

# CHIA HSIN CEMENT CORPORATION

## 2024 Annual General Meeting of Shareholders

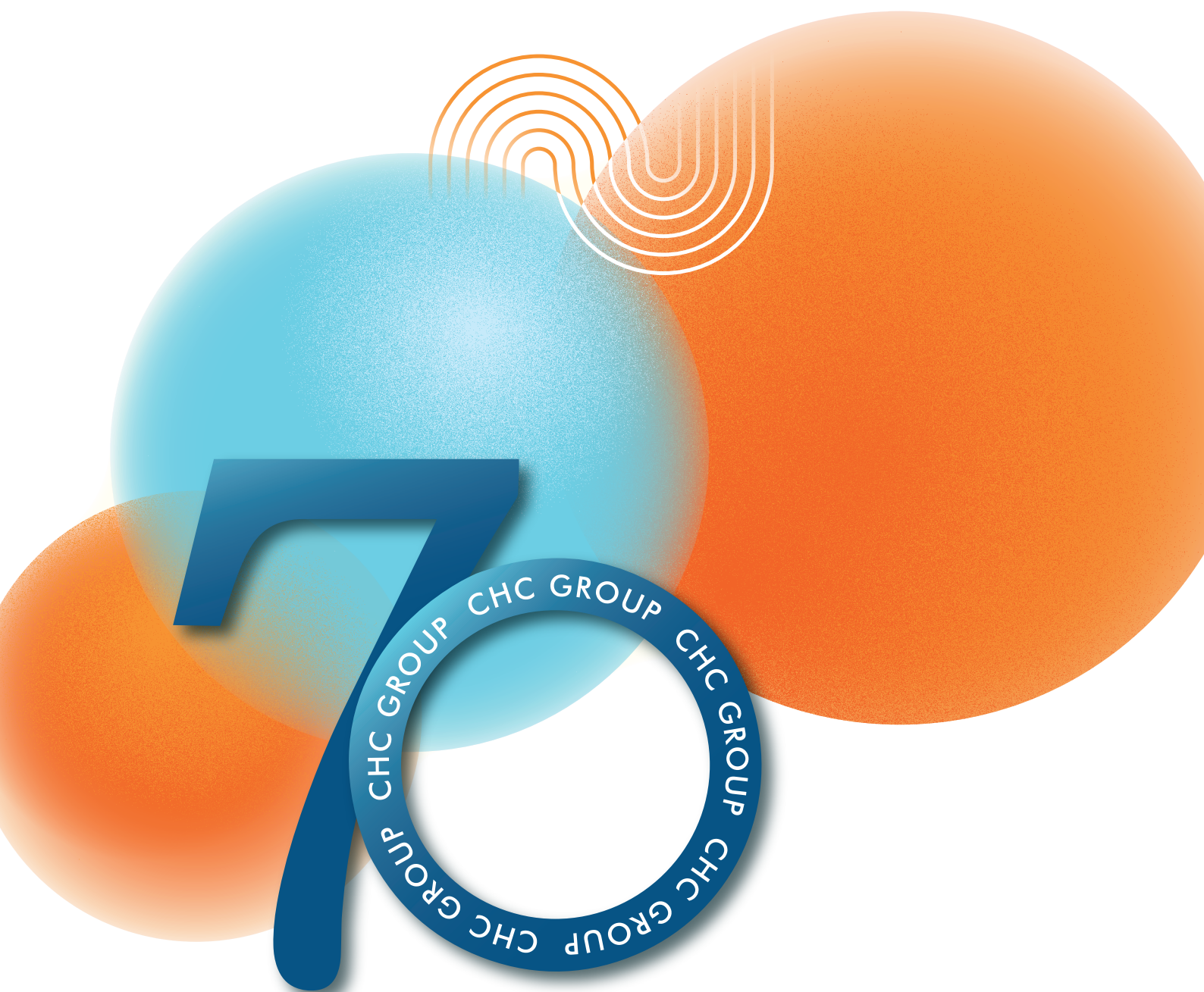
# Meeting Minutes



嘉新企業團  
CHIA HSIN CEMENT GROUP

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](https://mops.twse.com.tw)  
Chia Hsin Cement Corporation : [www.chcgroup.com.tw](https://www.chcgroup.com.tw)

Stock Code : 1103

# Chia Hsin Cement Corporation



## Minutes of 2024 Annual General Shareholders' Meeting

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

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

Meeting type: hybrid shareholders' meeting

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

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

### Attendance of Shareholders:

Total outstanding shares of the Company is 658,894,733 shares (excluding the number of shares held by shareholders with no voting rights as stipulated in Article 179 of the Company Law); total shares of attending shareholders or by proxy (including 3,060 shares attended by visual communication assisted method and 44,683,586 shares attended by electronic means) is 546,644,474 shares; percentage of attending shareholders or by proxy is 82.96% out of the Company's total outstanding shares.

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

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

Attendance: Chen Chiang Hsun, CPA, Deloitte Taiwan

Jennifer Wang, Chen & Lin Attorneys-at-Law

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

Recorder: Che-Yi Chin

### I. Announce the total shares of attending shareholders and the meeting:

Shareholders' Meeting secretariat reported that as of 9:00 a.m., there are 546,643,454 shares of attending shareholders (including 3,060 shares attended by visual communication assisted method and 44,683,586 shares attended by electronic means), which has exceeded half of the total number of outstanding shares of the Company (excluding the number of shares held by shareholders with no voting rights as stipulated in Article 179 of the Company Law). Announce the meeting

### II. Meeting Start

### III. Chairman's Address (Omitted)

## **IV. Matters to Report**

### **1. 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 com-prehensive 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 sand 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\$36,464,334,000, 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



Robert K. Su



Kevin Kuo-I Chen



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 28-31 of the annual report.

## **5. Other Matters**

(1) Implementation of 2023 Endorsements/Guarantees Report

(Annex 1 – Page 23)

(2) Report on Amendment to Rules of Procedure for Board Meetings

(Annex 2 – Page 24)

Explanatory Notes: For details of the aforementioned, please refer to pages 23~33.

## V. 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 34~46. (Annex 3)

Explanatory Notes: The Company's 2023 Business Report and Financial Statements are available on website. (<https://mops.twse.com.tw>)

Resolution: Resolution: Proposal approved

Voting Results: Total voting rights of attending shareholders: 546,644,474votes

Voting Result	Percentage out of total attending shareholders with voting rights
Votes in favor: 539,506,520 votes (including 37,555,783 votes casted through e-voting and visual communication assisted method)	98.69%
Votes in against: 203,145 votes (including 203,145 votes casted through e-voting and visual communication assisted method)	0.03%
Votes in invalid: 0 votes (including 0 votes casted through e-voting and visual communication assisted method)	0.00%
Votes abstained: 6,934,809 votes (including 6,927,718 votes casted through e-voting and visual communication assisted method)	1.26%

### 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.

Chiang Hsun Chen      Sheng - Tai      Liang

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 27, 2024

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## **【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 22)
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: Proposal approved

Voting Results: Total voting rights of attending shareholders: 546,644,474 votes

Voting Result	Percentage out of total attending shareholders with voting rights
Votes in favor: 539,666,622 votes (including 37,715,885 votes casted through e-voting and visual communication assisted method)	98.72%
Votes in against: 581,272votes (including 581,272 votes casted through e-voting and visual communication assisted method)	0.10%
Votes in invalid: 0 votes (including 0 votes casted through e-voting and visual communication assisted method)	0.00%
Votes abstained: 6,396,580 votes (including 6,389,489votes casted through e-voting and visual communication assisted method)	1.17%

# 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

**VI. Special Motions: None.**

**VII. Meeting Adjourned: 9:43 a.m, May 24, 2024**

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

## Annex 1: Implementation of 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
<b>The Company      Total</b>		<b>2,397,033</b>
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
<b>Subsidiaries      Total</b>		<b>6,443,500</b>
<b>The Company and Its Subsidiaries      Total</b>		<b>8,840,533</b>

## 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 <b>main agenda items, operational procedures, required content of meeting minutes, public announcements, and other compliance requirements</b> 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 <b>at least quarterly</b>, 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 <b>on the same day</b>, 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>1. Reports:</p>	<p>Article 9</p> <p>Agenda items for regular board of directors meetings shall include at least the following:</p> <p>1. Reports:</p>	To be same as the template announced by the regulator.



After Amendment	Before Amendment	Description
<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) 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) <del>Expected</del> Items for discussion at this meeting.</p> <p>3. Extraordinary motions.</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> <p><b>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.</b></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>	<p>In accordance with the Order No. 1120383996 of FSC dated January 11, 2024.</p>
<p>Article 11</p> <p>(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" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD<b>20</b> million or more, or at an amount equal to or greater than 1</p>	<p>Article 11</p> <p>(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" 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</p>	<p>In accordance with the Company's operation status.</p>

After Amendment	Before Amendment	Description
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)	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)	
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 <b>with respect</b> to that agenda item.	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.	To be same as the template announced by the regulator.
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. <b>Eighth amendment dated April 12, 2024.</b>	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.	Add the new amendment date.

# 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	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4 and 6)	\$ 2,054,339	6	\$ 4,463,396	12
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	1,435,732	4	1,317,483	4
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	2,478,000	7	2,347,407	7
Financial assets at amortized cost - current (Notes 4 and 9)	3,945,242	11	1,689,701	5
Notes receivable from unrelated parties (Notes 4, 10 and 26)	199,758	1	141,706	-
Trade receivables from unrelated parties (Notes 4, 10 and 26)	158,202	-	108,919	-
Trade receivables from related parties (Notes 10, 26 and 34)	8,899	-	4,876	-
Finance lease receivables - current (Notes 4 and 12)	1,111	-	2,916	-
Other receivables from unrelated parties (Notes 4 and 11)	47,811	-	37,579	-
Other receivables from related parties (Notes 4 and 34)	215	-	68	-
Current tax assets (Note 4)	1,122	-	1,021	-
Inventories (Notes 4 and 13)	97,473	-	163,658	1
Prepayments (Note 20)	120,923	-	114,900	-
Other current assets (Note 20)	229	-	1,717	-
<b>Total current assets</b>	<b>10,549,056</b>	<b>29</b>	<b>10,395,347</b>	<b>29</b>
<b>NON-CURRENT ASSETS</b>				
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	-
<b>Total non-current assets</b>	<b>25,915,278</b>	<b>71</b>	<b>26,058,887</b>	<b>71</b>
<b>TOTAL</b>	<b>\$ 36,464,334</b>	<b>100</b>	<b>\$ 36,454,234</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Notes 21 and 35)	\$ 1,356,040	4	\$ 1,673,664	5
Short-term bills payable (Note 21)	744,106	2	127,614	-
Contract liabilities (Notes 4 and 26)	41,608	-	27,860	-
Notes payable to unrelated parties (Note 22)	3,337	-	1,907	-
Trade payables to unrelated parties (Note 22)	96,221	-	86,994	-
Trade payables to related parties (Note 34)	110,955	-	83,229	-
Other payables to unrelated parties (Note 23)	197,128	1	206,644	1
Current tax liabilities (Notes 4 and 28)	17,857	-	108,242	-
Lease liabilities - current (Notes 4 and 17)	112,628	-	139,172	1
Current portion of long-term borrowings (Notes 21 and 35)	571,452	2	933,090	3
Other current liabilities (Notes 23 and 34)	50,411	-	43,068	-
<b>Total current liabilities</b>	<b>3,301,743</b>	<b>9</b>	<b>3,431,484</b>	<b>10</b>
<b>NON-CURRENT LIABILITIES</b>				
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	-
<b>Total non-current liabilities</b>	<b>10,744,033</b>	<b>30</b>	<b>11,023,323</b>	<b>30</b>
<b>Total liabilities</b>	<b>14,045,776</b>	<b>39</b>	<b>14,454,807</b>	<b>40</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 25)</b>				
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)
<b>Total equity attributable to owners of the Company</b>	<b>21,681,451</b>	<b>59</b>	<b>21,285,995</b>	<b>58</b>
<b>NON-CONTROLLING INTERESTS (Note 25)</b>	<b>737,107</b>	<b>2</b>	<b>713,432</b>	<b>2</b>
<b>Total equity</b>	<b>22,418,558</b>	<b>61</b>	<b>21,999,427</b>	<b>60</b>
<b>TOTAL</b>	<b>\$ 36,464,334</b>	<b>100</b>	<b>\$ 36,454,234</b>	<b>100</b>

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>-</u>	<u>(2,696)</u>	<u>-</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>-</u>	<u>(44,016)</u>	<u>(2)</u>
	<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>-</u>	<u>6,876</u>	<u>-</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, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)

	Share Capital	Capital Surplus	Retained Earnings			Other Equity				Non-controlling Interests	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Total		
BALANCE, JANUARY 1, 2022	\$ 7,747,805	\$ 1,139,296	\$ 2,503,173	\$ 2,257,996	\$ 6,475,930	\$ (800,236)	\$ 6,779,354	\$ (1,077,950)	\$ 25,025,368	\$ 884,865	\$ 25,910,233
Appropriation of 2021 earnings (Note 25)	-	-	68,062	-	(68,062)	-	-	-	-	-	-
Legal reserve	-	-	-	-	(502,675)	-	-	-	(502,675)	-	(502,675)
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for using the equity method (Note 25)	-	26,158	-	-	-	-	-	-	26,158	-	26,158
Unclaimed dividends extinguished by prescription (Note 25)	-	795	-	-	-	-	-	-	795	29	824
Net (loss) profit for the year ended December 31, 2022	-	-	-	-	(180,762)	-	-	-	(180,762)	6,876	(173,886)
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	12,802	151,514	(3,319,382)	-	(3,155,066)	(121,657)	(3,276,723)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	(167,960)	151,514	(3,319,382)	-	(3,335,828)	(114,781)	(3,450,609)
Changes in capital surplus due to cash dividends of the Company paid to subsidiaries (Note 25)	-	72,177	-	-	-	-	-	-	72,177	-	72,177
Decrease in non-controlling interests (Note 25)	-	-	-	-	-	-	-	-	-	(56,681)	(56,681)
BALANCE, DECEMBER 31, 2022	7,747,805	1,238,426	2,571,235	2,257,996	5,737,233	(648,722)	3,459,972	(1,077,950)	21,285,995	713,432	21,999,427
Appropriation of 2022 earnings (Note 25)	-	-	-	-	(232,004)	-	-	-	(232,004)	-	(232,004)
Cash dividends distributed by the Company	154,669	-	-	-	(154,669)	-	-	-	-	-	-
Share dividends distributed by the Company	-	-	-	(948)	948	-	-	-	-	-	-
Reverse of special reserve	-	-	-	-	-	-	-	-	-	-	-
Changes in equity of associates accounted for using the equity method (Note 25)	-	42,859	-	-	-	-	-	-	42,859	-	42,859
Unclaimed dividends extinguished by prescription (Note 25)	-	3,583	-	-	-	-	-	-	3,583	116	3,699
Net profit for the year ended December 31, 2023	-	-	-	-	81,082	-	-	-	81,082	14,956	96,038
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	(2,295)	(21,670)	490,588	-	466,623	15,027	481,650
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	78,787	(21,670)	490,588	-	547,705	29,983	577,688
Changes in capital surplus due to cash dividends of the Company paid to subsidiaries (Note 25)	-	33,313	-	-	-	-	-	-	33,313	-	33,313
Decrease in non-controlling interests (Note 25)	-	-	-	-	-	-	-	-	-	(6,424)	(6,424)
BALANCE, DECEMBER 31, 2023	\$ 7,902,474	\$ 1,318,181	\$ 2,571,235	\$ 2,257,048	\$ 5,430,295	\$ (670,392)	\$ 3,950,560	\$ (1,077,950)	\$ 21,681,451	\$ 737,107	\$ 22,418,558

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

# CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

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

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

(Continued)

# CHIA HSIN CEMENT CORPORATION AND SUBSIDIARIES

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

	2023	2022
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
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	<u>252,495</u>	<u>390,054</u>
Net cash (used in) generated from investing activities	<u>(2,089,854)</u>	<u>1,188,263</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(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	<u>3,699</u>	<u>824</u>
Net cash used in financing activities	<u>(191,755)</u>	<u>(226,451)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>	<u>(52,445)</u>	<u>208,074</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(2,409,057)</u>	<u>778,049</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>4,463,396</u>	<u>3,685,347</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 2,054,339</u>	<u>\$ 4,463,396</u>

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

(Concluded)



# CHIA HSIN CEMENT CORPORATION

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

ASSETS	2023		2022	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
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	<u>4,321,265</u>	<u>15</u>	<u>4,202,566</u>	<u>14</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 31)	7,563,433	25	7,295,724	25
Financial assets at amortized cost - non-current (Notes 4, 9 and 33)	1,103	-	9,476	-
Investments accounted for using the equity method (Notes 4, 14 and 32)	15,437,508	52	15,247,296	53
Property, plant and equipment (Notes 4, 5 and 15)	537,254	2	622,127	2
Right-of-use assets (Notes 4 and 16)	4,032	-	5,784	-
Investment properties (Notes 4 and 17)	263,950	1	265,186	1
Intangible assets (Notes 4 and 18)	1,176	-	1,534	-
Deferred tax assets (Notes 4 and 27)	203,265	1	184,091	1
Finance lease receivables - non-current (Notes 4, 12 and 32)	1,143,739	4	1,246,591	4
Net defined benefit assets - non-current (Notes 4 and 23)	-	-	842	-
Other non-current assets (Notes 4 and 19)	7,206	-	7,093	-
Total non-current assets	<u>25,162,666</u>	<u>85</u>	<u>24,885,744</u>	<u>86</u>
<b>TOTAL</b>	<u>\$ 29,483,931</u>	<u>100</u>	<u>\$ 29,088,310</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Notes 4, 20 and 33)	\$ 1,000,000	3	\$ 1,340,000	5
Short-term bills payable (Notes 4 and 20)	744,106	3	127,614	1
Contract liabilities (Notes 4 and 25)	20,053	-	12,753	-
Notes payable to unrelated parties (Note 21)	3,329	-	1,907	-
Trade payables to unrelated parties (Note 21)	66,133	-	64,037	-
Trade payables to related parties (Note 32)	116,869	1	89,022	-
Other payables to unrelated parties (Note 22)	36,418	-	27,294	-
Other payables to related parties (Note 32)	18,059	-	19,818	-
Current tax liabilities (Notes 4 and 27)	8,948	-	-	-
Lease liabilities - current (Notes 4 and 16)	56,374	-	77,999	-
Current portion of long-term borrowings (Notes 4, 20 and 33)	393,750	1	577,500	2
Guarantee deposits - current	629	-	540	-
Total current liabilities	<u>2,464,668</u>	<u>8</u>	<u>2,338,484</u>	<u>8</u>
<b>NON-CURRENT LIABILITIES</b>				
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	<u>5,337,812</u>	<u>18</u>	<u>5,463,831</u>	<u>19</u>
Total liabilities	<u>7,802,480</u>	<u>26</u>	<u>7,802,315</u>	<u>27</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)</b>				
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	<u>10,258,578</u>	<u>35</u>	<u>10,566,464</u>	<u>36</u>
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	<u>21,681,451</u>	<u>74</u>	<u>21,285,995</u>	<u>73</u>
Total equity	<u>21,681,451</u>	<u>74</u>	<u>21,285,995</u>	<u>73</u>
<b>TOTAL</b>	<u>\$ 29,483,931</u>	<u>100</u>	<u>\$ 29,088,310</u>	<u>100</u>

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	(73,335)	(5)	(70,310)	(6)

(Continued)

# CHIA HSIN CEMENT CORPORATION

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

	2023		2022	
	Amount	%	Amount	%
Finance costs	\$ (131,592)	(9)	\$ (102,470)	(9)
Share of profit or loss of subsidiary, associates and joint ventures	<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)

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	2023		2022	
	Amount	%	Amount	%
EARNINGS (LOSS) PER SHARE (Note 28)				
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 financial statements.

(Concluded)

# CHIA HSIN CEMENT CORPORATION

## STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	Other Equity						Treasury Shares	Total Equity	
	Share Capital	Capital Surplus	Retained Earnings		Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income			
			Legal Reserve	Special Reserve	Unappropriated Earnings				
BALANCE, JANUARY 1, 2022	\$ 7,747,805	\$ 1,139,296	\$ 2,503,173	\$ 2,257,996	\$ 6,475,930	\$ (800,236)	\$ 6,779,354	\$ (1,077,950)	\$ 25,025,368
Appropriation of 2021 earnings (Note 24)	-	-	68,062	-	(68,062)	-	-	-	-
Legal reserve	-	-	-	-	(502,675)	-	-	-	(502,675)
Cash dividends	-	-	-	-	-	-	-	-	-
Changes in equity of associates accounted for using the equity method (Note 24)	-	26,355	-	-	-	-	-	-	26,355
Unclaimed dividends extinguished by prescription (Note 24)	-	598	-	-	-	-	-	-	598
Net loss for the year ended December 31, 2022	-	-	-	-	(180,762)	-	-	-	(180,762)
Other comprehensive income (loss) for the year ended December 31, 2022 (Note 24)	-	-	-	-	12,802	151,514	(3,319,382)	-	(3,155,066)
Total comprehensive (loss) income for the year ended December 31, 2022	-	-	-	-	(167,960)	151,514	(3,319,382)	-	(3,335,828)
Change in capital surplus due to cash dividends of the Company paid to subsidiary (Notes 14 and 24)	-	72,177	-	-	-	-	-	-	72,177
BALANCE, DECEMBER 31, 2022	7,747,805	1,238,426	2,571,235	2,257,996	5,737,233	(648,722)	3,459,972	(1,077,950)	21,285,995
Appropriation of 2022 earnings (Note 24)	-	-	-	-	(232,004)	-	-	-	(232,004)
Cash dividends	154,669	-	-	-	(154,669)	-	-	-	-
Share dividends	-	-	-	(948)	948	-	-	-	-
Reverse of special reserve	-	-	-	-	-	-	-	-	-
Changes in equity of associates accounted for using the equity method (Note 24)	-	43,645	-	-	-	-	-	-	43,645
Unclaimed dividends extinguished by prescription (Note 24)	-	2,797	-	-	-	-	-	-	2,797
Net profit for the year ended December 31, 2023	-	-	-	-	81,082	-	-	-	81,082
Other comprehensive income (loss) for the year ended December 31, 2023 (Note 24)	-	-	-	-	(2,295)	(21,670)	490,588	-	466,623
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	78,787	(21,670)	490,588	-	547,705
Change in capital surplus due to cash dividends of the Company paid to subsidiary (Notes 14 and 24)	-	33,313	-	-	-	-	-	-	33,313
BALANCE, DECEMBER 31, 2023	\$ 7,902,474	\$ 1,318,181	\$ 2,571,235	\$ 2,257,048	\$ 5,430,295	\$ (670,392)	\$ 3,950,560	\$ (1,077,950)	\$ 21,681,451

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

# CHIA HSIN CEMENT CORPORATION

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

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	\$ 22,951	\$ (186,221)
Adjustments for:		
Depreciation expenses	97,839	108,629
Amortization expenses	358	243
Expected credit loss	936	128
Net loss on fair value changes of financial assets at fair value through profit or loss	7,715	120,353
Finance costs	131,592	102,470
Interest income	(64,391)	(34,026)
Dividend income	(155,174)	(235,473)
Share of (profit) loss of subsidiaries, associates and joint ventures	(134,656)	154,239
Gain on disposal of right-of-use assets	(5)	-
Write-down of inventories	-	3,587
Unrealized gain on transactions with subsidiaries, associates and joint ventures	380	1,100
Realized gain on transactions with subsidiaries, associates and joint ventures	-	(895)
Net loss (gain) on foreign currency exchange	48,476	(67,393)
Changes in operating assets and liabilities:		
Financial assets mandatorily classified as at fair value through profit or loss	5,661	(190,680)
Notes receivable from unrelated parties	(57,770)	(5,183)
Trade receivables from unrelated parties	(35,853)	(7,550)
Trade receivables from related parties	(1,825)	7,158
Other receivables from unrelated parties	1	(11)
Other receivables from related parties	(603)	3,668
Inventories	67,889	(110,783)
Prepayments	484	1,560
Contract liabilities	7,300	475
Notes payable to unrelated parties	1,422	(1,444)
Trade payables to unrelated parties	2,096	(27,950)
Trade payables to related parties	27,847	(40,574)
Other payables to unrelated parties	7,831	(23,192)
Other payables to related parties	(1,759)	(1,081)
Net defined benefit liabilities	(175)	(164)
Cash used in operations	(21,433)	(429,010)
Interest paid	(131,187)	(101,855)
Income tax refunds	29,298	10,518
Net cash used in operating activities	(123,322)	(520,347)

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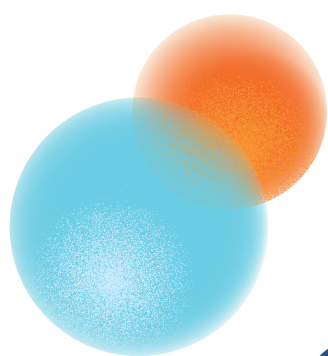
# CHIA HSIN CEMENT CORPORATION

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

	2023	2022
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
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>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
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	<u>2,797</u>	<u>598</u>
Net cash used in financing activities	<u>(182,677)</u>	<u>(392,867)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>	<u>(48,476)</u>	<u>67,393</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(409,359)</b>	<b>406,088</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u><b>1,445,328</b></u>	<u><b>1,039,240</b></u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u><b>\$ 1,035,969</b></u>	<u><b>\$ 1,445,328</b></u>

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

(Concluded)



嘉新企業團  
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