

CHIA HSIN CEMENT CORPORATION

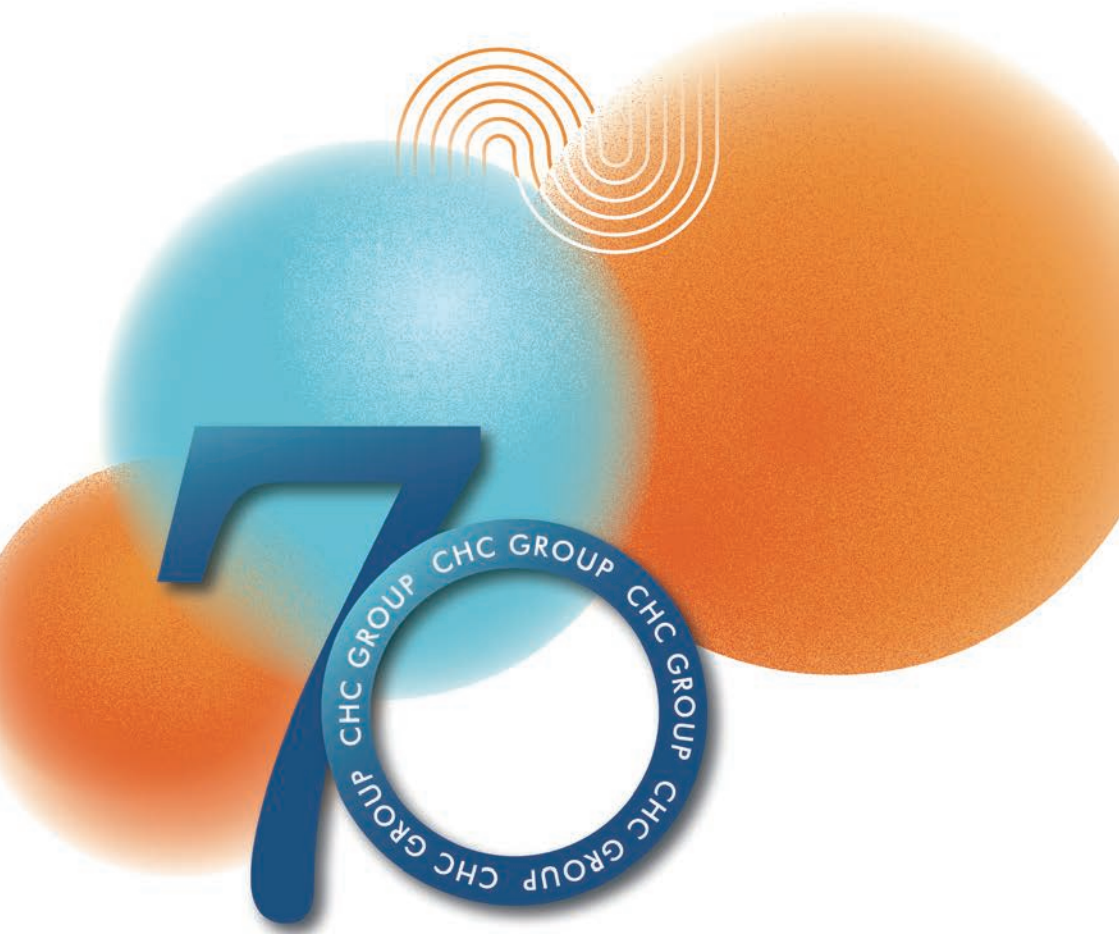
2024 Annual General Meeting of Shareholders

Meeting Handbook



Meeting Date : 9:00 a.m Friday, May 24, 2024

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



Market Observation Post System : mops.twse.com.tw
Chia Hsin Cement Corporation : www.chcgroup.com.tw

Stock Code : 1103

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Chia Hsin Cement Corporation

2024 Annual General Meeting of Shareholders

I. Meeting Agenda

1. Date: 9:00 a.m., Friday, May 24, 2024
2. Venue: 6F, No.66, Wugong Rd., Xinzhuang Dist. New Taipei City, Taiwan (Gala De Chine Xinzhuang, Jindeng Room)

Meeting type: hybrid shareholders' meeting

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

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

3. Announcement of Quorum and Meeting Commencement
4. Chairman's Address
5. Matters to Report
 - (1) 2023 Employees' and Directors' Compensation
 - (2) 2023 Business and Financial Statements
 - (3) Audit Committee's Review of 2023 Business and Financial Statements
 - (4) 2023 Remuneration for Directors
 - (5) Other matters
6. Matters for Ratification
 - (1) 2023 Business and Financial Statements
 - (2) 2023 Earnings Distribution Proposal
7. Special Motion
8. Meeting Adjourned

Matters to Report

1. 2023 Employees' and Directors' Compensation

Pursuant to Paragraph 1 of Article 26 of the Company's Articles of Incorporation, if the Company shows a net profit for the year, the Company shall allocate 0.01% to 3% of the profit as employees' compensation and not higher than 3% of the profit as directors' compensation. However, the Company, when accumulated losses remain on the account, shall reserve a portion of its earnings to offset the losses first, then reserve the aforementioned compensation.

The Company showed a profit of NTD 24,350,466 in 2023 (amounting to net income before taxes deducts profit before allocating employees' and directors' compensation). In accordance with the aforementioned rule, the Company proposes to allocate around 2.87%, which equals to NTD 700,000 in cash as employees' compensation and around 2.87%, which equals NTD 700,000 as directors' compensation.



2. 2023 Business and Financial Statements

[Business Report]

The 2022 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. 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. Thus, the recovery of the global economy still comes with numerous challenges and unpredictability.

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 2022, 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.

After the pandemic impact, all the business operations of the Company have been improved in 2023, the quantity and price are both increased in our Cement business, which the revenue increased 28.5%. In Taipei Port, the quantity of other bulk cargo increased 1.07million metric tons other than coal, the total revenue increase 16.8%. The relevant revenue of real estate leasing business increased 6.4% after the re-arrangement of our Gangshan plant that it increased the rental area as well the rental price was raised. The recovery of hospitality and health care was very significant,

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 2022, 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. Revenue of the hospitality sector surged by 59.4%, constituting 25% of the company's total revenue ratio, thereby demonstrating the gradual fruition of Enterprise Transformation. Nonetheless, the industry is still facing challenges when it comes to bridging the gap between labor supply and demand.

Our main strategic investment is Taiwan Cement Corporation (referred to as "Taiwan Cement" for short). The major market of its cement business is Mainland China. However, due to the market crash of real estate, increase of unemployed rate, the lost of confidence for investment and consumption to cause the demanding of cement decreased hugely that impacted its overall operation. Somehow, the revenue of its business of battery, green power and energy storage grows rapidly but the profit generated slightly. Our company only received a cash dividend of approximately 178 million NTD from "Taiwan Cement" in 2023.

Also, the Company has been actively promoting various operations in accordance with our sustainability blueprint and strategy throughout 2023 and has showcased initial results. All Taiwan locations of the corporate group passed the third-party verification of ISO 14064-1 greenhouse gas inventory, and we have completed the risk identification and evaluation, as well as created the risk model of the corporate. For the emphasis on sustainable talents, and commitment to employee welfare, we have received sustainability-related awards presented by Common Wealth Magazine. Our published 2022 Sustainability Report also earned the Platinum Award in the Taiwan Corporate Sustainability Award. Eyes on the future, 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

1. Operating Performance:

The Company's consolidated operating revenue in 2023 was NT\$ 2,911,583,000 showing an increase of NTD 657,924,000 or 29.2%, compared to NTD 2,253,659,000 in 2022.

2. 2023 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.

3. Financial Report:

The Company's 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. The consolidated net asset is NT\$36,464,334, the total liabilities is NT\$14,045,776,000, the current ratio is 319%, the total owner's equity to the Company is NT\$21,681,451,000, Capital Adequacy Ratio is 59%.

Chairman: Chang Kang-Lung

President: Li-Hsin Wang

Accounting Supervisor: Mars Feng

3. Audit Committee's Review of 2023 Business and Financial Statements

Chia Hsin Cement Corporation

Audit Committee's Review Report

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

Chia Hsin Cement Corporation

Audit Committee's Review Report

The Board of Directors of Chia Hsin Cement Corporation (CHC) has submitted the Company's proposal for distribution of the 2023 earnings to the Audit Committee. The proposal has been reviewed and determined to be correct and accurate by the Audit Committee of CHC. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Independent Directors:

Pao-Chu Lin

A handwritten signature in blue ink, appearing to read 'Pao Chu Lin', written in a cursive style.

Robert K. Su

A handwritten signature in blue ink, appearing to read 'Robert K. Su', written in a cursive style.

Kevin Kuo-I Chen

A handwritten signature in blue ink, appearing to read 'Kevin Kuo-I Chen', written in a cursive style.

April 12, 2024

4. 2023 Remuneration for Directors

- (1) Pursuant to Paragraph 1 of Article 26 of the Company's Articles of Incorporation, if the Company shows a net profit for the year, the Company shall allocate 0.01% to 3% of the profit as employees' compensation and not higher than 3% of the profit as directors' compensation. However, the Company, when accumulated losses remain on the account, shall reserve a portion of its earnings to offset the losses first, then reserve the aforementioned compensation.
- (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) For the amount and content of the individual remuneration of the Company's directors in 2023, please refer to the relevant information in 「3.3.1 Remuneration of General Directors and Independent Directors」 on pages 20-21 of the annual report.



5. Other Matters

- (1) Implementation of 2023 Endorsements/Guarantees Report
(Annex 1 – Page 22)
- (2) Report on Amendment to Rules of Procedure for Board Meetings
(Annex 2 – Page 23)

Explanatory Notes: For details of the aforementioned, please refer to pages 22~31.

Matters for Ratification

[1. 2023 Business and Financial Statements]

(Proposed by the Board of Directors)

Description:

1. The Company's 2023 Business Report and Consolidated Financial Statements have been audited by independent auditors, Chiang Hsun Chen and Sheng Tai Liang of Deloitte & Touche.
2. The aforementioned final accounts have been reviewed and approved by the Audit Committee and the Board.
3. Please accept the aforementioned Business Report and Financial Statements.

Annex:

1. 2023 Business Report: Please refer to pages 3~5.
2. Independent Auditors' Report: Please refer to pages 11~18.
3. Financial Statements: Please refer to pages 32~44. (Annex 3)

Explanatory Notes: The Company's 2023 Business Report and Financial Statements are available on website.

(<https://mops.twse.com.tw>)

Resolution:

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.

Chiang Hsun Chen Sheng - Tai Liang

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 27, 2024

Notice to Readers

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

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Chia Hsin Cement Corporation

Opinion

We have audited the accompanying financial statements of Chia Hsin Cement Corporation (the "Company"), which comprise the balance sheets as of December 31, 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

Notice to Readers

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

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

[2. 2023 Earnings Distribution Proposal]

(Proposed by the Board of Directors)

Description:

1. Pursuant to Article 26 of the Company's Articles of Incorporation, the Table of 2023 Earnings Distribution is herewith made accordingly. (Please refer to Page 20 of the Handbook)
2. Pursuant to Paragraph 3, Article 26 of the Articles of Incorporation, if the Company shows a profit after tax for the current year, after offsetting the loss in previous years, and setting aside of a legal reserve and special reserve in accordance with the law, the remaining amount along with undistributed earnings shall be considered as the distributable earnings of the current year.
3. The Company's Earnings in 2023 net profit after tax is NTD 81,081,672, please refer to the Table of 2023 Earnings Distribution for the details. It is proposed to set aside NTD 394,406,229 as dividend to shareholders (estimated NTD 0.5 cash dividend per share). The above dividend shall be first distributed from 2023 net profits after tax.
4. After the proposal of earnings distribution is adopted, if there is any buyback, transfer or cancellation of shares resulting in changes to the outstanding shares, it is proposed that the shareholders' meeting authorize the Chairman to fully execute the adjustment of the rate of distribution.
5. To fully authorize Chairman of the Board to set the ex-dividend date and deal with distribution matters for cash dividend. The cash dividend distributed to each shareholder will be rounded down to the nearest whole number; all numbers after the decimal will be truncated. The total truncated amount will be recognized in "other income".
6. The proposal has been adopted by the Board of Directors of the Company and submitted to the Board and audited by the Audit Committee.
7. Please accept the aforementioned proposal.

Resolution:

Chia Hsin Cement Corporation

Table of 2023 Earnings Distribution

Unit: NTD

Item	Amount	
Opening Unappropriated Retained Earnings (Unappropriated Retained Earnings listed in the 2023 Annual General meeting of shareholders)		5,350,559,803
Add (Less):		
Add: Net profit for 2023	81,081,672	
Add: The reversal of special reserve appropriated by the first application IFRS rule	947,298	
Less: re-measurement of defined benefit plan recognized in retained earnings	(2,505,990)	
Add: retained earnings adjusted for investment accounted for using equity method	211,810	
Less: 10% Legal Reserve	(7,878,749)	
Earnings in 2023 Available for Distribution		71,856,041
Retained Earnings Available for Distribution as of December 31, 2023		5,422,415,844
Less: Distribution Item		
Cash Dividends to Common Share Holders (NTD0.5 per share)		(394,406,229)
Unappropriated Retained Earnings		5,028,009,615

Chairman: Chang Kang-Lung

President: Li-Hsing Wang

Accounting Supervisor: Mars Feng





Special Motions

Meeting Adjourned

Annex 1: Implementation of 2023 Endorsements/Guarantees Report

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

As of December, 31, 2023, the total endorsements/guarantees issued by the Company and its subsidiaries amounted to NTD 8,840,533 which is not exceeding 2 times of the Company's net value. Entities to which the Company issued the endorsements/guarantees and the amount issued are all in accordance with internal regulation of "Procedure and Rule for Endorsements and Guarantees". Details are listed as follows:

Endorsements / Guarantees Offered by	Endorsements / Guarantees Received	Balance of Endorsements / Guarantees (NTD / Thousand)
Chia Hsin Cement Corporation	LDC ROME HOTELS S.R.L.	340,000
	CHC Ryukyu Development GK	716,760
	CHC Ryukyu COLLECTIVE KK	1,340,273
The Company Total		2,397,033
Chia Hsin Property Management & Development Corporation	Chia Hsin Cement Corporation	6,440,000
Jaho Life Plus+ Management Corp., Ltd.	Gemcare Maternity Center	2,500
	Gemcare Dunhua Maternity Center	1,000
Subsidiaries Total		6,443,500
The Company and Its Subsidiaries Total		8,840,533

Annex 2: Comparison Table for the Rules of Procedure for Board Meetings Before and After Amendment

Chia Hsin Cement Corporation Comparison Table for the Rules of Procedure for Board Meetings Before and After Amendment

After Amendment	Before Amendment	Description
<p>Article 1 (Omitted..)</p> <p>These Rules are adopted pursuant to Article 2, paragraph 8, of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies. The Company's main agenda items, operational procedures, required content of meeting minutes, public announcements, and other compliance requirements for board meetings shall be handled in accordance with these Rules.</p>	<p>Article 1 (Omitted..)</p> <p>These Rules are adopted pursuant to Article 2, paragraph 8, of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies. The Company's board meetings shall be handled in accordance with these Rules.</p>	To be same as the template announced by the regulator.
<p>Article 2</p> <p>A board of directors shall meet at least quarterly, which shall be set out in the rules of procedure. (…Omitted)</p>	<p>Article 2</p> <p>A board of directors shall meet, which shall be set out in the rules of procedure. (…Omitted)</p>	To be same as the template announced by the regulator.
<p>Article 7 (Omitted..)</p> <p>When the meeting time is due and one-half all board directors are not present, the meeting chair may announce that the meeting time will be postponed on the same day, provided that no more than two postponements are made. If the quorum is still not met after two postponements, the chair may re-convene the meeting following the procedures provided in Article 3, paragraph 2.</p>	<p>Article 7 (Omitted..)</p> <p>When the meeting time is due and one-half all board directors are not present, the meeting chair may announce that the meeting time will be postponed, provided that no more than two postponements are made. If the quorum is still not met after two postponements, the chair may re-convene the meeting following the procedures provided in Article 3, paragraph 2.</p>	In accordance with the Order No. 1120383996 of FSC dated January 11, 2024.
<p>Article 9</p> <p>Agenda items for regular board of directors meetings shall include at least the following:</p>	<p>Article 9</p> <p>Agenda items for regular board of directors meetings shall include at least the following:</p>	To be same as the template announced by the

After Amendment	Before Amendment	Description
<p>1. Reports:</p> <p>(1) Minutes of the last meeting and actions arising.</p> <p>(2) Reporting on important financial and business matters.</p> <p>(3) Reporting on internal audit activities.</p> <p>(4) Other important matters to be reported.</p> <p>2. Discussions:</p> <p>(1) Items discussed and continued from the last meeting.</p> <p>(2) Items for discussion at this meeting.</p> <p>3. Extraordinary motions.</p>	<p>1. Reports:</p> <p>(1) Minutes of the last meeting and actions arising.</p> <p>(2) Reporting on important financial and business matters.</p> <p>(3) Reporting on internal audit activities.</p> <p>(4) Other important matters to be reported.</p> <p>2. Discussions:</p> <p>(1) Items discussed and continued from the last meeting.</p> <p>(2) Expected Items for discussion at this meeting.</p> <p>3. Extraordinary motions.</p>	regulator.
<p>Article 10</p> <p>If at any time during the proceedings of a board of directors meeting the directors sitting at the meeting are not more than half of the directors present at the meeting, then upon motion by the directors sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 7, paragraph 3 shall apply mutatis mutandis.</p> <p>During the proceedings of a board meeting, if the chair is unable to chair the meeting or fails to declare the meeting closed as provided in paragraph 2, the provisions of Article 6, paragraph 3 shall apply mutatis mutandis to the selection of the deputy to act in place thereof.</p>	<p>Article 10</p> <p>If at any time during the proceedings of a board of directors meeting the directors sitting at the meeting are not more than half of the directors present at the meeting, then upon motion by the directors sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 7, paragraph 3 shall apply mutatis mutandis.</p>	In accordance with the Order No. 1120383996 of FSC dated January 11, 2024.
<p>Article 11 (Omitted..)</p> <p>The term "related party" in subparagraph 8 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party"</p>	<p>Article 11 (Omitted..)</p> <p>The term "related party" in subparagraph 8 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party"</p>	In accordance with the Company's operation status.



After Amendment	Before Amendment	Description
<p>means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD20 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. (...Omitted)</p>	<p>means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. (...Omitted)</p>	
<p>Article 14 (Omitted..) Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item.</p>	<p>Article 14 (Omitted..) Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an interested party to that agenda item.</p>	<p>To be same as the template announced by the regulator.</p>
<p>Article 18 (Omitted..) These Rules shall come into force on March 22, 2007. First amendment dated March 20, 2008. Second amendment dated January 28, 2013. Third amendment dated July 5, 2013. Fourth amendment dated July 11, 2016. Fifth amendment dated November 9, 2017. Sixth amendment dated May 6, 2020. Seventh amendment dated April 18, 2023. Eighth amendment dated April 12, 2024.</p>	<p>Article 18 (Omitted..) These Rules shall come into force on March 22, 2007. First amendment dated March 20, 2008. Second amendment dated January 28, 2013. Third amendment dated July 5, 2013. Fourth amendment dated July 11, 2016. Fifth amendment dated November 9, 2017. Sixth amendment dated May 6, 2020. Seventh amendment dated April 18, 2023.</p>	<p>Add the new amendment date.</p>

Chia Hsin Cement Corporation

Rules of Procedure for Board Meetings (After Amendment)

Article 1: These Rules are adopted pursuant to Article 2, paragraph 8, of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies. The Company's **main agenda items, operational procedures, required content of meeting minutes, public announcements, and other compliance requirements** for board meetings shall be handled in accordance with these Rules.

Article 2: A board of directors shall meet **at least quarterly**, which shall be set out in the rules of procedure.

The reasons for calling a board of directors meeting shall be notified to each director and supervisor at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice.

The notice set forth in the preceding paragraph may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof.

All matters set out in the subparagraphs of Article 11, paragraph 1, shall be specified in the notice of the reasons for calling a board of directors meeting; none of them may be raised by an extraordinary motion.

Article 3: The agenda working group designated by board of directors is Corporate Secretariat.

The agenda working group shall prepare agenda items for board of directors meetings and provide comprehensive pre-meeting materials, to be sent together with the notice of the meeting.

A director of the opinion that the pre-meeting materials provided are insufficiently comprehensive may request the agenda working group to supplement the materials. If a director is of the opinion that materials concerning any proposal are insufficient in content, the deliberation of such proposal may be postponed by a resolution of the board of directors.

Article 4: When a meeting of the board of directors is held, an attendance book shall be made ready for signature by directors attending the meeting and thereafter made available for future reference.

All board directors shall attend board meetings in person; if attendance in person is not possible, they may, pursuant to the company's articles of incorporation, appoint another director to attend as their proxy. Attendance via tele- or video-conference is deemed as attendance in person.

A director appointing another director to attend a board meeting in his or her place shall in each case give to that director a written proxy stating the scope of authorization with respect to the reasons for meeting.



A proxy under paragraph 2 may accept a proxy from one person only.

Article 5: The Company's Board Meeting shall be held at the location where the Company is and during the business hours of the Company, or at a place and time convenient to attendance by all directors and suitable for holding a board of directors meeting.

Article 6: Where a meeting of the board of directors is called by the chairperson of the board, the meeting shall be chaired by the chairperson. However, where the first meeting of each newly elected board of directors is called by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected, the meeting shall be chaired by that director; if there are two or more directors so entitled to call the meeting, they shall choose one person by and from among themselves to chair the meeting.

Where a meeting of the board of directors is called by a majority of directors on their own initiative in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the directors shall choose one person by and from among themselves to chair the meeting.

When the chairperson of the board is on leave or for any reason is unable to exercise the powers of the chairperson, the vice chairperson shall do so in place of the chairperson, or, if there is no vice chairperson or the vice chairperson also is on leave or for any reason is unable to act, by a managing director designated by the chairperson, or, if there is no managing director, by a director designated thereby, or, if the chairperson does not make such a designation, by a managing director or director elected by and from among themselves.

Article 7: The Corporate Secretariat should prepare relevant materials for those attending directors' reference anytime when the Board meeting is convened.

When holding a meeting of the board of directors, the Company may, as necessary for the agenda items of the meeting, notify personnel of relevant departments or subsidiaries to attend the meeting as nonvoting participants. When necessary, the company may also invite certificated public accounts, attorneys, or other professionals to attend as nonvoting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.

The meeting chair should announce to start the meeting when the meeting time is due and one-half all board directors are present.

When the meeting time is due and one-half all board directors are not present, the meeting chair may announce that the meeting time will be postponed **on the same day**, provided that no more than two postponements are made. If the quorum is still not met after two postponements, the chair may re-convene the

meeting following the procedures provided in Article 3, paragraph 2.

The term "all board directors " as used in the preceding paragraph and in Article 15, paragraph 2, subparagraph 2 shall be calculated as the number of directors then in office.

Article 8: The company shall record on audio or video tape the entire proceedings of a board of directors meeting, and preserve the recordings for at least five years, in electronic form or otherwise.

If before the end of the preservation period referred to in the preceding paragraph any litigation arises in connection with a resolution of a board of directors meeting, the relevant audio or video recordings shall continue to be preserved until the litigation is concluded.

Where a board of directors meeting is held via tele- or video conferencing, the audio and visual documentation of the meeting form a part of the meeting minutes and shall be well preserved during the existence of the company.

Article 9: Agenda items for regular board of directors meetings shall include at least the following:

1. Reports:

- (1) Minutes of the last meeting and actions arising.
- (2) Reporting on important financial and business matters.
- (3) Reporting on internal audit activities.
- (4) Other important matters to be reported.

2. Discussions:

- (1) Items discussed and continued from the last meeting.
- (2) Items for discussion at this meeting.

3. Extraordinary motions.

Article 10: A board of directors meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice.

However, the order may be changed with the approval of a majority of directors present at the meeting.

The meeting chair may not declare the meeting closed without the approval of a majority of directors present at the meeting.

If at any time during the proceedings of a board of directors meeting the directors sitting at the meeting are not more than half of the directors present at the meeting, then upon motion by the directors sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 7, paragraph 3 shall apply mutatis mutandis.

During the proceedings of a board meeting, if the chair is unable to chair the meeting or fails to declare the meeting closed as provided in paragraph 2, the provisions of Article 6, paragraph 3 shall apply mutatis

mutandis to the selection of the deputy to act in place thereof.

Article 11: The company shall submit the following items for discussion by the board of directors:

1. Corporate business plan.
2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be audited and attested by a certified public accountant (CPA).
3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Act, and an assessment of the effectiveness of the internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of any equity-type securities.
6. If the board of directors does not have managing directors, the election or discharge of the chairman of the board of directors.
7. The appointment or discharge of a financial, accounting, or internal audit officer.
8. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.
9. Any matter required by Article 14-3 of the Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders' meeting or board of directors meeting, or any such significant matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 8 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD20 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

If a company has an independent director or directors, at least one

independent director shall attend each meeting in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors under paragraph 1, each independent director shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. If an independent director expresses any objection or reservation about a matter, it shall be recorded in the board meeting minutes. An independent director intending to express an objection or reservation but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.

Article 12: When the chair at a board of directors meeting is of the opinion that a matter has been sufficiently discussed to a degree of putting to a vote, the chair may announce the discussion closed and bring the matter to vote.

When a proposal comes to a vote at a board of directors meeting, if the chair puts the matter before all directors present at the meeting and none voices an objection, the matter is deemed approved.

The method of voting on matters at board of directors meetings is chosen through one as follows:

1. Show of hands
2. Recorded vote
3. Balloting
4. Other voting methods chosen by the Company

All directors present at the meeting" in paragraph 2 does not include directors prohibited from exercising voting rights pursuant to Article 14, paragraph 1.

Article 13: Except as otherwise stated in the Securities and Exchange Act or in the Company Act, a resolution on a matter at a board of directors meeting requires the approval of a majority of the directors present at the meeting that shall be attended by a majority of all directors.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be Directors of the Company.

Vote counting shall be conducted in public at the place of the board meeting and recorded.

Article 14: If any director or a juristic person represented by a director is an



interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.

Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relation with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item.

The provisions of Article 180, paragraph 2 of the Company Act, as applied mutatis mutandis under Article 206, paragraph 4 of that Act, apply to resolutions of board of directors meetings when a director is prohibited by the preceding two paragraphs from exercising voting rights.

Article 15: Minutes shall be prepared of the discussions at board of directors meetings. The meeting minutes shall record the following:

1. Session (or year), time, and place of meeting.
2. Name of the meeting chair.
3. Attendance of directors at the meeting, specifying the names and number of members present, excused, and absent.
4. Names and titles of those attending the meeting as nonvoting participants.
5. Name of minutes taker.
6. Matters reported on.
7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director under Article 7, paragraph 5.
8. Extraordinary motions: the name of the mover; the method of resolution and the result for each motion; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the

relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing.

9. Other matters required to be recorded.

Any of the following matters in relation to a resolution passed at a meeting of the board of directors shall be stated in the meeting minutes and within two days of the meeting be published on an information reporting website designated by the competent authority:

1. Any matter about which an independent director expresses an objection or reservation that has been included in records or stated in writing.
2. If the company has an audit committee, any matter that has not been passed by the audit committee, but has been adopted with the approval of two-thirds or more of all board directors without having been passed by the audit committee.

The minutes of a board of directors meeting shall bear the signature or seal of both the meeting chair and the minutes taker; a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting and well preserved as important company records during the existence of the company.

The production and distribution of the meeting minutes referred to in paragraph 1 may be done in electronic form.

Article 16: Deleted

Article 17: Deleted

Article 18: The promulgation of these Rules should be approved by the Company's board meeting and to report in the Annual Meeting of Shareholders. The future amendment is resolved by the Company's board meeting.

These Rules shall come into force on March 22, 2007.

First amendment dated March 20, 2008.

Second amendment dated January 28, 2013.

Third amendment dated July 5, 2013.

Fourth amendment dated July 11, 2016.

Fifth amendment dated November 9, 2017.

Sixth amendment dated May 6, 2020.

Seventh amendment dated April 18, 2023.

Eighth amendment dated April 12, 2024.

Annex 3: 2023 Financial Statements

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

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

ASSETS	2023		2022 (Restated)	
	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	-	114,500	-
Other current assets (Note 20)	222	-	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	-	1,507	-
Trade payables to unrelated parties (Note 22)	96,221	-	86,594	-
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)				
Total equity	737,107	2	713,432	2
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)	<u>(2,545,152)</u>	<u>(87)</u>	<u>(2,121,073)</u>	<u>(94)</u>
GROSS PROFIT	<u>366,431</u>	<u>13</u>	<u>132,586</u>	<u>6</u>
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	<u>(968)</u>	<u>-</u>	<u>(253)</u>	<u>-</u>
Total operating expenses	<u>(513,955)</u>	<u>(18)</u>	<u>(527,956)</u>	<u>(24)</u>
LOSS FROM OPERATIONS	<u>(147,524)</u>	<u>(5)</u>	<u>(395,370)</u>	<u>(18)</u>
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	<u>138,523</u>	<u>5</u>	<u>139,895</u>	<u>6</u>
Total non-operating income and expenses	<u>230,291</u>	<u>8</u>	<u>274,068</u>	<u>12</u>
PROFIT (LOSS) BEFORE INCOME TAX FROM CONTINUING OPERATIONS	82,767	3	(121,302)	(6)
INCOME TAX BENEFIT (EXPENSE) (Notes 4 and 28)	<u>13,271</u>	<u>-</u>	<u>(52,584)</u>	<u>(2)</u>
NET PROFIT (LOSS) FOR THE YEAR	<u>96,038</u>	<u>3</u>	<u>(173,886)</u>	<u>(8)</u>
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	<u>561</u>	-	<u>(2,696)</u>	-
	<u>504,520</u>	<u>18</u>	<u>(3,438,229)</u>	<u>(152)</u>
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	<u>12,632</u>	-	<u>(44,016)</u>	(2)
	<u>(22,870)</u>	<u>(1)</u>	<u>161,506</u>	<u>7</u>
Other comprehensive income (loss) for the year, net of income tax	<u>481,650</u>	<u>17</u>	<u>(3,276,723)</u>	<u>(145)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	<u>\$ 577,688</u>	<u>20</u>	<u>\$ (3,450,609)</u>	<u>(153)</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 81,082	3	\$ (180,762)	(8)
Non-controlling interests	<u>14,956</u>	-	<u>6,876</u>	-
	<u>\$ 96,038</u>	<u>3</u>	<u>\$ (173,886)</u>	<u>(8)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 547,705	19	\$ (3,335,828)	(148)
Non-controlling interests	<u>29,983</u>	<u>1</u>	<u>(114,781)</u>	<u>(5)</u>
	<u>\$ 577,688</u>	<u>20</u>	<u>\$ (3,450,609)</u>	<u>(153)</u>
EARNINGS (LOSS) PER SHARE (Note 29)				
From continuing operations				
Basic	<u>\$ 0.12</u>		<u>\$ (0.27)</u>	
Diluted	<u>\$ 0.12</u>		<u>\$ (0.27)</u>	

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

(Concluded)

CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

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

	Share Capital	Capital Surplus	Legal Reserve	Retained Earnings		Unappropriated Earnings	Foreign Operating Differences on Translating	Other Equity		Treasury Shares	Total	Non-controlling Interests	Total Equity
				Special Reserve	Legal Reserve			Unsubstantiated Gain (Loss) on Financial Assets at Fair Value	Comprehensive Income				
BALANCE, JANUARY 1, 2022	\$ 7,747,805	\$ 1,139,296	\$ 2,303,173	\$ 2,257,996	\$ 6,475,940	-	-	\$ 6,779,354	\$ (1,077,590)	\$ 21,025,548	\$ 884,865	\$ 21,910,413	
Appropriation of 2021 earnings (Note 25)	-	-	68,602	-	(68,602)	-	-	-	-	(68,602)	-	-	
Legal reserve	-	-	-	-	(502,615)	-	-	-	-	502,615	-	-	
Change in equity of associate and joint ventures accounted for using the equity method (Note 25)	-	26,158	-	-	-	-	-	-	-	26,158	-	26,158	
Unclaimed dividends established by prescription (Note 25)	-	795	-	-	-	-	-	-	-	795	23	818	
Net (loss) profit for the year ended December 31, 2022	-	-	-	-	(180,782)	-	-	-	-	6,978	6,978	(173,806)	
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	12,802	151,514	(3,319,382)	-	-	(3,155,066)	(3,155,066)	(3,155,066)	
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	(167,980)	151,514	(3,319,382)	-	-	(3,333,628)	(3,333,628)	(3,333,628)	
Change 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	1,238,646	2,371,235	2,257,996	5,737,213	(644,722)	(644,722)	3,499,972	(1,077,590)	21,285,996	713,432	21,999,427	
Appropriation of 2022 earnings (Note 25)	-	-	-	-	(232,094)	-	-	-	-	(232,094)	-	(232,094)	
Cash dividends distributed by the Company	-	-	-	(948)	(154,669)	-	-	-	-	155,617	-	154,669	
Decrease in special reserve	-	-	-	(948)	948	-	-	-	-	-	-	-	
Change in equity of associate accounted for using the equity method (Note 25)	-	42,839	-	-	-	-	-	-	-	42,839	-	42,839	
Unclaimed dividends established by prescription (Note 25)	-	3,583	-	-	-	-	-	-	-	3,583	116	3,699	
Net profit for the year ended December 31, 2023	-	-	-	-	81,032	-	-	-	-	81,032	14,955	96,018	
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	(2,020)	(71,620)	-	-	-	(73,640)	(73,640)	(73,640)	
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	(2,020)	(71,620)	-	-	-	(75,668)	(75,668)	(75,668)	
Change 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)	-	-	-	-	-	-	-	-	-	-	(6,643)	(6,643)	
BALANCE, DECEMBER 31, 2023	7,747,805	1,318,181	2,371,235	2,257,996	5,440,253	(670,362)	(670,362)	3,520,560	(1,077,590)	21,681,451	731,402	22,412,853	

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	<u>(2,089,854)</u>	<u>1,188,263</u>
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	<u>(191,755)</u>	<u>(226,451)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>(52,445)</u>	<u>208,074</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(2,409,057)	778,049
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
	<u>4,463,396</u>	<u>3,685,347</u>
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)

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

ASSETS	2023		2022	
	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)	20,965	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)	393,570	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		2022	
	Amount	%	Amount	%
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	<u>158,220</u>	<u>11</u>	<u>151,322</u>	<u>13</u>
Total operating revenue	<u>1,463,151</u>	<u>100</u>	<u>1,176,350</u>	<u>100</u>
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	<u>(133,489)</u>	<u>(9)</u>	<u>(133,202)</u>	<u>(11)</u>
Total operating costs	<u>(1,424,891)</u>	<u>(98)</u>	<u>(1,151,750)</u>	<u>(98)</u>
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)	<u>-</u>	<u>-</u>	<u>895</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>37,880</u>	<u>2</u>	<u>24,395</u>	<u>2</u>
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)	<u>(936)</u>	<u>-</u>	<u>(128)</u>	<u>-</u>
Total operating expenses	<u>(180,634)</u>	<u>(12)</u>	<u>(186,258)</u>	<u>(16)</u>
LOSS FROM OPERATIONS	<u>(142,754)</u>	<u>(10)</u>	<u>(161,863)</u>	<u>(14)</u>
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	<u>(73,335)</u>	<u>(5)</u>	<u>(70,310)</u>	<u>(6)</u>

(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	<u>134,656</u>	<u>9</u>	<u>(154,239)</u>	<u>(13)</u>
Total non-operating income and expenses	<u>165,705</u>	<u>11</u>	<u>(24,358)</u>	<u>(2)</u>
PROFIT (LOSS) BEFORE INCOME TAX	22,951	1	(186,221)	(16)
INCOME TAX BENEFIT (Notes 4 and 27)	<u>58,131</u>	<u>4</u>	<u>5,459</u>	<u>-</u>
NET PROFIT (LOSS) FOR THE YEAR	<u>81,082</u>	<u>5</u>	<u>(180,762)</u>	<u>(16)</u>
OTHER COMPREHENSIVE INCOME (Notes 4, 23, 24 and 27)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(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	<u>626</u>	<u>-</u>	<u>(2,241)</u>	<u>-</u>
	<u>488,293</u>	<u>33</u>	<u>(3,306,580)</u>	<u>(281)</u>
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	<u>5,417</u>	<u>1</u>	<u>(37,880)</u>	<u>(3)</u>
	<u>(21,670)</u>	<u>(1)</u>	<u>151,514</u>	<u>13</u>
Other comprehensive income (loss) for the year, net of income tax	<u>466,623</u>	<u>32</u>	<u>(3,155,066)</u>	<u>(268)</u>
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	<u>\$ 547,705</u>	<u>37</u>	<u>\$ (3,335,828)</u>	<u>(284)</u>

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

	Retained Earnings				Other Equity			Total Equity
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Instruments at Fair Value Through Other Comprehensive Income	
BALANCE, JANUARY 1, 2022	\$ 7,747,805	\$ 1,139,296	\$ 2,503,173	\$ 2,257,996	\$ 6,475,930	\$ (800,236)	\$ 6,779,354	\$ 25,025,568
Appropriation of 2021 earnings (Note 24)	-	-	88,062	-	(88,062)	-	-	-
Legal reserve	-	-	-	-	(304,675)	-	-	(502,675)
Cash dividends	-	-	-	-	-	-	-	-
Change in equity of associates accounted for using the equity method (Note 24)	-	26,335	-	-	-	-	-	26,335
Unclaimed dividends extinguished by proscriptive (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)	-	-	-	-	12,862	151,514	(3,319,382)	(3,155,666)
Total comprehensive (loss) income for the year ended December 31, 2022	-	-	-	-	(167,899)	151,514	(3,319,382)	(3,325,620)
Change in capital surplus due to cash dividends of the Company paid to subsidiary (Notes 14 and 24)	-	77,177	-	-	-	-	-	77,177
BALANCE, DECEMBER 31, 2022	7,747,805	1,218,426	2,571,235	2,257,996	5,737,233	(648,722)	3,459,972	21,285,995
Appropriation of 2022 earnings (Note 24)	-	-	-	-	(232,004)	-	-	(232,004)
Cash dividends	154,669	-	-	(948)	(154,669)	-	-	-
Share dividends	-	-	-	-	948	-	-	-
Reverse of special reserve	-	-	-	-	-	-	-	-
Change in equity of associates accounted for using the equity method (Note 24)	-	43,645	-	-	-	-	-	43,645
Unclaimed dividends extinguished by proscriptive (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)	469,588	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	\$ 5,430,285	\$ (670,392)	\$ 3,950,560	\$ 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	<u>155,174</u>	<u>235,473</u>
Net cash (used in) generated from investing activities	<u>(54,884)</u>	<u>1,251,909</u>
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	<u>(182,677)</u>	<u>(392,867)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>(48,476)</u>	<u>67,393</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(409,359)	406,088
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,445,328</u>	<u>1,039,240</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,035,969</u>	<u>\$ 1,445,328</u>

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

(Concluded)

Appendix 1:

Chia Hsin Cement Corporation The Rules of Procedures for the Shareholders' Meeting(Before Amendment)

Amended by the resolution of the
Annual General Meeting of
Shareholders on June 14, 2022

1. The shareholders meeting of the Company shall be handled in accordance with these Rules of Procedures unless otherwise prescribed by other applicable laws and regulations and the Articles of Incorporation of the Company.

2. Attending shareholders and their proxies shall hand in a sign-in card in lieu of signing in.

The number of shares in attendance shall be calculated according to the shares indicated by the sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence of electronically.

3. The attendance and the voting of the shareholders' meeting shall be calculated based on the number of shares.

4. The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. A shareholders' meeting may not begin earlier than 9:00 a.m. or later than 3:00 p.m.

The restrictions on the place of the meeting shall not apply when the Company convenes virtual shareholders' meeting.

5. For shareholders' meeting convened by the Board of Directors, the Chairman shall act as the chairperson of the meeting. In case the Chairman is on leave or unable to exercise his or her duty and power for any cause, the Vice Chairman of the Company shall act as the chairperson of the meeting. In case the Vice-Chairman is also on leave or unable to exercise his or her duty and power for any cause, the Chairman shall designate one director to act as the chairperson of the meeting. If no such designation is made, the directors of the Board shall elect one among themselves to act as the chairperson of the meeting.

Whereas for a shareholders' meeting convened by any other person having convening right, such person shall act as the chairperson of that meeting.

6. The Company may appoint its attorneys, certified public accountants or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

The supporting staff handling administrative affairs of a shareholders' meeting shall wear an identification badge or arm bands.

7. The entire audio or video recording of the proceedings of the shareholders'



meeting shall be kept for at least one year.

Where a virtual shareholders' meeting is convened, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted & etc., and shall record continuously audio and video without interruption, the proceedings of the virtual meeting from beginning to end.

8. The chairperson of a shareholders' meeting shall call the meeting to order at the appointed meeting time, and report the relevant information on the number of having non-voting rights and the total number of attending shares.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairperson shall declare the meeting adjourned. In the event of a virtual shareholders' meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution that another shareholders' meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall, in compliance with Regulations Governing the Administration of Shareholder Services of Public Companies, re-register with the Company.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairperson may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

9. If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the Board of Directors.

The chairperson may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting.

After the meeting is adjourned, shareholders shall not elect another chairperson and resume the meeting at the same or another venue.

10. The chairperson may announce a break based on time considerations during the course of a shareholders' meeting.
11. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his or her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairperson.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairperson and the shareholder that has the floor; the chairperson shall stop any violation.
12. Except with the consent of the chairperson, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the speech of any shareholder violates the preceding paragraph or exceeds the scope of the agenda item, the chairperson may terminate the speech.

Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the time chairperson declaring the meeting open until the chairperson declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The aforementioned rules do not apply to the preceding 2 paragraphs nor do they apply to Articles 11 and 13.

As long as questions so raised are in accordance with the preceding paragraph and not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.
13. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

When a juristic person has appointed two or more representatives to attend the shareholders' meeting, only one representative may speak on the same proposal.
14. After the speech of a shareholder, the chairperson may respond in person or direct relevant personnel to respond.
15. The chairperson may announce the end of discussion of a proposal listed in the agenda and submit the proposal for voting if the chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the discussion closed, call for a vote, and schedule sufficient time for voting.
16. With respect to the voting of each proposal, monitoring personnel and counting personnel shall be designated by the chairperson. At the same time, the monitoring personnel shall be shareholders of the Company. The result of the voting shall be reported immediately and recorded into the minute.



17. When the Company convenes a shareholders' meeting, the shareholders shall exercise their voting power by way of electronic transmission and may exercise their voting power in writing. The method of exercising the voting power is prescribed in accordance with the Company Act and the relevant regulations of the competent authority.

Unless otherwise stipulated in the Company Act and the Articles of Incorporation of the Company, the proposal put to vote shall be approved by shareholders representing a majority of the total number of issued shares. If there is no objection after consultation by the chairman, it shall be deemed as passed, and its validity shall be the same as that of voting.

18. When there is an amendment or alternative to an original proposal, the chairperson shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected and no further voting shall be required.

19. During the meeting, if a force majeure event occurs, the chairperson may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

20. Resolutions adopted at shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairperson and shall be distributed to all shareholders within twenty days after the close of the meeting. The preparation and distribution of the minutes of shareholders' meeting may be by way of electronic transmission.

The minutes of the shareholders' meeting as required in the preceding Paragraph may be distributed by way of a public announcement made through the Market Observation Post System (MOPS).

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the full name of chairperson, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights). The election of directors at the meeting shall be held in accordance with the applicable election rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes which they won as well as the names of those not elected as directors and the numbers of votes which they had. The meeting minutes shall be preserved for the duration of the existence of the Company.

Where a virtual shareholders' meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chairperson's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual shareholders' meeting, other than compliance with the

requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online.

21. In the event of a virtual shareholders' meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chairperson announced the meeting adjourned.
22. When the Company convenes a virtual shareholders' meeting, both the chairperson and secretary shall be in the same location, and the chairperson shall declare the address of their location when the meeting is called to order.
23. In the event of a virtual shareholders' meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders' meeting, when declaring the meeting open, the chairperson shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chairperson has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders' meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders'

meeting shall continue, and no postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.

When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

24. When convening a virtual shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online.
25. The chairperson may direct the picketers (or security personnel) to help maintain order at the meeting place. When picketers or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Picketers."
26. The Rules and any amendment shall take effect after being approved at the shareholders' meeting.

Appendix 2:

[English Translation, for reference only]

Chia Hsin Cement Corporation Articles of Incorporation

Revised and approved at Annual General Meeting of Shareholders on June 14, 2022

Chapter One General Provisions

Article 1: The Company is incorporated as a company limited by shares under the provisions set forth in the Company Act in the full Chinese name of 嘉新水泥股份有限公司 and the full English name of Chia Hsin Cement Corporation (the “Company”).

Article 2: The lines of business of the Company shall include the following:

1. C901030 Cement Manufacturing
2. F111090 Wholesale of Building Materials
3. F211010 Retail Sale of Building Materials
4. B202010 Mining of Non-metallic
5. C901990 Other Non-Metallic Mineral Products Manufacturing
6. F115020 Wholesale of Ores
7. F215020 Retail Sale of Ores
8. B601010 Quarrying
9. C901040 Manufacture of Ready-mix Concrete
10. C901050 Cement and Concrete Products Manufacturing
11. H701010 Housing and Building Development and Rental
12. C601030 Paper Containers Manufacturing
13. C501030 Manufacture of Veneer Sheets
14. C501040 Manufacture of Wood-based Panels
15. C901060 Manufacture of Refractory Products
16. C901070 Cutting, Shaping and Finishing of Stone
17. CA02010 Manufacture of Metal Structure and Architectural Components
18. F401010 International Trade
19. F113010 Wholesale of Machinery
20. F213080 Retail Sale of Machinery and Tools
21. I101080 Industry and Mining Consulting
22. I103060 Management Consulting
23. H701020 Industrial Factory Development and Rental
24. G801010 Warehousing
25. G202010 Parking area Operators
26. H701040 Specific Area Development



- 27. H701050 Investment, Development and Construction in Public Construction
- 28. H701060 New Towns, New Community Development
- 29. H701070 Process Zone Expropriation and Urban Land Readjustment Agency
- 30. H701080 Urban Renewal Reconstruction
- 31. H701090 Urban Renewal Renovation or Maintenance
- 32. H703090 Real Estate Business
- 33. H703100 Real Estate Leasing
- 34. H703110 Senior Citizen Residence
- 35. J101010 Buildings Cleaning Service
- 36. J901020 Regular Hotel
- 37. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval

Article 2-1: When the Company becomes a shareholder of limited liability in other companies, the total amount of its investments shall not apply to the restrictions on reinvestment quota as set forth in Article 13 of the Company Act.

Article 2-2: The Company may, as approved by the resolution of the Board of Directors, provide guarantee.

Article 3: The Company is located in Taipei City. The Company may set up branch offices, representative office, business office and factories in Taiwan or abroad when necessary.

Article 4: (Deleted)

Chapter Two Shares

Article 5: The total amount of the Company's authorized capital shall be fifteen billion New Taiwan Dollars (NTD 15,000,000,000) divided into 1.5 billion shares with a par value of ten New Taiwan Dollars (NTD 10) per share, shares to be issued in installments, as approved by the resolution of the Board of Directors depending on business and operational needs.

Article 5-1: The qualification requirements of employees entitled to receive the shares bought back by the Company include the employees of parents or subsidiaries of the Company meeting certain specific requirements. The qualification requirements of employees entitled to receive share subscription warrant of the Company include the employees of parents or subsidiaries of the Company meeting certain specific requirements.

The qualification requirements of employees entitled to subscribe for the new shares issued by the Company include the employees of parents or subsidiaries of the Company meeting certain specific requirements.

The qualification requirements of employees entitled to subscribe for the restricted stock for employees issued by the Company include the employees of parents or subsidiaries of the Company meeting certain specific requirements.

Article 6: The Company may issue shares without printing share certificates,

but shall have the shares registered with a centralized securities depository enterprise.

Article 7: The shareholder services of the Company shall be conducted in accordance with the Company Act, the “Regulations Governing the Administration of Shareholder Services of Public Companies” promulgated by the competent authority and applicable laws and regulations.

Chapter Three Shareholders’ Meeting

Article 8: The general meeting of shareholders shall be held once a year within six months after the close of each fiscal year, and the special meeting of shareholders will be held when necessary in accordance with the law.

A shareholders’ meeting referred to in the preceding Paragraph shall, unless otherwise provided for in the Company Act, be convened by the Board of Directors.

In case the Company’s shareholders’ meeting is held, the Company may convene a visual communication meeting or by any other method announced by the competent authority.

Article 9: A notice to convene a general meeting of shareholders shall be given to each shareholder 30 days before the scheduled meeting date, 15 days before a special meeting of shareholders, which shall indicate the meeting date, location and the cause(s) or subject(s).

Article 10: A shareholder of the Company shall have one vote for each share held. In case a shareholders’ meeting is proceeded via visual communication network, the shareholders taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

A shareholder may appoint a proxy to attend a shareholders’ meeting in his/her/its behalf by executing a power of attorney printed by the Company stating therein the scope of power authorized to the proxy. Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the Company, otherwise, the portion of excessive voting power shall not be counted.

The regulations governing the shareholders’ attendance at a shareholders’ meeting by proxy shall be in accordance with the Company Act and the “Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies” promulgated by the competent authority as well as the applicable laws and regulations.

The shareholders of the Company may exercise their voting power in writing or by way of electronic transmission in a shareholders’ meeting. The method of exercising their voting power shall be in accordance with the Company Act and the applicable regulations of the competent authority.

Unless otherwise provided for under the Company Act and applicable laws and regulations, resolutions at a shareholders’ meeting shall be

adopted by a major vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Article 11: For a shareholders' meeting convened by the Board of Directors, the Chairman shall act as the chairperson of the meeting. In case the Chairman is on leave or unable to exercise his or her duty and power for any cause, the Chairman shall designate Vice Chairman to act as the chairperson for the meeting, in case the Vice Chairman is on leave or unable to exercise his or her duty and power of any cause, the Chairman shall designate one director to act as the chairperson for the meeting; if no such designation is made, the directors of the Board shall elect one among themselves; whereas for a shareholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided, however, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

Chapter Four Directors, Board of Directors, Functional Committees, Managerial Officers and Officers

Article 12: The Company shall have seven to nine directors, the number of directors submitted to the Board of Directors for discussion and approval, who shall be elected by shareholders' meeting through a candidate nomination system from the list of nominees.

The number of directors as set forth in the preceding Paragraph, the number of independent directors shall not be less than three and shall not be less than one-third of the seats in the Board of Directors.

The independent directors who shall be elected by shareholders' meeting through a candidate nomination system from the list of nominees. The professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to independent directors shall be conducted in accordance with applicable regulations promulgated by the Security Authority.

In order to achieve the Company's operation requirement and needs of business developments, the composition of the board of directors shall be more diversified. It should include but not limited to the following two standards:

1. Basic conditions and values: gender, age, nationality and culture, etc. There should be at least one female director serving on the Board.
2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

The total number of shares owned by all directors shall be in compliance with the rules promulgated by the Securities Bureau.

Article 13: A director shall be elected for a term of three years and may be re-elected for consecutive terms.

The Company may purchase liability insurance for the directors during their term of office to cover the indemnity which may arise from within

the scope of their business duty and responsibilities in accordance with laws.

Article 14: The Board of Directors is organized by directors. The duty and power of the Board of Directors are specified as below:

1. To decide the Company's business plan.
2. To formulate and amend the content of the Articles of Incorporation and important contracts.
3. To decide the managerial officers and to approve the number of personnel in each department.
4. To establish, remove or adjust branch offices, representative office, business office and factories.
5. To review the Company's budgetary plan and financial statement.
6. To decide other important matters.
7. The Board of Directors of the Company may set up various functional committees with their organizational charters be separately formulated in accordance with applicable laws and regulations and the Company's guidelines, be approved by the Board of Directors

Article 15: The Chairman and Vice Chairman of the Board of Directors shall be elected from among the attending directors of the Board of Directors in accordance with applicable laws.

Article 16: The Chairman shall represent the Company and preside over important affairs.

Article 17: Unless otherwise provided for under the Company Act, a meeting of the Board of Directors shall be convened by the Chairman of the Board of Directors.

Unless otherwise provided for under the Company Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.

A director, when unavailable to attend the meeting in person, may issue a proxy with respect to the subject of the meeting to authorize another director to attend the meeting on his or her behalf. Nevertheless, a director is limited to receive such authorization from only one other director each time.

The convention of a meeting of the Board of Directors may be sent in writing or via email or fax.

Article 18: The Company shall set up the Audit Committee composed all of independent directors in accordance with the Article 14-4 of the Securities and Exchange Act. The exercising of power and other matters for compliance by the Audit Committee shall be in accordance with the Company Act, the Securities and Exchange Act and other applicable laws and regulations.

In accordance with Article 14-6 of the Securities and Exchange Act, the Company has established a Remuneration Committee, of which more than half of the members are independent directors. Exercising of powers and other rules to be complied by the Remuneration Committee shall be governed by the Company Law, the Securities and Exchange Law and relevant laws and regulations.

In order to practice corporate social responsibility, promote



economic, environmental and social progress, and achieve the goal of sustainable development, the company has established the Sustainable Development Committee, of which more than half of the members are independent directors.

Article 19: The Company shall appoint one General Manager whose appointment, discharge and remuneration shall be conducted in accordance with Article 29 of the Company Act and to preside over all the business of the Company under the direction of the Board of Directors.

Article 20: The Company shall appoint a multiple number of Vice General Manager whose appointment, discharge and remuneration shall be conducted in accordance with the Article 29 of the Company Act and to assist the general manager to manage the Company.

Article 21: (Deleted)

Article 21-1: The Company shall establish an Auditing Office and appoint one Manager whose employment shall be approved by a majority of the directors at a meeting attended by a majority of the directors.

Article 22: (Deleted)

Article 23: (Deleted)

Article 24: The remuneration of directors shall be determined by authorizing the Board of Directors based on the extent of their participation in the Company's operation and their contribution, at the same time with reference to the general level in the industry in accordance with applicable laws and regulations. The remuneration of officers shall be proposed by the General Manager and submitted to the Board of Directors for discussion and approval.

Chapter Five Financial statements

Article 25: After the close of each fiscal year of the Company, the Board of Directors shall provide and submit the following reports to the annual general meeting of shareholders for acceptance:

1. Business Report;
2. Financial Statements; and
3. Surplus earning distribution or loss off-setting proposals.

Article 26: The Company, if profitable in the year, shall set aside from 0.01% to 3% of the profit as compensation for the employees and no higher than 3% as compensation for the directors. However, the Company, when accumulated losses remain on the account, shall reserve a portion of its earnings to offset the losses first, then reserve the aforementioned compensation. Employees' compensation may be in the form of cash or stock, which may be paid to employees of parents or subsidiaries of the Company meeting certain specific requirements; the directors' compensation to be paid in cash only.

The distribution with respect to the employees' compensation and the directors' compensation shall be adopted by a majority vote at a meeting of Board of Directors attended by two thirds of the total number of directors; and in addition thereto a report of such distribution shall be reported to the shareholders' meeting.

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. The then remaining amount together with adjusted amount of current undistributed earnings shall be used as the current distributable surplus earnings. After adding the beginning undistributed earnings, the Board of Directors shall draw up a surplus earning distribution proposal in accordance with the dividend policy under Paragraph 4 and Paragraph 5 of this Article to be resolved in the shareholders' meeting.

In consideration of the future capital budget plan and capital needs, the Company adopts a residual dividend policy which an appropriate amount may be reserved; if there are remainders after the reserve, then the Company will distribute the dividends to shareholders.

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.

Article 26-1: The Company may distribute the reserve as dividend shares to its original shareholders in proportion to the number of shares being held by each of them or by cash in accordance with the Company Act.

Chapter Six Supplementary Provisions

Article 27: The Company's internal organizational charter and operational procedures shall be additionally set up.

Article 28: With regard to the matters not provided for in these Articles of Incorporations, the Company Act and other applicable laws and regulations shall govern.

Article 29: These Articles of Incorporation were enacted on November 8, 1954, and amended on February 6, 1957 for the 1st time; amended on February 23, 1959 for the 2nd time; amended on May 4, 1961 for the 3rd time; amended on April 28, 1962 for the 4th time; amended on March 19, 1967 for the 5th time; amended on April 5, 1968 for the 6th time; amended on June 25, 1969 for the 7th time; amended on April 25, 1971 for the 8th time; amended on April 28, 1973 for the 9th time; amended on May 18, 1974 for the 10th time; amended on April 26, 1975 for the 11th time; amended on April 24, 1976 for the 12th time; amended on April 30, 1977 for the 13th time; amended on April 22, 1978 for the 14th time; amended on April 21, 1979 for the 15th time; amended on April 26, 1980 for the 16th time; amended on May 2, 1981 for the 17th time; amended on May 15, 1982 for the 18th time; amended on May 28, 1983 for the 19th time; amended on May 19, 1984 for the 20th time;



amended on May 11, 1985 for the 21st time;
amended on April 16, 1986 for the 22nd time;
amended on April 9, 1987 for the 23rd time;
amended on April 29, 1988 for the 24th time;
amended on May 5, 1989 for the 25th time;
amended on July 29, 1989 for the 26th time;
amended on April 17, 1991 for the 27th time;
amended on April 30, 1992 for the 28th time;
amended on April 22, 1993 for the 29th time;
amended on April 8, 1994 for the 30th time;
amended on April 20, 1995 for the 31st time;
amended on May 11, 1996 for the 32nd time;
amended on May 8, 1997 for the 33rd time;
amended on May 19, 1998 for the 34th time;
amended on June 7, 1999 for the 35th time;
amended on May 24, 2000 for the 36th time;
amended on May 31, 2001 for the 37th time;
amended on May 29, 2002 for the 38th time;
amended on June 5, 2003 for the 39th time;
amended on June 10, 2005 for the 40th time;
amended on June 9, 2006 for the 41st time;
amended on June 13, 2008 for the 42nd time;
amended on June 18, 2010 for the 43rd time;
amended on June 9, 2011 for the 44th time;
amended on June 13, 2012 for the 45th time;
amended on June 19, 2013 for the 46th time;
amended on June 18, 2015 for the 47th time;
amended on June 27, 2016 for the 48th time;
amended on June 21, 2019 for the 49th time;
amended on June 14, 2022
for the 50th time, amendments will be effective after approval.

Appendix 3:

Shareholdings of All Directors

Chia Hsin Cement Corporation Directors' Shareholding Status

Base date: March 26, 2024

Position title	Name and representative	Appointed Period	Number of shares held at the time of appointment		Number of shares currently held	
			Number of shares	As a percentage (%) to then issued shares	Number of shares	As a percentage (%) to then issued shares
Chairman	Chang Kang-Lung	06.14.2022~06.13.2025	4,808,396	0.62	4,904,563	0.62
Independent Director	Robert K. Su	06.14.2022~06.13.2025	0	0	0	0
Independent Director	Pao-Chu Lin	06.14.2022~06.13.2025	0	0	0	0
Independent Director	Kevin Kuo-I Chen	06.14.2022~06.13.2025	0	0	0	0
Director	Chi-Te Chen	06.14.2022~06.13.2025	692,955	0.09	706,814	0.09
Director	Pan Howard Wei-Hao (Representative of Tong Yang Chia Hsin International Corp.)	06.14.2022~06.13.2025	127,370,320	16.44	129,917,726	16.44
			(Representative:0)		(Representative:0)	
Director	I-Cheng Liu (Representative of Tong Yang Chia Hsin International Corp.)	06.14.2022~06.13.2025	127,370,320	16.44	129,917,726	16.44
			(Representative:0)		(Representative:0)	

Note: 1. Actual Paid-in capital on March 26, 2024: NTD 7,902,474,590, (790,247,459 shares).

- The minimum shares required to be held by the entire body of directors of the Corporation shall not be lower than 25,287,919 shares (3.2%).
As of March 26, 2024, the numbers of shares held by the entire body of directors were 135,529,103 shares (17.15%).
As of March 26, 2024, the numbers of shares held by the entire body of independent directors were 0 share.
(In accordance with Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies": The shareholdings of independent directors elected by a public company shall not be counted in the total referred to in the preceding paragraph; if a public company has elected two or more independent directors, the share ownership figures calculated at the rates set forth in the preceding paragraph for all directors and supervisors other than the independent directors and shall be decreased by 20 percent.)
- The shares required to be held by the entire body of directors is in accordance with the requirements set forth in "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public.



Appendix 4:

Other matters:

Handling of shareholders' proposals to be discussed at the 2024 Annual General Meeting is described as follows:

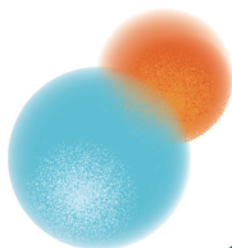
In accordance Article 172-1 of the Company Act, Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal and the number of words of a proposal to be submitted by a shareholder shall be limited to not more than three hundred (300) words.

The proposing period is from March 10th to March 20th, 2024 and the information is posted on Market Observation Post System in accordance with relevant laws.

As of March 20th, 2024, the Company has not received any shareholder's proposal for discussion.

MEMO





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