using the method and hypothesis described below:

The fair value is determined by the use of valuation techniques or the price quotations from various counterparties. The fair value measurement using valuation techniques uses as reference the published current fair value of instruments with similar terms and characteristics, or uses discounted cash flow method or other valuation methods, including the use of a valuation model using market information available at the balance sheet date.

The Company holds unlisted shares. The significant unobservable input in the measurement of such investments is liquidity discount. The fair value of unlisted shares is determined using market approach where the fair value of the shares of similar or peer companies is used as reference. As of December 31, 2023 and 2022, the ranges of liquidity discount used were 20.00%-30.00% and 14.18%-20.42%, respectively.

c. Categories of financial instruments

	December 31	
	2023	**2022**
Financial assets		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	$ 801,042	$ 814,418
Financial assets measured at amortized cost (1)	2,151,810	2,027,592
Financial assets at FVTOCI		
Equity instruments	8,797,269	8,441,807
Financial liabilities		
Financial liabilities at amortized cost (2)	6,261,671	6,140,592

1) The balances include financial assets which comprise cash and cash equivalent, notes receivable from unrelated parties, trade receivables from unrelated parties and related parties, other receivables from unrelated parties and related parties, financial assets at amortized cost, and refundable deposits.

2) The balances include financial liabilities, which comprise short-term loans, short-term bills payable, notes payable to unrelated parties, trade payables to unrelated parties and related parties, other payables to unrelated parties (excluding payable for salaries and bonus, tax payable and payable for insurance), and other payables to related parties, current portion of long-term borrowings payable, long-term borrowings and guarantee deposits.

d. Financial risk management objectives and policies

The Company's major financial instruments include equity securities, trade receivables, financial assets at amortized cost, trade payables, lease liabilities and borrowings. The Company's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk, and liquidity risk.

The Company's treasury function keeps close attention, and continuously tracks financial information and acts in concert with investment projects, plans and diversifies the positions of major international currencies to effectively manage the risks of interest rate and exchange rate changes and achieve the purpose of reducing risks. Also, the Company treasury function reports regularly to the Company's management, which monitors risks and implements policies to mitigate risk exposures.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other price (see (c) below).

There has been no change to the Company's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The Company has foreign currency transactions, which exposes the Company to foreign currency risk. Exchange rate exposures are managed by the delegated team, which regularly monitors and properly adjusts the assets and liabilities affected by the exchange rate to manage foreign currency risk.

Since the Company's net investments in foreign operations are strategic investments, the Company does not seek to hedge against the currency risk.

The carrying amounts of the Company's foreign-currency-denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 35.

Sensitivity analysis

The Company was mainly exposed to the USD and JPY.

The following table details the Company's sensitivity to a 5% increase and decrease in the New Taiwan dollar (i.e., the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 5%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the year for a 5% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit and other equity associated with the New Taiwan dollar strengthening 5% against the relevant currency. For a 5% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity, and the balances below would be negative.

	USD Impact (i)		**JPY Impact (ii)**	
	For the Year Ended December 31		**For the Year Ended December 31**	
	2023	**2022**	**2023**	**2022**
Profit or loss	$ 44,539	$ 43,497	$ 39,023	$ 38,605

i. The result was mainly attributable to the exposure on outstanding cash and cash equivalents and other receivables in USD that were not hedged at the end of the year.

ii. The result was mainly attributable to the exposure on outstanding cash and cash equivalents in JPY that were not hedged at the end of the year.

The above results of the Company's tests of sensitivity to changes in foreign exchange rates during the current period were mainly due to the increase in financial assets in USD and JPY.

b) Interest rate risk

The Company is exposed to interest rate risk because the Company borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix of fixed and floating rate borrowings.

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

	December 31	
	2023	2022
Fair value interest rate risk		
Financial assets	$ 2,158,751	$ 2,294,968
Financial liabilities	2,746,159	2,053,861
Cash flow interest rate risk		
Financial assets	833,523	791,286
Financial liabilities	4,480,000	5,206,250

Sensitivity analysis

The sensitivity analysis below is based on the Company's exposure to interest rates of non-derivative instruments at the end of the year. For floating rate liabilities, the analysis was prepared assuming the amount of the liabilities outstanding at the end of the year was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2023 and 2022 would have decreased/increased by $9,116 thousand and $11,037 thousand, respectively.

For the year ended December 31, 2023, the Company's sensitivity to interest rates decreased during the current period mainly due to the decrease in floating rate liabilities.

c) Other price risk

The Company is exposed to equity price risk through its investments in equity securities and mutual funds. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

Sensitivity analysis

The sensitivity analysis below is based on the exposure to equity price risk at the end of year.

If equity price (except for equity securities of Taiwan Cement Corporation) had been 1% higher/lower, the pre-tax profit or loss for the year ended December 31, 2023 would have increased/decreased by $5,043 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the year ended December 31, 2023 would have increased/decreased by $7,429 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If equity price of Taiwan Cement Corporation had been 1% higher/lower, the pre-tax profit or loss for the year ended December 31, 2023 would have increased/decreased by $2,967 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the year ended December 31, 2023 would have increased/decreased by $80,544 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If equity price (except for equity securities of Taiwan Cement Corporation) had been 1% higher/lower, the pre-tax profit or loss for the year ended December 31, 2022 would have increased/decreased by $5,279 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the year ended December 31, 2022 would have increased/decreased by $6,648 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If equity price of Taiwan Cement Corporation had been 1% higher/lower, the pre-tax profit or loss for the year ended December 31, 2022 would have increased/decreased by $2,865 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income before tax for the year ended December 31, 2022 would have increased/decreased by $77,771 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

Except for equity securities of Taiwan Cement Corporation, the Company's sensitivity to equity price of the financial assets increased due to the increase in the amount of such equity securities.

The difference of the Company's sensitivity to equity price of Taiwan Cement Corporation due to the change from the price of such equity securities.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. At the end of the accounting period, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to failure of counterparties to discharge their obligations and due to the financial guarantees provided by the Company, could be equal to the carrying amount of the respective recognized financial assets as stated in the balance sheets and the amount that could arise as liabilities on financial guarantees provided by the Company.

The Company adopted a policy of only dealing with creditworthy counterparties and financial institution to obtain sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company also delegates a special team to monitor the credit risk exposures and the credit amount of the counterparties and, therefore, does not expect any material credit risk.

The credit risk was mainly concentrated on the top 10 customers of the Company. As of December 31, 2023 and 2022, receivables from the top 10 customers were 73% and 80%, respectively, of total receivables.

In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, as of the end of the accounting period, the Company reviews the recoverability of the receivables and provides proper allowance for assessed irrecoverable receivables. In view of the methods mentioned above, the management considered the Company's credit risk has materially declined.

Transactions with banks of high credit ratings given by international rating agencies are mostly free from credit risks.

3) Liquidity risk

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

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2023 and 2022, the Company had available unutilized bank loan facilities set out in (b) below.

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

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

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

December 31, 2023

Non-derivative financial liabilities	On Demand or Less than 1 Month	1 Month to 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	$ 116,977	$ 94,600	$ 4,425	$ 2,120	$ 19,443
Fixed interest rate liabilities	686,268	862,217	-	-	-
Lease liabilities	17,278	108	57,316	264,312	1,072,098
Variable interest rate liabilities	7,316	14,631	655,889	3,050,037	1,056,013
	$ 827,839	$ 971,556	$ 717,630	$ 3,316,469	$ 2,147,554

Additional information on the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 74,702	$ 264,312	$ 327,890	$ 327,890	$ 327,890	$ 88,428

December 31, 2022

Non-derivative financial liabilities	On Demand or Less than 1 Month	1 Month to 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	$ 127,937	$ 51,444	$ 4,961	$ 2,120	$ 20,266
Fixed interest rate liabilities	400,872	328,258	-	-	-
Lease liabilities	18,100	223	79,629	276,202	1,190,750
Variable interest rate liabilities	7,687	755,123	633,673	3,462,969	576,365
	$ 554,596	$ 1,135,048	$ 718,263	$ 3,741,291	$ 1,787,381

Additional information on the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 97,952	$ 276,202	$ 343,179	$ 343,179	$ 343,179	$ 161,213

b) Financing facilities

	December 31	
	2023	2022
Unsecured bank overdraft facilities, reviewed annually and payable on demand:		
Amount used	$ 1,815,000	$ 973,000
Amount unused	2,025,000	2,607,000
	$ 3,840,000	$ 3,580,000
Secured bank overdraft facilities:		
Amount used	$ 4,210,000	$ 4,961,250
Amount unused	1,160,000	275,000
	$ 5,370,000	$ 5,236,250

32. TRANSACTIONS WITH RELATED PARTIES

In addition to those disclosed in the other notes, details of transactions between the Company and related parties are as follows.

a. Related party name and category

Related Party Name	Related Party Category
Taiwan Cement Corporation	The Company acts as a member of the board of directors (B.O.D.)
Overseas Investment & Development Crop.	The Company acts as a member of the B.O.D.
Tong Yang Chia Hsin International Corporation	Subsidiary
Chia Hsin Property Management & Development Corporation	Subsidiary
Chia Pei International Corporation	Subsidiary
Jaho Life Plus+ Management Corp., Ltd.	Subsidiary
YJ International Corporation	Subsidiary
CHC Ryukyu Development GK	Subsidiary
CHC Ryukyu COLLECTIVE KK	Subsidiary
Bluesky Corp.	Subsidiary
Chia Sheng Construction Corp.	Subsidiary
Chia Hsin Construction & Development Corp.	Associate
LDC ROME HOTELS S.R.L.	Associate
La Trinite Naturelle Corp.	Substantive related party
Pan Asian (Engineers & Constructors) Corporation	The Company acts as a supervisor

b. Revenue

Line Item	Related Party Category/Name	For the Year Ended December 31 2023	2022
Service revenue	Subsidiaries (1)		
	Chia Hsin Property Management & Development Corporation	$ 6,960	$ 6,960
	Chia Pei International Corporation	2,775	2,775
	Tong Yang Chia Hsin International Corporation	3,036	3,036
	CHC Ryukyu COLLECTIVE KK	6,722	5,907
	CHC Ryukyu Development GK	4,176	12,098
	Bluesky Corp.	924	-
	Chia Sheng Construction Corp.	2,772	-
	Jaho Life Plus+ Management Corp., Ltd.	3,120	3,120
		$ 30,485	$ 33,896
Other revenue	The Company acts as a member of B.O.D.		
	Taiwan Cement Corporation (2)	$ 38,410	$ 33,372
	Subsidiaries		
	Chia Pei International Corporation (3)	93,763	88,313
		$ 132,173	$ 121,685

1) The Company's service revenue comes from the management services provided to the related parties, and the content of the services is determined by agreement. The fee is paid monthly, and the receipt is issued in current month.

2) To ensure the smooth operation of cement silo in wharf No. 33 of the west bank in the Port of Keelung, the Company signed a management agreement with its associates. The fee is settled monthly, and the receipt is issued in the next month.

3) To ensure the smooth operation of the wharf in the Port of Taipei and the facilities in the base, the Company signed an agreement with its subsidiaries for logistic and warehouse service and cooperative management in the port. The service fee is determined by taking the Company's investment and remuneration into consideration. Since April 1, 2020, the calculation of fee has been changed to be based on the amount per ton. The fee is settled monthly and paid quarterly. The receipt is issued in the same month when the fee is settled.

c. Cost of goods sold

Line Item	Related Party Category/Name	For the Year Ended December 31 2023	2022
Purchases of goods	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	$ 583,700	$ 544,950
Other operating cost	Subsidiaries		
	Tong Yang Chia Hsin International Corporation (1)	$ 64,566	$ 59,974
	Chia Pei International Corporation (2)	14,414	14,991
		$ 78,980	$ 74,965

The purchase prices and payment terms to related parties were not significantly different from those of purchase from third parties. The payment term is 60 days after the purchase of goods.

1) To ensure the smooth operation of cement silo in wharf No. 33 of the west bank in the Port of Keelung, the Company signed a management agreement with its subsidiaries. The fee is billed monthly and paid in the next month. In addition, to supply cement to Taichung and its surrounding area, the Company signed an agreement with its subsidiaries in 2003 for the logistic and warehouse service. The stock and distribution center in wharf No. 27 in the Port of Taichung takes charge of such service. The fee is settle monthly and paid in the next month.

2) The Company consigned partial warehousing and storage services in Port of Taipei to its subsidiaries. The fee is billed at the end of each quarter and paid in the next month.

d. Receivables from related parties (excluding loans to related parties)

Line Item	Related Party Category/Name	December 31 2023	2022
Trade receivables	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	$ 7,455	$ 3,206
	Subsidiaries		
	Chia Pei International Corporation	2,203	4,564
	Others	1,804	1,867
		$ 11,462	$ 9,637
Other receivables	Subsidiaries		
	Tong Yang Chia Hsin International Corporation	$ 567	$ 513
	Chia Hsin Property Management & Development Corporation	4,615	4,213
	Associates	215	68
		$ 5,397	$ 4,794
Other receivables under linked-tax system (other receivables from related parties)	Subsidiaries		
	Chia Hsin Property Management & Development Corporation	$ 33,961	$ 31,446

The outstanding trade and other receivables from related parties are unsecured. For the years ended December 31, 2023 and 2022, no impairment loss was recognized for trade and other receivables from related parties.

e. Payables to related parties (excluding loans from related parties)

Line Item	Related Party Category/Name	December 31 2023	December 31 2022
Trade payables	Subsidiaries	$ 5,989	$ 5,862
	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	110,880	83,160
		$ 116,869	$ 89,022
Other payables	Subsidiaries		
	Chia Hsin Property Management & Development Corporation	$ 18,059	$ 19,818

The outstanding trade and other payables to related parties are unsecured.

f. Sublease arrangements

Sublease arrangements under finance lease

The Company subleases its right-of-use assets on the wharf and the facilities in the Port of Taipei to its associate - Chia Pei International Corporation with a lease term of 35 years and 5 months, and the net investment in the leases was $1,358,230 thousand at the inception of the lease. For the years ended December 31, 2023 and 2022, no impairment loss was recognized on finance lease receivable from related parties.

Line Item	Related Party Category/Name	December 31 2023	December 31 2022
Finance lease receivables	Subsidiaries		
	Chia Pei International Corporation	$ 1,197,853	$ 1,320,310

Interest income was as follows:

Related Party Category/Name	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Subsidiaries		
Chia Pei International Corporation	$ 19,468	$ 20,117

g. Other related party transactions

1)

Line Item	Related Party Category/Name	For the Year Ended December 31 2023	2022
Rental expense	Subsidiaries	$ 9,372	$ 9,372
Operating expense - entertainment	Substantive related parties	$ 1,189	$ 989
Operating expense - others	Substantive related parties	$ 1	$ 6
The remuneration of directors and supervisors (other income)	Subsidiaries	$ 5,167	$ 4,713
	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	9,243	26,220
	Others	383	657
	Associates	215	137
	The Company acts as a supervisor	188	-
		$ 15,196	$ 31,727

The Company leased office from its subsidiaries; and the lease agreements were negotiated by both sides of the parties. The lease payment is due monthly.

The Company served as director of related parties. The remuneration of directors and supervisors is certified and distributed by the B.O.D. in the next year under each related party.

2)

Line Item	Related Party Category/Name	For the Year Ended December 31 2023	2022
Dividends (the credit item of investments accounted for using the equity method)	Subsidiaries	$ 154,543	$ 511,233
	Associates	33,999	37,751
		$ 188,542	$ 548,984
Dividends revenue	The Company acts as a member of the B.O.D.		
	Taiwan Cement Corporation	$ 119,748	$ 217,703
	Others	2,000	2,400
	The Company acts as a supervisor	4,077	-
		$ 125,825	$ 220,103

h. Endorsements and guarantees

Endorsements and guarantees provided by the Company

	December 31			
	2023		2022	
	Amount Utilized	Amount Endorsed	Amount Utilized	Amount Endorsed
Subsidiaries				
CHC Ryukyu Development GK	$ 325,800	$ 716,760	$ 269,584	$ 766,920
CHC Ryukyu COLLECTIVE KK	1,151,160	1,340,273	1,162,000	1,525,955
Associates				
LDC ROME HOTELS S.R.L.	258,248	340,000	314,112	340,000
	$ 1,735,208	$ 2,397,033	$ 1,745,696	$ 2,632,875

Endorsements and guarantees given by the subsidiaries

	December 31			
	2023		2022	
	Amount Utilized	Amount Endorsed	Amount Utilized	Amount Endorsed
Subsidiaries				
Chia Hsin Property Management & Development Corporation	$ 4,280,000	$ 6,440,000	$ 5,051,250	$ 6,440,000

For the years ended December 31, 2023 and 2022, the service fee on the endorsements and guarantees between the Company and subsidiaries are as follows:

	Endorsements and Guarantees Provided by Related Parties (Other Gains and Losses)	
	For the Year Ended December 31	
	2023	2022
Subsidiaries		
Chia Hsin Property Management & Development Corporation	$ 17,164	$ 18,842

The Company signed short and medium-term guaranteed loan contracts with First Commercial Bank, Cathay United Bank, Bank SinoPac, China Trust Commercial Bank and Taiwan Cooperative Bank. The loans are secured by the land and the buildings of subsidiaries.

i. Remuneration of key management personnel

The Remuneration of key management personnel are as follows:

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	$ 40,891	$ 51,504
Post-employment benefits	536	-
	$ 41,427	$ 51,504

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and with reference to market trends.

33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The amounts of restricted assets of the Company that were provided as guarantees are as follows:

	December 31	
	2023	2022
Financial assets at amortized cost - non-current	$ 1,103	$ 9,476

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

Significant Commitments

As of December 31, 2023 and 2022, the Company had bank guarantees of $139,288 thousand issued under its name for the operations in the ports.

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
Financial assets			
Monetary items			
USD	$ 29,011	30.705 (USD:NTD)	$ 890,772
HKD	1,467	3.9320 (HKD:NTD)	5,768
EUR	53	33.98 (EUR:NTD)	1,804
JPY	3,593,284	0.2172 (JPY:NTD)	780,461

(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
Non-monetary items			
Investments accounted for using the equity method			
EUR	$ 12,301	33.98 (EUR:NTD)	$ 417,997
USD	77,578	30.705 (USD:NTD)	2,382,037
Financial assets at FVTPL			
USD	9,932	30.705 (USD:NTD)	304,949
HKD	6,567	3.9320 (HKD:NTD)	25,820
EUR	4,227	33.98 (EUR:NTD)	143,643
			(Concluded)

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
Financial assets			
Monetary items			
USD	$ 28,328	30.71 (USD:NTD)	$ 869,946
HKD	931	3.9324 (HKD:NTD)	3,661
EUR	53	32.72 (EUR:NTD)	1,737
JPY	3,322,244	0.2324 (JPY:NTD)	772,090
Non-monetary items			
Investments accounted for using the equity method			
EUR	10,300	32.72 (EUR:NTD)	337,024
USD	79,154	30.71 (USD:NTD)	2,430,831
Financial assets at FVTPL			
USD	10,889	30.71 (USD:NTD)	334,409
HKD	9,937	3.9324 (HKD:NTD)	39,077
EUR	4,720	32.72 (EUR:NTD)	154,440

For the years ended December 31, 2023 and 2022, realized and unrealized net foreign exchange (losses) gains were $(48,450) thousand and $68,895 thousand, respectively. It is impractical to disclose net foreign exchange gains or losses by each significant foreign currency due to the variety of functional currencies.

36. OTHERS

a. Important contracts

1) The Company as lessee leased the East Wharf Nos. 13, 14 and 15 in the Port of Taipei from Taiwan International Ports Co., Ltd. and committed to constructing East Wharf No. 16 and its related office, silos and transportation equipment. The leased land is 65,000 square meters and is used in operation of the subsidiary, Chia Pei International Corporation, to load and unload coal, sandstone, bulk and others. The lease term is 35 years and 5 months from December 10, 2009, the date of the transfer of the titles of related constructed equipment to Taiwan International Ports Co., Ltd. The annual minimum guaranteed volume for transportation is 1,200 thousand tons of coal and 5,950 thousand tons of sandstone.

The Company settled with Taiwan International Ports Co., Ltd. on December 27, 2016, and agreed that the Company's annual guaranteed transportation volume of sand and gravel can be replaced by the actual transportation of coal or other bulk cargoes during the year. (The annual replaceable limit shall be 4,050 thousand tons of guaranteed volume for transporting eastern sand and gravel to the north).

To promote the transporting of eastern sand and gravel to the north, Taiwan International Ports Co., Ltd. suspended Company's priority right to berth and provided Cargo the choice to berth their sand and gravel at Taipei Port First Bulk Cargo Center or Taipei Port Second Bulk Cargo Center according to their willingness instead. Meanwhile, Taiwan International Ports Co., Ltd. suspended 1,900 thousand tons of guaranteed volume for sand and gravel from January 1, 2020 to December 31, 2023.

2) The Company entered into a contract with CHC Resources Corporation on December 1, 2014 to jointly operate the storage and transport of slag powder and its related products at the Port of Taipei. The contract term is valid until May 10, 2045. Upon expiration of the contract, CHC Resources Corporation will be given priority to negotiate a new contract under the premise that the Company extends its contract with the Harbor Bureau. CHC Resources Corporation pays various fees to the Company in accordance with the contract. Unless otherwise specified in the contract, in the event that any party cannot perform its contractual obligations (e.g., due to a financial crisis, changes in market supply and demand, or other unforeseeable circumstances), the contract may be terminated in advance with the consent of the other party.

3) In order to satisfy the demand for cement in the northern part of Taiwan, the Company leased from Taiwan International Ports Co., Ltd. the land measuring 5,900.35 square meters at the West of Wharf No. 33 of the Port of Keelung. The Company committed to build silos, loading and unloading equipment at the Wharf No. 33 under the name of Keelung Harbor Bureau, Transportation Department of Taiwan Government, and the title of the property belongs to the Keelung Harbor Bureau, while the Company has the right to use the property free of charge within the lease term for operating the business of loading and unloading, transporting and storing cement. The lease term is 23 years and 9 months from October 7, 2000, the date of the transfer of the titles of related constructed equipment to Keelung Harbor Bureau. The minimum guaranteed transporting volume is 900,000 tons of cement per year and the management fees will be charged based on the minimum guaranteed volume of 900,000 tons regardless if the Company reached the volume or not. The rental is charged based on the average rental rate in the port and 5% of the rental rate published by the Taiwanese government. The Company has priority to lease the property when the lease contract has expired. In addition, during the lease period, the Company should pay the land use and administrative fees monthly, which will be adjusted according to the adjustment of the loading fee in the port.

4) For the Company's business strategy, the Company entered into a name-borrowing contract with its wholly-owned subsidiary Bluesky Co., Ltd. ("Bluesky"), so the Company may purchase real estate registered under the name of Bluesky. The Company retains the right to manage, use and dispose of the real estate, and Bluesky may not transfer the ownership to third party or create an encumbrance on the real estate without prior written consent from the Company. The original ownership certificate, transfer registration documents, and seal used for registration shall be under the custody of the Company or a person designated by the Company. Bluesky shall handle, manage, use or dispose the real estate in accordance with the instructions of the Company. Any income from the use and/or disposal of the real estate shall belong to the Company. The Company may request to return or transfer part of or the entire ownership of the real estate to the Company or third party designated by the Company at any time. Bluesky guarantees that no third party (including but not limited to the creditors of Bluesky) will petition to seize, hold or claim any other rights over the real estate. In the event a third party petitions to seize, hold or claim any other rights over the real estate, Bluesky shall prevent the third party from exercising or claiming the said rights, and protect the Company from sustaining any damages. Bluesky shall be fully liable for any damages the Company

sustains, including but not limited to loss and damage due to being unable to return or transfer ownership of the real estate to the Company or a third party designated by the Company, and reasonable attorney's fees.

b. Others

The East Wharf No. 15 in the Port of Taipei collapsed on January 21, 2019, and then at the Port of Keelung, Taiwan International Ports Corporation Ltd. ("Ports Corporation") repaired the wharf, which was completed on November 12, 2020. Ports Corporation claimed that Chia Hsin Cement Corporation compensate the related repair expenses in the amount of $116,791 thousand. After many court sessions and meetings, Ports Corporation confirmed that the collapse of East Wharf No. 15 in the Port of Taipei in 2019 was not attributable to Chia Hsin Cement Corporation. The two parties reached a settlement on May 3, 2023, and Chia Hsin Cement Corporation did not need to bear any repair expenses or penalties for damages.

37. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and b. investees:

1) Financing provided to others (None)

2) Endorsements/guarantees provided (Table 1)

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 2)

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital (None)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital (None)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital (None)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 3)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 4)

9) Trading in derivative instruments (Notes 7 and 31)

10) Information on investees (Table 5)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income and limit on the amount of investment in the mainland China area (Table 6)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (None):

   a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

   b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

   c) The amount of property transactions and the amount of the resultant gains or losses.

   d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

   e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

   f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 7)

TABLE 1

CHIA HSIN CEMENT CORPORATION

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 5)										
0	Chia Hsin Cement Corporation (Note 2)	LDC ROME HOTELS S.R.L.	f.	$ 7,902,474 (Paid-in capital)	$ 340,000	$ 340,000	$ 258,248	$ -	1.57%	$ 21,681,451	No	No	No
		CHC Ryukyu Development GK	b.	7,902,474 (Paid-in capital)	766,920	716,760	325,800	-	3.31%	21,681,451	Yes	No	No
		CHC Ryukyu COLLECTIVE KK	b.	7,902,474 (Paid-in capital)	1,525,955	1,340,273	1,151,160	-	6.18%	21,681,451	Yes	No	No
1	Chia Hsin Property Management & Development Corporation (Note 3)	Chia Hsin Cement Corporation	c.	21,681,451	7,940,000	6,440,000	4,280,000	6,440,000	29.70%	21,681,451	No	Yes	No
2	Jaho Life Plus+ Management Corp., Ltd. (Note 4)	Gemcare Maternity Center	a.	18,714	2,500	2,500	2,500	2,500	0.01%	400,000	No	No	No
		Gemcare Dunhua Maternity Center	a.	26,761	1,000	1,000	1,000	1,000	0.00%	400,000	No	No	No

Note 1:
a. The Company is coded "0."
b. The investees are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: The amount of guarantee to any individual entity shall not exceed the paid-in capital of the Company. The total amount of guarantees shall not exceed the net worth of the Company.

Note 3: The amount of guarantees from Chia Hsin Property Management & Development Corporation shall not exceed the net worth of the Company.

Note 4: The amount of guarantees from Jaho Life Plus+ Management Corp., Ltd. shall not exceed the paid-in capital of the Company. The amounts of guarantee to any individual entity shall not exceed the half of paid-in capital of the Company. The amounts of guarantee for the business relationship shall not exceed the total amount of transaction one operating cycle.

Note 5: The seven types of relationships between the endorser/guarantor and endorsee/guarantee indicated as numbers in the table above are as follows:

a. Having a business relationship.
b. The endorser/guarantor owns directly or indirectly more than 50% of the ordinary shares of the endorsee/guarantee.
c. The endorsee/guarantee owns directly or indirectly more than 50% of the ordinary shares of the endorser/guarantor.
d. The endorser/guarantor owns directly or indirectly more than 90% of the ordinary shares of the endorsee/guarantee.
e. Mutually endorsed/guaranteed companies for the construction project based on the construction contract.
f. Due to joint venture, each shareholder provides endorsements/guarantees to the endorsee/guarantee in proportion to its ownership.
g. Companies in the same industry that are liable for joint endorsements/guarantees of the preconstruction house contract under the consumer protection law.

TABLE 2

CHIA HSIN CEMENT CORPORATION

MARKETABLE SECURITIES HELD
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Chia Hsin Cement Corporation	Shares							
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTPL - current	8,513,782	$ 296,705	0.11	$ 296,705	
	Asia Cement Corporation		Financial assets at FVTPL - current	71	3	0.00	3	
	Foreign shares							
	Anhui Conch Cement Co., Ltd.		Financial assets at FVTPL - current	364,000	25,820	0.01	25,820	
	Foreign fund							
	JPMorgan Funds - Russia		Financial assets at FVTPL - current	81,953	-	-	-	
	JPMorgan Funds - ASEAN Fund		Financial assets at FVTPL - current	2,697	11,715	-	11,715	
	JPMorgan Funds - Pacific Technology Fund		Financial assets at FVTPL - current	3,769	9,344	-	9,344	
	The Partners Fund - Class N-N (SERIES 27)		Financial assets at FVTPL - current	2,453	107,302	-	107,302	
	Blackstone Real Estate Income Trust iCapital Offshore Access Fund SPC-Class A ACC - (Series 14)		Financial assets at FVTPL - current	1,420	68,047	-	68,047	
	Blackstone Real Estate Income Trust iCapital Offshore Access Fund SPC-Class A ACC - (Series 30)		Financial assets at FVTPL - current	1,147	54,955	-	54,955	
	Gopher US Venture Fund III		Financial assets at FVTPL - current	-	53,586	-	53,586	
	Barings Europe Core Property Fund		Financial assets at FVTPL - current	4,192	143,643	-	143,643	
	Bonds							
	Smart Ageing Tech Co., Ltd. - convertible bonds	The Company acts as a member of the B.O.D.	Financial assets at FVTPL - current	-	29,922	-	29,922	
	Shares							
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - current	27,939,039	973,676	0.36	973,036	
	CHC Resources Corporation		Financial assets at FVTOCI - current	4,285,694	246,856	1.72	246,856	
	Chien Kuo Construction Co., Ltd.		Financial assets at FVTOCI - current	771,256	13,304	0.31	13,304	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Shares							
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	203,176,955	$ 7,080,717	2.62	$ 7,080,717	
	B Current Impact Investment Fund 3	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	1,000,000	10,696	10.00	10,696	
	Pan Asian (Engineers & Constructors) Corporation	The Company acts as a supervisor	Financial assets at FVTOCI - non-current	2,718,217	43,192	2.38	43,192	
	Chia Hsin Ready-Mixed Concrete Corporation		Financial assets at FVTOCI - non-current	13,163,585	262,877	13.71	262,877	
	Overseas Investment & Development Corp.	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	2,000,000	22,920	2.22	22,920	
	Smart Ageing Tech Co., Ltd.	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	3,600,000	51,660	10.62	51,660	
	Gping Wellness Co., Ltd.		Financial assets at FVTOCI - non-current	494,512	91,371	18.00	91,371	
	Asia Pacific Gongshanglian Corporation Limited		Financial assets at FVTOCI - non-current	21,090	-	0.03	-	
	Chia Hsin Livestock Corp.		Financial assets at FVTOCI - non-current	6,600,000	-	1.17	-	
	Huatung Heping River Mining Industry Development Co., Ltd.		Financial assets at FVTOCI - non-current	9,350	-	1.87	-	
Tong Yang Chia Hsin International Corporation	Shares							
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTPL - current	14,949,915	521,005	0.19	521,005	
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - current	35,700,561	1,244,164	0.46	1,244,164	
	Chia Hsin Cement Corporation	Parent company	Financial assets at FVTOCI - non-current	129,917,726	2,474,933	16.44	2,474,933	
	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Financial assets at FVTOCI - non-current	66,262,371	2,309,244	0.85	2,309,244	
	IBT Second Venture Capital Co., Ltd.		Financial assets at FVTOCI - non-current	725,493	5,653	4.17	5,653	
	Kaohsiung Tug and Port Service Corp.		Financial assets at FVTOCI - non-current	350,000	2,688	0.88	2,688	
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Shares							
	Anhui Conch Cement Co., Ltd.	.	Financial assets at FVTPL - current	1,162,400	113,685	0.02	113,685	

Note 1: For the information about subsidiaries, associates and joint ventures, refer to Table 5 and Table 6.

Note 2: All the marketable securities as shown above have not been pledged as collateral.

(Concluded)

TABLE 3

CHIA HSIN CEMENT CORPORATION

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes Receivable (Payable)/Trade Receivables (Payables)		Note
			Purchases/Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Chia Hsin Cement Corporation	Taiwan Cement Corporation	The Company acts as a member of the B.O.D.	Purchases	$ 583,700	50	60 days from the purchase day	N/A (equal to the price for other clients)	N/A (same as the term for other clients)	$ (110,880)	(60)	

TABLE 4

CHIA HSIN CEMENT CORPORATION

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
Chia Hsin Cement Corporation	Chia Pei International Corporation	Subsidiary	$ 1,197,853 (Note 1)	-	$ -	-	$ 14,517	$ -

Note 1: The amount is finance lease receivable from the sublease of the wharf in the Port of Taipei.

Note 2: The amount received in subsequent period as of February 27, 2024.

TABLE 5

CHIA HSIN CEMENT CORPORATION

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, or Otherwise Stated)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income/(Loss) of the Investee	Share of Profit/(Loss) of Investee	Remark
				December 31, 2023	December 31, 2022	Number of Shares (In Thousands)	%	Carrying Amount			
Chia Hsin Cement Corporation	Chia Hsin Construction & Development Corp.	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Office buildings construction and lease and sale of public housings	$ 656,292	$ 656,292	31,458,920	46.18	$ 1,806,338	$ 67,952	$ 31,380	(Notes 3 and 4)
	Tong Yang Chia Hsin International Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	General international trade (all business items that are not prohibited or restricted by law, except those that are subject to special approval)	1,600,159	1,600,159	257,073,050	87.18	5,704,901	122,438	106,741	Subsidiary
	Chia Hsin Property Management & Development Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Wholesale and retail business of machinery; warehousing; residence, factory buildings and office buildings leasing and selling; PPE leasing and selling	1,000,000	1,000,000	1,000,000	100.00	3,988,327	139,391	139,391	Subsidiary
	Chia Pei International Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Mining; wholesale of building materials; nonmetallic mining; retail sale of building materials; international trade; rental and leasing business; retail sale of other machinery and equipment	120,000	120,000	19,560,000	100.00	212,378	12,869	12,869	Subsidiary
	BlueSky Co., Ltd.	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	International trade; real estate trading; real estate leasing	81,561	81,561	8,300,000	100.00	84,144	527	527	Subsidiary
	Chia Hsin Pacific Limited	Cayman Islands	Holding company	969,104	969,104	19,186,070	74.16	2,382,037	(44,591)	(33,066)	Subsidiary
	YJ International Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Real estate rental and leasing; real estate management; realtor agent	2,280,000	2,280,000	228,000,000	100.00	369,300	(156,696)	(156,696)	Subsidiary
	Jaho Life Plus+ Management Corp., Ltd.	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Management consulting service	400,000	400,000	40,000,000	100.00	84,951	(40,379)	(40,379)	Subsidiary
	Chia Hsin Green Electricity Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Electricity generation; self-use renewable energy generation equipment; electrical installation; electrical equipment inspection and maintenance; energy technology service	5,000	-	500,000	100.00	4,993	(7)	(7)	Subsidiary
	LDC ROME HOTELS S.R.L.	Rome, Italy	Hotel management	813,055	758,785	-	40.00	417,997	33,783	13,514	(Note 3)
	L'Hotel De Chine Corporation	11F, No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Hotel and tourism	1,157,340	1,157,340	67,998,915	23.10	1,325,570	349,561	93,758	(Notes 3 and 4)
	International Chia Hsin Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	International trade; general investment	69,341	69,341	5,800,000	19.33	112,282	(323)	(63)	
Chia Hsin Property Management & Development Corporation	Chia Sheng Construction Corp.	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Wholesale and retail business of machinery; residence, factory buildings and office buildings leasing and selling; PPE leasing and selling	250,000	250,000	25,000,000	100.00	259,685	8,529	8,529	Subsidiary
	Chuang Neng Technology Co., Ltd.	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	Energy technology service	22,500	5,000	2,250,000	100.00	22,287	(203)	(203)	Subsidiary
YJ International Corporation	CHC Ryukyu Development GK	2-5-7 Matsuo, Naha-shi, Okinawa, Japan	Real estate rental and leasing; management consulting service	269,931	269,931	-	100.00	106,962	(11,303)	(11,303)	Subsidiary
	CHC Ryukyu COLLECTIVE KK	2-5-7 Matsuo, Naha-shi, Okinawa, Japan	Hotel management	1,948,968	1,948,968	-	100.00	190,811	(138,922)	(138,922)	Subsidiary
Chia Hsin Pacific Limited	Effervesce Investment Pte. Ltd.	Singapore	Investment and holding company	NT$ 954,270 (US$ 31,078,656)	NT$ 954,270 (US$ 31,078,656)	53,274,892	100.00	NT$ 1,287,344 (US$ 41,926,193)	NT$ (60,247) (US$ -1,933,797)	NT$ (60,247) (US$ -1,933,797)	Subsidiary
	Sparksview Pte. Ltd.	Singapore	Investment and holding company	NT$ 88,195 (US$ 2,872,328)	NT$ 88,195 (US$ 2,872,328)	3,763,350	100.00	NT$ 175,586 (US$ 5,718,487)	NT$ (813) (US$ -26,096)	NT$ (813) (US$ -26,096)	Subsidiary
Tong Yang Chia Hsin International Corporation	International Chia Hsin Corporation	No. 96, Sec. 2, Rd. Zhongshan, Dist. Zhongshan, Taipei City	International trade; general investment	36,642	36,642	6,052,636	20.18	125,257	(323)	(66)	
	Tong Yang Chia Hsin Marine Corp.	Panama	Shipping service	78,490	78,490	2,700	100.00	477,266	8,761	8,761	Subsidiary
	Chia Hsin Pacific Limited	Cayman Islands	Holding company	626,119	626,119	6,257,179	24.18	776,857	(44,591)	(10,784)	Subsidiary

Note 1: For information on investments in mainland China, refer to Table 6.

Note 2: The original investment amounts listed above were translated using the original investment rate. The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of December 31, 2023: US$1=NT$30.705, JPY1=NT$0.2172, EUR1=NT$33.98; net income items denominated in foreign currencies are translated using the average exchange rate of 2023: US$1=NT$31.155, JPY1=NT$0.2221, EUR1=NT$33.7.

Note 3: Material associates.

Note 4: The carrying amount and the profit or loss of investment includes the amortization of discount and premium.

Note 5: The highest number of shares held of each investee during the period is the same as those held at the end of period, and all the shares held are not pledged as collateral.

TABLE 6

CHIA HSIN CEMENT CORPORATION

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, or in Thousands of Foreign Currencies)

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1 (a.))	Method of Investment (Note 2)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023 (Note 1 (a.))	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023 (Note 1 (a.))	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1 (a.) and Note 5)	Carrying Amount as of December 31, 2023 (Note 1 (a.))	Accumulated Repatriation of Investment Income as of December 31, 2023	Note
					Outward (Note 1 (a.))	Inward (Note 1 (a.))							
Shanghai Jia Huan Concrete Co., Ltd.	Processing, manufacturing and selling of cement and other related products	$ 15,353 (US$ 500)	b. and c.	$ 390,629 (US$ 12,722)	$ - (US$ -)	$ - (US$ -)	$ 390,629 (US$ 12,722)	$ 5,664 (US$ 182)	95.23	$ 5,664 (US$ 182)	$ 279,861 (US$ 9,114)	$ - (US$ -)	(Note 1 (b.) (2))
Shanghai Chia Hsin Ganghui Co., Ltd.	Warehousing and packing bulk cement and formulating and delivering high-strength cement	322,403 (US$ 10,500)	b.	493,307 (US$ 16,066)	- (US$ -)	- (US$ -)	493,307 (US$ 16,066)	11,699 (US$ 376)	95.23	11,699 (US$ 376)	403,438 (US$ 13,139)	- (US$ -)	(Note 1 (b.) (2))
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Consulting for developing information system for business and finance purpose	531,504 (US$ 17,310)	b.	813,590 (US$ 26,497)	- (US$ -)	- (US$ -)	813,590 (US$ 26,497)	(77,203) (US$ -2,478)	95.23	(76,489) (US$ -2,455)	374,678 (US$ 12,203)	- (US$ -)	(Note 1 (b.) (2))
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Consulting for management of healthcare and hospitality business	325,140 (RMB 75,000)	e. Investor: Chia Hsin Business Consulting (Shanghai) Co., Ltd.	- (US$ -)	- (US$ -)	- (US$ -)	- (US$ -)	(56,396) (RMB -12,748)	95.23	(56,396) (RMB -12,748)	113,837 (RMB 26,259)	- (US$ -)	(Note 1 (b.) (2))
Chia Peng Gemcare Maternity (Yangzhou) Co., Ltd.	Maternity and infant health care; sales of mother & baby supplies; life & beauty services	242,772 (RMB 56,000)	e. Investor: Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	- (US$ -)	- (US$ -)	- (US$ -)	- (US$ -)	(53,023) (RMB -11,985)	95.23	(53,023) (RMB -11,985)	108,846 (RMB 25,107)	- (US$ -)	(Note 1 (b.) (2))
Jiangsu Jiaguo Construction & Material Storage Co., Ltd.	Engaging in overland delivery of ordinary goods and the processing, manufacturing and selling of cement and other construction material	122,820 (US$ 4,000)	d.	425,172 (US$ 13,847)	- (US$ -)	- (US$ -)	425,172 (US$ 13,847)	(6,209) (US$ -199)	87.18	(6,209) (US$ -199)	168,896 (US$ 5,501)	- (US$ -)	(Note 1 (b.) (2))
Jiangsu Chia Hsin Real Estate Co., Ltd. (Note 6)	Developing and selling real estate and providing property management service	- (RMB -)	e. Investor: Jiangsu Jiaguo Construction & Material Storage Co., Ltd.	- (US$ -)	- (US$ -)	- (US$ -)	- (US$ -)	(2,604) (RMB -589)	87.18	(2,604) (RMB -589)	- (RMB -)	- (US$ -)	(Note 1 (b.) (2))

(Continued)

b. Limit on the amount of investments in the mainland China area:

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2023	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (Notes 3 and 4)
$ 7,051,956 (US$ 229,668)	$ 7,127,367 (US$ 232,124)	$ 13,451,135

c. Significant transactions with investee companies in the Mainland Area, either directly or indirectly through a third area: None.

Note 1: a. The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of December 31, 2023: US$1=$30.705 RMB1=$4.335206; net income items denominated in foreign currencies are translated using the average exchange rate of 2023: US$1=$31.155, RMB1=$4.423991.

b. The basis for investment income (loss) recognition includes the following:

1) The investment income (loss) is recognized based on the financial statements audited and attested by an international accounting firm which has cooperative relationship with an accounting firm in the ROC.
2) The investment income (loss) is recognized based on the financial statements audited and attested by the parent company's CPA in the ROC.
3) Other

Note 2: The method of investment includes the following:

a. Direct investment in mainland China.

b. Indirect investment in mainland China through companies registered in a third region. The Company and Tong Yang Chia Hsin International Corporation invest in Chia Hsin Pacific Limited, which then invests in Effervesce Investment Pte. Ltd., the company that invests in mainland China.

c. Indirect investment in mainland China through companies registered in a third region. The Company and Tong Yang Chia Hsin International Corporation invest in Chia Hsin Pacific Limited, which then invests in Sparksview Pte. Ltd., the company that invests in mainland China.

d. Indirect investment in mainland China through companies registered in a third region. The Company and Tong Yang Chia Hsin International Corporation invest in Tong Yang Chia Hsin Marine Corp., which then invests in mainland China.

e. Other method.

Note 3: Calculated by the 60% of consolidated net worth of Chia Hsin Cement Corporation according to the letter No. 09704604680 issued by Ministry of Economic Affairs.

Note 4: The Company conducted a stock-for-stock transaction with Taiwan Cement Corporation to get rid of the investment via TCC International Holdings Ltd. in mainland China. The result of the stock-for-stock transaction will be a decrease in investment in mainland China. On May 17, 2018, the aforementioned write-off of the amount and the ratio of investment was approved by the Investment Commission, Ministry of Economic Affairs.

Note 5: Including the gains and losses recognized by using the equity method and the gains and losses on internal unrealized transactions.

Note 6: The liquidation of the Company was resolved by the board of directors on April 26, 2023. The cancellation of registration was completed on August 29, 2023.

Note 7: Expected for Jiangsu Chia Hsin Real Estate Co., Ltd, the highest number of Shares held of each investee during the period was the same as the those held at the end of the period and all the Shares held are not pledged as collateral.

(Concluded)

TABLE 7

CHIA HSIN CEMENT CORPORATION

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Tong Yang Chia Hsin International Corporation	129,917,726	16.44
Sung Ju Investment Corp.	70,155,843	8.87
Yung-Ping Chang	42,583,141	5.38

Note: The information of major shareholders comes from the summary of shareholders holding more than 5% of total ordinary and special shares registered as dematerialized security (including treasury shares) in the centralized securities depository enterprise as of the last business day of the reporting period. Based on different calculation method, the number of shares recorded in the financial statements could be different from that registered as dematerialized security.

6.6 Impact on the Company's Financial Position for the Occurrence of Financial Difficulties of the Company and its Affiliates in the Past Year and up to the Publication Date of this Annual Report:

None reported.

7 Financial Status, Financial Performance, and Risk Management

7.1 Financial Status

Unit: NTD thousands

Year / Item	2023	2022	Difference	
			Amount	%
Current Assets	10,549,056	10,395,347	153,709	1
Property, Plant and Equipment	4,250,010	4,848,433	(598,423)	(12)
Other Assets	21,665,268	21,210,454	454,814	2
Total Assets	36,464,334	36,454,234	10,100	-
Current Liabilities	3,301,743	3,431,484	(129,741)	(4)
Non-current Liabilities	10,744,033	11,023,323	(279,290)	(3)
Total Liabilities	14,045,776	14,454,807	(409,031)	(3)
Share Capital	7,902,474	7,747,805	154,669	2
Capital Surplus	1,318,181	1,238,426	79,755	6
Retained Earnings	10,258,578	10,566,464	(307,886)	(3)
Other Equity	3,280,168	2,811,250	468,918	17
Treasury Shares	(1,077,950)	(1,077,950)	-	-
Total Equity Attributable to Owners of the Company	21,681,451	21,285,995	395,456	2
Non-controlling Interests	737,107	713,432	23,675	3
Total Equity	22,418,558	21,999,427	419,131	2
Analysis of difference ratio reaching 20% or more: None.				

7.2 Financial Performance

Unit: NTD Thousands

Item \ Year	2023	2022	Amount Increased (Decreased)	Difference %
Operating Revenue	2,911,583	2,253,659	657,924	29
Operating Cost	2,545,152	2,121,073	424,079	20
Gross Profit	366,431	132,586	233,845	176
Operating Expenses	513,955	527,956	(14,001)	(3)
Net Other Income and Expenses	-	-	-	-
Profit (Loss) from Operations	(147,524)	(395,370)	247,846	63
Non-Operating Income and Expenses	230,291	274,068	(43,777)	(16)
Profit (Loss) Before Income Tax from Continuing Operations	82,767	(121,302)	204,069	168
Income Tax Profit (Expense)	13,271	(52,584)	65,855	125
Net Profit (Loss) from discontinued operations	-	-	-	-
Net Profit (Loss) for the Year	96,038	(173,886)	269,924	155

Analysis of difference ratio reaching 20% or more:

1. Increase of operating revenue, operating cost, gross profit, profit (loss) from operations, profit (loss) before income tax from continuing operations, and net profit (loss) : Compare to the same period last year, the increase in revenue in the hospitality segment is primarily due the easing of the pandemic and the surging number of people traveling internationally, further causing an increase in operating costs and gross profit. However, loss from operations has decreased, which leads to an increase in profit before income tax and net profit.
2. Increase in income tax benefit (expense): Mainly due to increase in deferred income tax benefit, which leads to unrealized foreign exchange gains.

Future Response Plan: The Company's transition business entities, particularly Hotel Collective in Okinawa, Japan, have seen growth as the global pandemic situation improves and travel resumes. This has significantly improved the financial performance within the corporate group and the results of the transition are gradually emerging. Non-operating investments in financial assets are primarily a strategic investment, in which the Company will continue to monitor relevant stock prices and dividends for their impact on the Company business.

7.3 Cash Flow

1. Analysis of Cash Flow Changes in the Past Year

Unit: NTD thousands

Beginning Cash and Cash Equivalents	Annual Net Cash Flow from Operating Activities	Annual Net Cash Flow from Investing and Financing Activities	Cash Surplus (Insufficiency)	Remedial Measures for Cash Insufficiency	
				Investment Plans	Financing Plans
4,463,396	(75,003)	(2,334,054)	2,054,339	-	-

1. Analysis of change in cash flow in the current year:
   (1) Operating activities: Mainly due to income tax payment.
   (2) Investing and financial activities: Mainly due to the adjustment made to the financial structure, which led to an increase in financial assets at amortized cost.
2. Remedy for cash insufficiency: Not applicable.

2. Analysis of Cash Flow Changes in the Past Two Years

Item / Year	2023	2022	Deviance (%)
Cash Flow Ratio (%)	0.00%	0.00%	-
Cash Flow Adequacy Ratio (%)	5.94%	5.55%	7
Cash Reinvestment Ratio (%)	0.00%	0.00%	-

Deviance explanation:

Increase in Cash flow adequacy: Mainly due to decrease in capital expenditures.

3. Analysis of Cash Liquidity in the Coming Year

Unit: NTD thousands

Beginning Cash and Cash Equivalent	Estimated Net Cash Flows from Operating Activities	Estimated Cash Flows from Investing and Financing Activities	Cash Surplus (Insufficiency)	Remedial Measures for Cash Insufficiency	
				Investment plans	Financing plans
2,054,339	171,672	(236,660)	1,989,351	-	-

Analysis of Cash Liquidity in the Coming Year:

According to the internal 2024 budget, it is anticipated that the operations will remain stable for the upcoming year, with no insufficient fundings expected.

7.4 Major Capital Expenditures and Impact on Financial and Business in Recent Year

In 2023, the Company paid approximately 5.03 million RMB for the interior construction at the maternity centers in Yangzhou, China and spent approximately JPY 300 million on design fees and other capital expenditures for the Toyosaki project in Okinawa, Japan.

7.5 Investment Policy, Primary Causes of Profit or Losses, Improvement and Investment Plans for the Upcoming Year

Reinvestments are made by the Company's management and based on operation or strategic goals. With professional information from relevant units, the summarized evaluation and recommendations are reported to responsible executives. After the investment proposals are generated, an assessment is then conducted on past and future prospects, market conditions, and operational quality of the invested companies. The assessment serves as the foundation for management's investment decisions. In 2023, LCD Rome Hotels

S.R.L. achieved a net profit of NT$34 million, which showed an increase of NT$76 million compared to the year before. This increase was primarily attributed to the rise in average room revenue, coupled with the decrease in energy-related operating costs in the hotel due to declining oil and natural gas prices. Meanwhile, LDC Hotels & Resorts attained an after-tax net profit of NT$349 million in the same fiscal year, with both hospitality and catering businesses showcasing gains. In hospitality, increased visits from foreign tourists and business travelers after the pandemic boosted average room revenue. In catering, the success of off-site dining established a business model providing stable profit. In addition, the appreciation of the Euro also brought foreign exchange gains as an extra source of operating profit for LDC. With a 46.18% stake, Chia Hsin Construction & Development Corporation earned a profit of NT$67.95 million in 2023, which was a significant improvement from the previous year primarily due to the stabilization of domestic and international capital market conditions, further resulting in increased disposal gains from non-operating financial assets.

7.6 Risk Management in the Recent Year and up to the Publication Date of this Annual Report

7.6.1 Impact of Interest Rates, Foreign Exchange Rates, and Inflation on Corporate Finance and Future Response Measures

The main financing loan of the corporate group is long-term loans. In order to prudently manage interest rate risks, the group periodically reviews market conditions, business operations and needs, and financial status to better analyze interest rate trends, and further determines the most effective tools to manage interest rate risk.

In terms of the domestic financial environment, weak demand in the terminal market and adjustments in industry inventory have slowed down growth momentum, leading to a below expectation economic growth in 2023. However, as interest rate hike cycles in various countries around the world gradually approach to an end, there is an increase in demand for commodities, which is expected to restore growth momentum. In 2024, the Directorate General of Budget, Accounting and Statistics of the Executive Yuan predicts that Taiwan's annual consumer price index will increase by 1.85%, indicating minimal risk. However, heightened geopolitical tensions and increased occurrences of extreme weather events may still impact the global economy, further leading to significant fluctuations in domestic interest and exchange rates, which needs to be handled with caution. In response to the risks of these changes, the corporate group will continue to pay close attention and countermeasures are as follows:

1. To mitigate exchange rate risk, the principle for funding external investment projects is to rely on local bank loans. Additionally, for capital expenditures, utilizing long-term loans and capital increases to avoid any interest risks are the main priorities.

2. Regarding foreign currency deposits overseas, besides closely monitoring and continuously tracking relevant information, under necessary timing and permitting conditions, appropriate hedging actions will be taken, while aligning with the funding requirements of investment projects to achieve optimal allocation.

To grasp changes in economic and financial conditions, the Company has appointed relevant individuals to participate in courses organized by financial institutions, course objectives include global economic outlook, foreign exchange hedging tools, foreign exchange trading, and analysis. Through these training sessions, the Company aims to enhance employees' sensitivity and assessment capabilities regarding risks associated with interest rates and exchange rate fluctuations, sequentially enabling the formulation of effective risk response measures and efficient risk management regarding interest and exchange rates.

7.6.2 Primary Causes of Profit or Losses and Future Response Measures Regarding High-Risk and Highly Leveraged Investments, Lending, Endorsements, Guarantees of Other Parties, and Financial Derivative Transactions

The Company has refrained from engaging in high-risk or highly leveraged investments. As for lending funds, offering endorsements and guarantees, and engaging in derivative transactions, the Company adheres to policies established in accordance with the "Asset Acquisition and Disposal Procedure" and "Fund Lending and Endorsement Guarantees Procedure," and assesses the risks involved, in order to implement necessary response measures.

7.6.3 Future Research & Development Plans and Expected Spending:

None.

7.6.4 Risks Associated with and Response Measures to Changes in Local and International Government Policies and Regulatory Environment

As of the publication date of this annual report, the Company has not experienced any significant impact on its financial operations due to changes in important local or international government policies and regulations.

The execution of business activities within the Company is carried out in accordance with the relevant domestic and international policies and legal regulations. The Legal Division assists each unit in keeping up with developments in important domestic and international policies, as well as changes in markets and environment, to evaluate potential impacts on the Company and establish suitable countermeasures in a timely manner. When necessary, the Company seeks advice from legal advisors, CPAs, and other relevant professional units to ensure compliance and mitigate any potential impacts on financial and business operations.

7.6.5 Impact of and Response Measures to Changes in Technology (including information security risks) and Industry Relating to Corporate Finance and Operation

The Company's Board of Directors and management are always paying close attention to changes in technology and the industry, while taking effective responsive measures when needed to make appropriate adjustments.

1. In response to increasingly high risks of cybersecurity, the Company conducts social engineering drills annually, using phishing email exercises to strengthen employee awareness towards information security.
2. To ensure the continuous operation of information systems, a cloud backup data center mechanism has been established. In the event of a major disaster, core information systems can be rapidly reconstructed in the cloud backup data center to maintain uninterrupted operations.

7.6.6 Changes in Corporate Reputation and its Impact on the Company's Crisis Management Measures

In recent years, the corporate group has undergone transformation by investing in the hospitality industry. To change the long-standing impression that the corporate group is primarily a traditional manufacturing industry and to deepen understanding of the transition, the Company focused on rebuilding its new corporate image in 2019. Through carefully crafted videos and corporate introduction created by a professional team, it aimed to educate the public, media, investing juridical persons, employees, customers, and shareholders about the rebranded corporate image and received positive feedback and recognition. The Company's transition into the consumer industry requires careful attention when it comes to managing the corporate image. With the prevalence of social media and online communities, even the slightest misstep can lead to negative reviews, which may impact operational performance. Therefore, the Sustainable Development Division has dedicated public relations staff responsible for image management, monitoring external evaluations, and crisis management to promptly address and mitigate any damage, further protecting the Company's reputation and public image.

7.6.7 Expected Benefits and Risks Associated with, and Response Measures to Merger and Acquisitions:

None.

7.6.8 Expected Benefits and Risks Associated with, and Response Measures to Plant Expansion Plans

The Company currently has no plans to expand plants.

7.6.9 Risks Associated with and Response Measures to Sales or Purchasing Concentration:

None.

7.6.10 Impact on, Risks Associated with, and Response Measures to Sales of Significant Numbers of Shares by Directors, and/or Shareholders Owning 10% or More of Company's Total Outstanding Shares:

None.

7.6.11 Impact on, Risks Associated with, and Response Measures to Change in Management Rights:

None.

7.6.12 Litigious and Non-Litigious Matters

Regarding the incident of the collapse of Wharf 15 at Taipei Port East Pier on January 21, 2019, Taiwan International Ports Corporation, Port of Keelung (herein referred to as the Ports Corporation) had completed repairs on November 12, 2020, and filed a lawsuit with the Keelung District Court in January 2021. The Ports Corporation named both the wharf constructor, Formosa Petrochemical Co., Ltd., and the wharf user, the Company, as defendants, and sought to determine the responsible party and demand payment of repair cost totaling NT$116,791,000. After multiple court hearings and meetings between all parties, the Ports Corporation confirmed the collapse of Wharf 15 at Taipei Port East Pier in 2019 was not attributable to Chia Hsin Cement Corporation. Therefore, Chia Hsin Cement Corporation was not required to pay for any repair costs or damages. The lawsuit was subsequently withdrawn in May 2023.

7.6.13 Other Material Risks and Response Measures

Following a risk management system and referencing reports from the World Economic Forum, SASB, and MSCI on industry ESG risks, the Company identifies significant and emerging risks, categorized in five major sectors including strategic, operational, financial, compliance, and others. Risk assessment involves conducting risk education training and workshops to build internal risk awareness and understanding, as well as evaluating the potential impact and probability of each risk. For significant risks, the Company develops response measures and monitoring indicators to continuously track any changes in risks and ensure effective risk management implementation. The 2024 risk assessment report has been submitted to the Audit Committee and the Board of Directors on December 15, 2023. Details of major and emerging risks are listed as follows:

Risk	Impact	Mitigation Strategy
Building durability, safety, and legality	- Decline in revenue - Personnel Safety - Capital expenditure	1. Regularly review and assess the safety and legality of the building; plan and execute relevant maintenance and repair projects. 2. Plan in stages and update important equipment and systems in the building. 3. Incorporate green building certification and conduct segmented marketing that targets specific customer groups.
Policy changes in response to Net-zero carbon emissions by 2050	- Decline in revenue - Increase in operating costs - Corporate reputation	1. Actively seek new business opportunities and development directions. 2. In accordance with market demand and development trends, negotiate contract modifications with the port authority in a timely manner. 3. Track and understand government policies and regulations, and propose response measures when needed. 4. Implement carbon reduction plans with the goal of obtaining SBTi certification.
Extreme Climate	- Financial loss - Personnel Safety	1. Establish comprehensive plans for continuous operation, crisis management, and countermeasures, and conduct regular reviews. 2. Regularly evaluate and enhance the resilience of infrastructure. 3. Increase or ensure that insurance coverage meets the needs.
Low birth rates and regional issues leading to labor shortages	- Impact on operations - Increased labor costs	1. Enhance employer branding, adopt diversified hiring policies, and create a fair, inclusive working environment. 2. Continuously monitor industry and workforce development trends; adjust recruitment and training plans accordingly. 3. Reference industry salary and benefits standards to provide attractive compensation and benefits. 4. Offer professional employee training and development programs. 5. Provide various channels for regular communication and feedback from employees through periodic interviews. 6. Continuously optimize operational processes to improve work efficiency.

Risk	Impact	Mitigation Strategy
Geopolitical or infectious disease-related external factors leading to operational continuity risks	- Loss of equipment - Decreased revenue - Impact on reputation	1. Establish comprehensive plans for continuous operation, crisis management, and countermeasures, and conduct regular reviews. 2. Build diversified supply chains. 3. Conduct regular training courses and drills to strengthen employee response when facing major events. 4. Continue to monitor warning notifications issued by governments and relevant agencies.
Inflation or other external factors leading to increased operating cost increase	- Increased operating costs	1. Regularly review costs and expenses, conduct cost-benefit analysis, and implement appropriate response measures. 2. Utilize digitization to enhance operational efficiency. 3. Collaborate with different suppliers, build a database of quality vendors, and ensure reliable and reasonably-priced alternatives 4. Introduce energy-efficient equipment to improve energy usage efficiency and effectively reduce energy expenses.

7.7 Other Material Matters

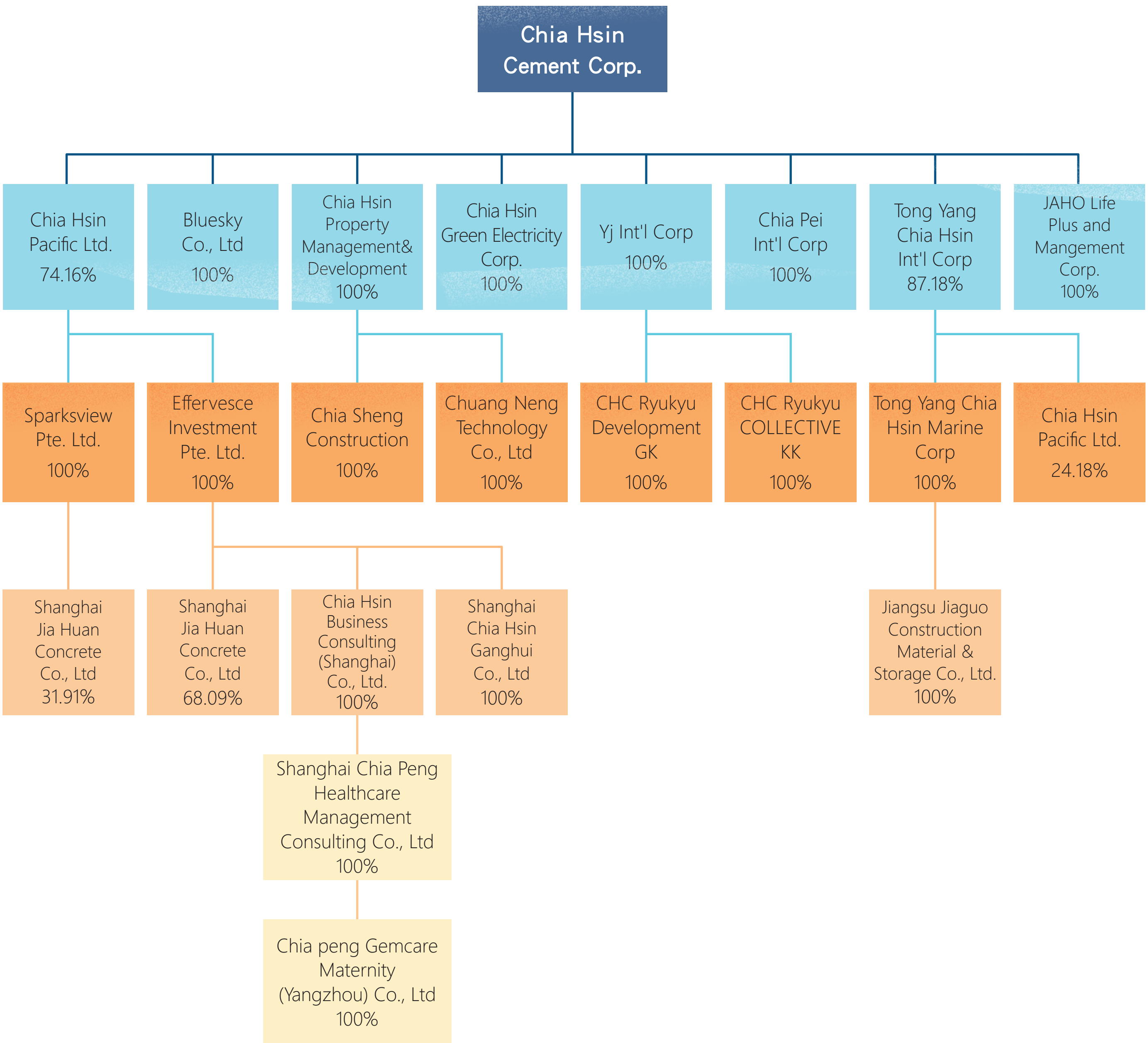
Please refer to the attached report in Section 6.4 Annual Financial Report in this annual report.

8 Special Disclosures

8.1 Affiliated Companies

1. Organization Chart of Affiliates

Structure of the Company as of 12/31/2023



2. Basic Information of Affiliates

12/31/2023
Unit: NTD thousands / Foreign Currency

Company Name	Date Incorporated	Address	Paid-In Capital	Main Businesses or Production Items
Chia Hsin Cement Corp.	12/13/1954	96 Section 2, Zhongshan N. Road, Taipei, Taiwan	7,902,474	Cement manufacturing; Wholesale of building materials; Retail sale of building materials; Non-metallic mining; Mixed-concrete products manufacturing; International trade; Construction and development of residences and buildings, lease; Construction and development of industrial factory buildings; Real estate commerce; Real estate rental and leasing, reconstruction within the renewal area and warehousing and storage
Chia Hsin Property Management & Development Corp.	12/15/2003	96 Section 2, Zhongshan N. Road, Taipei, Taiwan	1,000,000	Wholesale and retail business of machinery; Warehousing; Residence, factory buildings and office buildings leasing and selling; PPE leasing and selling
Chia Pei International Corp.	08/24/2006	96 Section 2, Zhongshan N. Road, Taipei, Taiwan	195,600	Mining; Wholesale of building materials; nonmetallic mining; Retail sale of building materials; International trade; Rental and leasing business; Retail sale of other machinery and equipment
YJ International Corp.	03/24/2014	96 Section 2, Zhongshan N. Road, Taipei, Taiwan	2,280,000	Real estate rental and leasing; real estate management; Realtor agent
Jaho Life Plus+ Management Corp.	11/13/2015	96 Section 2, Zhongshan N. Road, Taipei, Taiwan	400,000	Management consulting service
Bluesky Co., Ltd.	07/11/2012	96 Section 2, Zhongshan N. Road, Taipei, Taiwan	83,000	International trade; real estate trading; real estate leasing
Tong Yang Chia Hsin International Corp.	12/15/1973	1F, 96 Section 2, Zhongshan N. Road, Taipei, Taiwan	2,948,606	General international trade (all business items that are not prohibited or restricted by law, except those that are subject to special approval)
Chia Sheng Construction Corp.	05/06/2013	96 Section 2, Zhongshan N. Road, Taipei, Taiwan	250,000	Wholesale and retail business of machinery; residence, factory buildings and office buildings leasing and selling; PPE leasing and selling
Chuang Neng Technology Co., Ltd.	09/27/2022	1F, 96 Section 2, Zhongshan N. Road, Taipei, Taiwan	22,500	Energy technology service
Chia Hsin Green Electricity Corp.	07/11/2023	1F, 96, Section 2, Zhongshan N. Rd., Taipei City	5,000	Electricity generation; self-use renewable energy generation equipment; electrical installation; electrical equipment inspection and maintenance; energy technology service
CHC Ryukyu Development GK	12/19/2013	2-5-7 Matsuo, Naha-shi, Okinawa, Japan	JPY 1,000,000,000	Real estate rental and leasing; management consulting service
CHC Ryukyu COLLECTIVE KK	07/01/2019	2-5-7 Matsuo, Naha-shi, Okinawa, Japan	JPY 7,000,000,000	Hotel management

Company Name	Date Incorporated	Address	Paid-In Capital	Main Businesses or Production Items
Chia Hsin Pacific Ltd.	09/20/1995	Ugland House, P.O. Box 309 George Town, Grand Cayman, Cayman Island, British West Indies	USD 28,543,892	Holding company
Effervesce Investment Pte. Ltd.	07/15/1993	1 Raffles Place #04-63 One Raffles Place Singapore 048616	SGD 53,274,892	Investment and holding company
Sparksview Pte. Ltd.	06/04/1994	1 Raffles Place #04-63 One Raffles Place Singapore 048616	SGD 3,763,350	Investment and holding company
Tong Yang Chia Hsin Marine Corp.	12/22/1993	Salduba Building, 3rd Floor, 53rd East Street, Urbanizacion Marbella, P.O. Box 0816-02884 Panama, Rep. of Panama	USD 2,700,000	Shipping service
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	12/29/1997	Room 610-1, 1 Jilong Road, Waigaoqiao Tax Free Zone, Shanghai, China	RMB 144,525,600	Consulting for developing information system for business and finance purpose
Shanghai Chia Hsin Ganghui Co., Ltd.	06/12/1997	4100 Long Wu Road, Shanghai, P.R.C.	RMB 86,949,230	Warehousing and packing bulk cement and formulating and delivering high-strength cement
Shanghai Jia Huan Concrete Co., Ltd.	07/11/1995	501 Zhenda Road, Baoshan District, Shanghai, China	RMB 4,152,537	Processing, manufacturing and selling of cement, concrete and other related products
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	07/14/2017	No. 344 Sanlin Road, Shanghai, P.R.C.	RMB 75,000,000	Consulting for management of healthcare and hospitality business
Chia Peng Gemcare Maternity (Yangzhou) Co., Ltd.	12/21/2018	No. 58 West Xingcheng Road, Hanjiang District, Yangzhou, Jiangsu, P.R.C	RMB 56,000,000	Maternity and infant health care; sales of mother & baby supplies; life & beauty services
Jiangsu Jiaguo Construction Material & Storage Co., Ltd.	02/18/2004	High-tech Industrial Park, Zhenjiang New Area, Jiangsu, P.R.C	RMB 41,355,860	Engaging in overland delivery of ordinary goods and the processing, manufacturing and selling of cement and other construction material

3. Information on shareholders of affiliates presumed to have controlling or subordinate relations: None.

4. Industries and divisions of affiliates:

Industries in which affiliated companies operate include:

(1) Cement business, technical service, and leasing businesses.

(2) Real estate, trading and warehousing.

(3) General investments.

(4) Hospitality business.

For details regarding major operations or products of each affiliate, please refer to the Table 2: Basic Information of Affiliates above.

5. Information of Directors, Supervisors, and President of Affiliates

12/ 31/ 2023

Unit: NTD thousands; foreign currency; shares; %

Company Name	Title	Name of Representative	Holding	
			Share/ Investment Amount	Percentage (%)
Chia Hsin Cement Corp. (CHC)	Chairman	Jason K. L. Chang	4,904,563	0.62
	Director	Chi-Te Chen	706,814	0.09
	Director	Representative of Tong Yang Chia Hsin International Corp. : Pan Howard Wei-Hao	129,917,726	16.44
	Director	Representative of Tong Yang Chia Hsin International Corp. : I-Cheng Liu	129,917,726	16.44
	Independent Director	Robert K. Su	-	-
	Independent Director	Pao-Chu Lin	-	-
	Independent Director	Kevin Kuo-I Chen	-	-
	President	Li-Hsin Wang	329,391	0.00
Chia Hsin Property Management & Development Corp.	Chairman	Representative of CHC : Chih-Chu Chi	100,000,000	100.00
	Director	Representative of CHC : Jason K. L. Chang	100,000,000	100.00
	Director	Representative of CHC : Chi-Te Chen	100,000,000	100.00
	Director	Representative of CHC : Pan Howard Wei-Hao	100,000,000	100.00
	Supervisor	Representative of CHC : Li-Hsin Wang	100,000,000	100.00
	President	Shih-Chu Chi	-	-
Chia Pei International Corp.	Chairman	Representative of CHC : Ching-Chuan Fu	19,560,000	100.00
	Director	Representative of CHC : Jason K. L. Chang	19,560,000	100.00
	Director	Representative of CHC : Shih-Chu Chi	19,560,000	100.00
	Director	Representative of CHC : Li-Hsin Wang	19,560,000	100.00
	Director	Representative of CHC : Shere-Min Chang	19,560,000	100.00
	Supervisor	Representative of CHC : Hua-Chou Huang	19,560,000	100.00
	Supervisor	Representative of CHC : Jane Y. C. Chou	19,560,000	100.00
	President	Sheng-Wen Li	-	-

Company Name	Title	Name of Representative	Holding	
			Share/ Investment Amount	Percentage (%)
YJ International Corp.	Chairman	Representative of CHC : Jason K. L. Chang	228,000,000	100.00
	Director	Representative of CHC : Li-Hsin Wang	228,000,000	100.00
	Director	Representative of CHC : Puo-Chien Lin	228,000,000	100.00
	Director	Representative of CHC : Tatsuyuki Matsumoto	228,000,000	100.00
	Supervisor	Representative of CHC : Jane Y. C. Chou	228,000,000	100.00
	President	Zi-Bin, Liang	-	-
Jaho Life Plus+ Management Corp.	Chairman	Representative of CHC : Li-Hsin Wang	40,000,000	100.00
	Director	Representative of CHC : Chen-Yun Wang	40,000,000	100.00
	Director	Representative of CHC : Pan Howard Wei-Hao	40,000,000	100.00
	Supervisor	Representative of CHC : Jane Y. C. Chou	40,000,000	100.00
	President	Xiao-Shan Zha	-	-
Bluesky Co., Ltd.	Chairman	Representative of CHC : Jason K. L. Chang	8,300,000	100.00
	Director	Representative of CHC : Chih-Chu Chi	8,300,000	100.00
	Director	Representative of CHC : Pan Howard Wei-Hao	8,300,000	100.00
	Supervisor	Representative of CHC : Li-Hsin Wang	8,300,000	100.00
Tong Yang Chia Hsin International Corp.	Chairman	Jason K. L. Chang	-	-
	Director	Representative of CHC : Shih-Chu Chi	257,073,050	87.18
	Director	Representative of CHC : Ching-Chuan Fu	257,073,050	87.18
	Director	Representative of CHC : Hua-Chou Huang	257,073,050	87.18
	Director	Representative of Sung Ju Investment Corp. : Li-Hsin Wang	462,490	0.16
	Supervisor	Hsien-Ping Chang	1,349	-
	Supervisor	Representative of Chia Hsin Construction and Development Corp. : Hsiao-Lin Chen	30,687,643	10.41
	President	Shih-Chu Chi	-	-

Company Name	Title	Name of Representative	Holding	
			Share/ Investment Amount	Percentage (%)
Chia Sheng Construction Corp.	Chairman	Representative of Chia Hsin Property Management & Development Corp. : Jason K. L. Chang	25,000,000	100.00
	Director	Representative of Chia Hsin Property Management & Development Corp. : Chih-Chu Chi	25,000,000	100.00
	Director	Representative of Chia Hsin Property Management & Development Corp. : Pan Howard Wei-Hao	25,000,000	100.00
	Supervisor	Representative of Chia Hsin Property Management & Development Corp. : Li-Hsin Wang	25,000,000	100.00
Chuang Neng Technology Co., Ltd.	Chairman	Representative of Chia Hsin Property Management & Development Corp. : Chih-Chu Chi	2,250,000	100.00
	Supervisor	Representative of Chia Hsin Property Management & Development Corp. : Jane Y. C. Chou	2,250,000	100.00
	President	Chih-Chu Chi	-	-
Chia Hsin Green Electricity Corp.	Chairman	Representative of CHC : Jason K.L. Chang	500,000	100.00
	Director	Representative of CHC : Shih-Chu Chi	500,000	100.00
	Director	Representative of CHC : Li-Hsin Wang	500,000	100.00
	Supervisor	Representative of CHC : Jane Y.C. Chou	500,000	100.00
CHC Ryukyu Development GK	Executive officer	Representative of YJ International Corp. : Tatsuyuki Matsumoto	JPY 1,000,000,000	100.00
	Executive officer	Representative of YJ International Corp. : Li-Hsin Wang	JPY 1,000,000,000	100.00
	Executive officer	Representative of YJ International Corp. : Puo-Chien Lin	JPY 1,000,000,000	100.00
CHC Ryukyu COLLECTIVE KK	Represent-ative Director	Tatsuyuki Matsumoto	-	-
	Director	Li-Hsin Wang	-	-
	Director	Puo-Chien Lin	-	-
	Corporate Auditor	Jane Y. C. Chou	-	-
Chia Hsin Pacific Ltd.	Chairman	Li-Hsin Wang	-	-
	Director	Jason K. L. Chang	-	-
	Director	Pan Howard Wei-Hao	-	-
Effervesce Investment Pte. Ltd.	Director	Jason K. L. Chang	-	-
	Director	Li-Hsin Wang		
	Director	Pan Howard Wei-Hao	-	-
	Director	Kenneth Chiam Siang Roung	-	-

Company Name	Title	Name of Representative	Holding	
			Share/ Investment Amount	Percentage (%)
Sparksview Pte. Ltd.	Director	Jason K. L. Chang	-	-
	Director	Li-Hsin Wang	-	-
	Director	Pan Howard Wei-Hao	-	-
	Director	Kenneth Chiam Siang Roung	-	-
Tong Yang Chia Hsin Marine Corp.	Director	Representative of Tong Yang Chia Hsin International Corp. : Jason K. L. Chang	USD 2,700,000	100.00
	Director	Representative of Tong Yang Chia Hsin International Corp. : Li-Hsin Wang	USD 2,700,000	100.00
	Director	Representative of Tong Yang Chia Hsin International Corp. : Shih-Chu Chi	USD 2,700,000	100.00
	President	Representative of Tong Yang Chia Hsin International Corp. : Jason K. L. Chang	-	-
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	Chairman	Representative of Effervesce Investment Pte. Ltd. : I-Ping Chang	RMB 144,525,600	100.00
	Director	Representative of Effervesce Investment Pte. Ltd. : Li-Hsin Wang	RMB 144,525,600	100.00
	Director	Representative of Effervesce Investment Pte. Ltd. : Jason K.L. Chang	RMB 144,525,600	100.00
	Supervisor	Representative of Effervesce Investment Pte. Ltd. : Ying-Ying Chen	RMB 144,525,600	100.00
	President	Representative of Effervesce Investment Pte. Ltd. : I-Ping Chang	-	-
Shanghai Chia Hsin Ganghui Co., Ltd.	Chairman	Representative of Effervesce Investment Pte. Ltd. : Ching-Chuan Fu	RMB 86,949,230	100.00
	Director	Representative of Shanghai International Port (Group) Co., Ltd., Longwu Branch : Sheng-Hua Ren	-	-
	Director	Representative of Effervesce Investment Pte. Ltd. : Jason K. L. Chang	RMB 86,949,230	100.00
	Director	Representative of Effervesce Investment Pte. Ltd. : I-Ping Chang	RMB 86,949,230	100.00
	Director	Representative of Effervesce Investment Pte. Ltd. : Li-Hsin Wang	RMB 86,949,230	100.00
	Supervisor	Representative of Effervesce Investment Pte. Ltd. : Ying-Ying Chen	RMB 86,949,230	100.00
	President	Representative of Effervesce Investment Pte. Ltd. : Yu-Hong Zhu	-	-

Company Name	Title	Name of Representative	Holding	
			Share/ Investment Amount	Percentage (%)
Shanghai Jia Huan Concrete Co., Ltd.	Chairman	Representative of Effervesce Investment Pte. Ltd. : I-Ping Chang	RMB 2,824,648	68.00
	Director	Representative of Effervesce Investment Pte. Ltd. : Jason K. L. Chang	RMB 2,824,648	68.00
	Director	Representative of Sparksview Pte. Ltd. : Chih-Chu Chi	RMB 1,327,889	32.00
	Supervisor	Representative of Sparksview Pte. Ltd. : Ying-Ying Chen	RMB 1,327,889	32.00
	President	Representative of Effervesce Investment Pte. Ltd. : I-Ping Chang	-	-
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	Chairman	Representative of Chia Hsin Business Consulting (Shanghai) Co., Ltd. : Yu-Hong Zhu	RMB 75,000,000	100.00
	Director	Representative of Chia Hsin Business Consulting (Shanghai) Co., Ltd. : Li-Hsin Wang	RMB 75,000,000	100.00
	Director	Representative of Chia Hsin Business Consulting (Shanghai) Co., Ltd. : Xiao-Shan Zha	RMB 75,000,000	100.00
	Supervisor	Representative of Chia Hsin Business Consulting (Shanghai) Co., Ltd. : Hua-Chou Huang	RMB 75,000,000	100.00
	President	Representative of Chia Hsin Business Consulting (Shanghai) Co., Ltd. : Huei-Jen Lin	-	-
Chia Peng Gemcare Maternity (Yangzhou) Co., Ltd.	Chairman	Representative of Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. : Yu-Hong Zhu	RMB 56,000,000	100.00
	Director	Representative of Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. : L-Hsin Wang	RMB 56,000,000	100.00
	Director	Representative of Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. : Xiao-Shan Zha	RMB 56,000,000	100.00
	Supervisor	Representative of Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. : Hua-Chou Huang	RMB 56,000,000	100.00
	President	Representative of Shanghai Chia Peng Healthcare Management Consulting Co., Ltd. : Huei-Jen Lin	-	-
Jiangsu Jiaguo Construction Material & Storage Co., Ltd.	Chairman	Representative of Tong Yang Chia Hsin Marine Corp. : I-Ping Chang	RMB 41,355,860	100.00
	Director	Representative of Tong Yang Chia Hsin Marine Corp. : Shere-Min Chang	RMB 41,355,860	100.00
	Director	Representative of Tong Yang Chia Hsin Marine Corp. : Shih-Chu Chi	RMB 41,355,860	100.00
	Supervisor	Representative of Tong Yang Chia Hsin Marine Corp. : Ying-Ying Chen	RMB 41,355,860	100.00
	President	Representative of Tong Yang Chia Hsin Marine Corp. : I-Ping Chang	-	-

6. Operational performance of affiliates

12/ 31/ 2023

Unit: NTD thousands ; earnings (loss) per share in NTD

Company Name	Capital	Total Assets	Total Liabilities	Stockholders' Equity	Revenue	Profit (Loss) from Operations	Net Income (Loss)	Earnings (Loss) Per Share
Chia Hsin Cement Corp.	7,902,474	29,483,931	7,802,480	21,681,451	1,463,151	(142,754)	81,082	0.12
Chia Hsin Property Management & Development Corp.	1,000,000	5,886,562	1,898,235	3,988,327	289,239	156,507	139,391	1.39
Chia Pei International Corp.	195,600	1,453,346	1,240,968	212,378	533,079	27,343	12,869	0.66
YJ International Corp.	2,280,000	371,852	752	371,100	-	(6,790)	(156,696)	(0.69)
Jaho Life Plus+ Management Corp.	400,000	187,672	102,721	84,951	97,856	(23,819)	(40,379)	(1.01)
Bluesky Corp.	83,000	85,503	1,359	84,144	2,071	550	527	0.06
Tong Yang Chia Hsin International Corp.	2,948,606	8,089,978	281,929	7,808,049	113,098	16,488	122,438	0.42
Chia Sheng Construction Corp.	250,000	261,094	1,409	259,685	13,739	10,358	8,529	0.34
Chuang Neng Technology Co., Ltd.	22,500	22,417	130	22,287	-	(242)	(203)	(0.09)
Chia Hsin Green Electricity Corp.	5,000	4,993	-	4,993	-	(21)	(7)	(0.01)
CHC Ryukyu Development GK	212,764	657,072	550,110	106,962	67	(4,421)	(11,303)	N/A
CHC Ryukyu COLLECTIVE KK	1,524,836	3,543,127	3,352,316	190,811	598,659	(106,712)	(138,922)	N/A
Chia Hsin Pacific Ltd.	876,440	3,213,785	1,535	3,212,250	-	(7,771)	(44,591)	(1.72)
Effervesce Investment Pte Ltd	1,239,622	1,287,705	361	1,287,344	-	(637)	(60,247)	(1.13)
Sparksview Pte Ltd	87,567	175,831	245	175,586	-	(492)	(813)	(0.22)
Tong Yang Chia Hsin Marine Corp.	82,904	477,266	-	477,266	-	(21)	8,761	N/A
Chia Hsin Business Consulting (Shanghai) Co., Ltd.	626,548	383,147	1,431	381,716	1,428	(7,500)	(77,203)	N/A
Shanghai Chia Hsin Ganghui Co., Ltd.	376,943	520,563	117,125	403,438	3,725	(17,831)	11,699	N/A
Shanghai Jia Huan Concrete Co., Ltd.	18,002	286,851	6,990	279,861	-	(6,105)	5,664	N/A
Shanghai Chia Peng Healthcare Management Consulting Co., Ltd.	325,140	114,336	499	113,837	701	(3,426)	(56,396)	N/A

Company Name	Capital	Total Assets	Total Liabilities	Stockholders' Equity	Revenue	Profit (Loss) from Operations	Net Income (Loss)	Earnings (Loss) Per Share
Chia Peng Gemcare Maternity (Yangzhou) Co., Ltd.	242,772	214,617	105,771	108,846	19,095	(28,911)	(53,023)	N/A
Jiangsu Jiaguo Construction Material & Storage Co., Ltd.	179,286	170,567	1,671	168,896	3,417	(6,180)	(6,209)	N/A

Note 1: Foreign exchange rates are as follows:
Balance sheet: (1) USD/NTD=30.705; (2)SGD/NTD = 23.268403; (3)RMD/NTD =4.335206; (4)JPY/NTD=0.2172
Profit and loss statement: (1)USD/NTD=31.155; (2)SGD/NTD=23.205023; (3)RMD/NTD=4.423991; (4)JPY/NTD=0.2221

8.2 Private Placement Securities in the Past Year and up to the Publication Date of this Annual Report:

None.

8.3 Common Shares Acquired, Disposed of, and Held by Subsidiaries in the Past Year and up to the Publication Date of this Annual Report

The Company's Shares Acquired, Disposed of, and Held by Subsidiaries in the Past Year and up to the Publication Date of this Annual Report (as of 02/29/2024)

Unit: NTD thousands ; shares; %

Name of Subsidiary	Paid-in Capital	Fund Source	Share-holding Ratio of the Company	Date of Acquisition or Disposition	Shares and Amount Acquired	Shares and Amount Disposed of	Invest-ment Gain (Loss)	Shares and Amount Held up to the Publication Date of this Annual Report	Pledged	Endorse-ment Amount Made for the Subsid-iary	Amount Loaned to the Subsid-iary
Tong Yang Chia Hsin International Corp.	2,948,606	The company's own Fund	87.18 %	Current year up to the publication date of this Annual Report	0	0	0	129,917,726 shares 2,299,544	None (Note1)	0	0

Note1 : Given that no pledges have been established, there is no consequential impact on the financial performance or financial position of the Company.

8.4 Other Necessary Supplemental Information:

None.

9 Any Events that Had Material Impact on Shareholders' Interests or Share Prices as Stated in Item 3 Paragraph 2 of Article 36 of Securities and Exchange Act of Taiwan in the Past Year and up to the Publication Date of this Annual Report:

None.


WORLD TRAFFIC
Total Orders
13,678
Total Sales
11,892
Total Profit
$6,789
Analysis

嘉新企業團
CHIA HSIN CEMENT GROUP

CHIA HSIN CEMENT CORPORATION

Chairman
Jason K. L. Chang

嘉新企業團
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