



Stock Code  
1109

**Hsing Ta Cement Co., LTD.**  
**2025 Annual Shareholders' Meeting**  
**Handbook**

**Hsing Ta Cement Co., LTD. Website**  
<http://www.hsingta.com.tw>  
**Market Observation Post System**  
<http://mops.twse.com.tw>

**June 19, 2025**

This English version is a translation based on the original Chinese version.  
Where any discrepancy arises between the two versions, the Chinese version shall prevail.

## Table of Contents

Meeting Procedures .....	1
Meeting Agenda .....	2
Reporting Matters .....	3
Proposed Resolutions .....	3
Discussions .....	4
Extempore Motion.....	4
Final Annual Reports.....	5
Audit Committee's Review Report of 2024 Annual Accounting Final Statements .....	34
2024 Distribution Report of Employees' Compensation and Directors' Remuneration .....	35
Endorsement and Guarantee .....	35
2024 Earnings Distribution Table.....	35
<b>Appendix</b>	
Comparison Table of the Articles of Incorporation .....	36
Rules of Procedure of Hsing Ta Cement Co., Ltd. Shareholders' Meeting ...	38
Article of Incorporation.....	41
Current Number of Shares held by Directors.....	48

**Hsing Ta Cement Co., LTD.**  
**2025 Annual Shareholders' Meeting Procedures**

1. Commence Meeting
2. Chairman Takes the Chair
3. Chairman Remarks
4. Reporting Matters
5. Proposed Resolutions
6. Discussions
7. Extempore Motion
8. Adjournment

# **Hsing Ta Cement Co., LTD.**

## **2025 Annual Shareholders' Meeting Agenda**

**Time:** 9 a.m., Wednesday June 19, 2025

**Meeting Method:** Physical shareholders' meeting

**Venue:** Rm 願景, 6F-6, No.51, Hengyang Rd., Zhongzheng Dist. Taipei City (Taipei Foundation of Finance)

### **Chairman's Remarks**

#### **Reporting Matters**

- (1) Presenting the Company's 2024 Business Report and Financial Statements
- (2) Audit Committee's Review of 2024 Annual Financial Statements
- (3) Presenting the Company's 2024 Employees' Compensation and Directors' Remuneration Distribution
- (4) Report on the Status of Endorsements and Guarantees

#### **Proposed Resolutions**

- (1) Adoption of the Company's 2024 Annual Accounting Final Reports and Statements
- (2) Adoption of the Proposal for the Company's Distribution of 2024 Profits

#### **Discussions**

- (1) Proposal for Amendments to the Articles of Incorporation

#### **Extempore Motion**

#### **Adjournment**

## **Reporting Matters**

- (1) Please refer to pages 5~33 of this manual for the Company's 2024 Business Report and Financial Statements.
- (2) Please refer to page 34 of this manual for Audit Committee's Review Report of 2024 Annual Financial Statements.
- (3) Please refer to page 35 of this manual for 2024 Distribution Report of Employees' Compensation and Directors' Remuneration.
- (4) Please refer to page 35 of this manual for Endorsement and Guarantee Report.

## **Proposed Resolutions**

### **I.**

### **Proposed by the Board of Directors**

#### **Proposal:**

Adoption of the Company's 2024 Annual Financial Statements.

#### **Explanation:**

- (1) The Company's 2024 Annual Financial Statements, including Business Report and Financial Statements, were prepared by the Board of Directors and have been audited by the Audit Committee and CPA.
- (2) Please refer to pages 5~33 of this manual for the Annual Financial Statements and Independent Auditor's Report.
- (3) The agenda has been proposed for acknowledgment.

#### **Resolution:**

### **II.**

### **Proposed by the Board of Directors**

#### **Proposal:**

Adoption of the Proposal for the Company's Distribution of 2024 Profits.

#### **Explanation:**

- (1) A Proposal for Distribution of 2024 Profits (please refer to page 35 of this manual) has been adopted by the Board of Directors in accordance with the Company Act and Articles of Incorporation and audited by Audit Committee.
- (2) The company plans to appropriate NT\$307,042,981 of distributable earnings for cash dividend distribution, namely NT\$0.9 per share calculated on the basis of the Company's actual number of outstanding shares. The cash dividends being distributed shall be rounded off proportionately to the nearest Taiwan dollar and the sum of all cash dividends less than NT\$1 shall be transferred to other income of the Company.
- (3) Subject to approval of this shareholders' meeting, the Chairman of the Board of Directors is authorized to determine the cash dividend record date.
- (4) The agenda has been proposed for acknowledgment.

#### **Resolution:**

## **Discussions**

**I.**

### **Proposed by the Board of Directors**

#### **Proposal:**

Amendment to the Company's Articles of Incorporation.

#### **Explanation:**

(1) Pursuant to Letter No. 1130385442 issued by the Financial Supervisory Commission, certain articles of the Company's Articles of Incorporation are proposed to be amended.

(2) For details, please refer to the comparison table of the amended articles on page 36 of the Meeting Handbook.

This proposal has been approved by the Board of Directors and is hereby submitted to the Annual General Shareholders' Meeting for resolution.

#### **Resolution:**

## **Extempore Motion**

## **Adjournment**

## Final Annual Reports

### 2024 Annual Operation Report and Final Statement

#### I. Operation Overview

At the end of October 2024, due to the baghouse system upgrade project at the Nanshenghu Plant, the Business Department began controlling customer deliveries as early as the end of June to stockpile sufficient inventory for the planned kiln shutdown. This control lasted until early January 2025 when the project was completed. The extended delivery control period, spanning over six months, combined with two electricity price hikes on April 1 and October 16, led to a decrease in revenue compared to 2023. Despite these challenges, the Company overcame difficulties through the concerted efforts of all employees.

At the beginning of the year, Taiwan's housing market experienced a brief boom driven by the "Preferential Housing Loans for the Youth", pushing property prices in many regions to historic highs. However, following the inauguration of the new cabinet, stricter regulations were introduced—such as reduced mortgage ratios for existing homeowners, selective credit controls, and shortened grace periods—causing the market to cool significantly. Since September 2024, the concrete market has also weakened due to the housing market slowdown. Ready-mixed concrete suppliers in northern Taiwan have seen declining sales. While there was a slight rebound before the Lunar New Year, most customers remain pessimistic about the concrete market outlook for 2025. However, cement demand in the Taoyuan area continues to grow steadily, supported by ongoing major infrastructure projects such as the Taoyuan Aerotropolis, MRT Green Line, and railway undergrounding, which may help offset declines in the Greater Taipei area.

Looking into 2025, the most pressing cost challenges are the new carbon fee and the potential removal of the goods tax reduction. The Ministry of Environment has confirmed that, beginning in 2025, a carbon fee of NT\$300 per metric ton of emissions will be levied. Although preferential rates are available, the impact on costs is still considerable, and the base amount for carbon fees will be adjusted every two years. Additionally, if the current 50% goods tax reduction is revoked in Q2 2025, domestic cement prices may face upward pressure. Coupled with potential global geopolitical uncertainty—such as the possible re-election of Donald Trump—the volatility of raw material costs may increase. As such, the Business Department must adopt a more cautious pricing strategy, carefully assessing order terms and including price adjustment clauses where appropriate.

In addition, the expansion of cement imports is also a major challenge. The low cement prices in Southeast Asia, coupled with the absence of carbon cost burdens, have subjected domestic cement producers to intense competition. If the Ministry of Environment continues to delay the imposition of border carbon fees on importers, it may be difficult for domestic cement prices to fully reflect cost increases. The

Company must therefore collaborate with the Cement Association to advocate for a fair and competitive environment.

In the domestic cement market, total cement consumption in 2024 was approximately 13.5 million metric tons. The Company's sales of cement and clinker amounted to around 633,000 metric tons, a decrease of 109,000 metric tons from the previous year. Sales revenue totaled NT\$1,761,178 thousand, a year-on-year decrease of 12.9%.

In the mainland China cement market, the Company's subsidiaries sold approximately 1.247 million metric tons of cement and clinker in 2024, including 435,000 tons of PII52.5, down 196,000 tons from the previous year, and 812,000 tons of PO42.5, down 603,000 tons year-on-year—an overall decrease of around 800,000 metric tons from the prior year. In 2024, the mainland China cement market exhibited the operational characteristics of “shrinking demand, fierce competition, low prices, and operating losses,” with both volume and price declining. During the first and second quarters, cement demand recovered slowly. Most enterprises experienced varying degrees of profit decline and losses, and the traditional peak season failed to materialize. From April to May, market competition remained intense. A combination of adverse factors—including capital shortages, a lack of new construction projects, the May Day holiday, and recurring rainfall—resulted in weak terminal market demand. Real estate projects contracted, infrastructure demand was limited, and overall market demand remained insufficient. After the third quarter, conditions in mainland China began to show signs of recovery, but the extent of the rebound was limited. With significant declines in land transactions and new construction areas, real estate investment continued to weaken, and demand for cement in the real estate sector is expected to further decrease. Although policies promoting “stable growth” drove ongoing infrastructure development, the resulting increase in cement demand was limited and insufficient to offset the decline caused by a weakening property sector. In the fourth quarter, staggered production controls were intensified, and cement prices continued to rise. However, due to persistently weak actual market demand, declining demand in the housing construction sector, and a lack of new project starts, cement prices began to fall again after December. Cement output hit a new low not seen since 2010, and with both price and volume declining, industry profits dropped sharply.

In terms of revenue, it will maintain the existing incomes from rental and resource recycle and reuse while at the same time, taking care of social needs, environmental protection, and economic development to achieve the objectives of industrial symbiosis and sustainable social development. In terms of other income in 2024, the Company's income from recycle processing service was NT\$83,029 thousand and lease income was NT\$49,636 thousand, up by NT\$4,915 thousand compared to the previous year.

The consolidated operating revenue for 2024 was NT\$4,656,290 thousand, down 25.62% from NT\$6,259,864 thousand in 2023; consolidated net income was NT\$524,281 thousand, a decrease of 35.08% from NT\$807,587 thousand in 2023.

## II. Comparison of performance between 2024 and 2023

Unit: metric tons

Cement and clinker	Production quantity			Sales quantity		
	2024	2023	Increase (decrease) %	2024	2023	Increase (decrease) %
Domestic	586,427	731,041	(19.78)	632,576	741,792	(14.72)
Mainland	1,240,078	2,056,280	(39.69)	1,247,263	2,051,142	(39.19)
Total	1,826,505	2,787,321	(34.47)	1,879,839	2,792,934	(32.69)

Unit: Thousand \$NT

Operating revenues	2024	2023	Increase (decrease) amount	Increase (decrease) %
Domestic	2,681,025	3,010,513	(329,488)	(10.94)
Mainland	1,975,265	3,249,351	(1,274,086)	(39.21)
Consolidated sales revenue	4,656,290	6,259,864	(1,603,574)	(25.62)
Consolidated net profits for the year	524,281	807,587	(283,306)	(35.08)

### **III. Research and development**

In response to the global trend toward “net zero carbon emissions,” cement manufacturers have been investing in the research and development of Portland IL-type limestone cement to reduce carbon dioxide emissions and carbon cost burdens. The Company has obtained the IL (15) certification for Portland limestone cement from the Bureau of Standards, Metrology and Inspection and has commissioned customers and Shin-Yi Ready-Mix Plant to conduct trial mixes. Preliminary test results indicate that the 3-day, 7-day, and 28-day strengths are slightly better than those of Type I cement, and the workability is similar. The Nanshenghu Plant will continue to adjust the formula based on customer feedback, with the goal of gradually replacing Type I cement in the future to align with the government’s voluntary carbon reduction policy.

### **IV. Business promotion and development direction and strategy**

- (I) In light of variables such as the increase in the carbon fee base and the possible cancellation of the preferential 50% reduction in commodity tax, long-term contracts should be avoided, or price adjustment clauses should be included to ensure profit margins.
- (II) Active participation in public construction projects continues, including the Taipei MRT Wanda–Shulin Line, South Circular Line, and North Circular Line; New Taipei MRT Xidong Line; the Xinzhuang–Taishan Wenzizun rezoning project; the Tambei Road project; the Taoyuan Aerotropolis; and railway undergrounding works.
- (III) Ongoing promotion of IS blast-furnace cement for use in geotechnical improvement and foundation engineering.
- (IV) Application submitted for a carbon footprint label for 40kg bags of Type I cement to meet customer requirements for green building tenders.
- (V) Pay attention to our customers and adjust their credit limits and payment terms in a timely manner to avoid the risk of bad debts,
- (VI) Customers are encouraged to adopt factory pick-up transactions to reduce the instability caused by vehicle dispatches to construction sites.
- (VII) Promotion of Portland IL-type limestone cement continues, with the aim of gradually replacing Type I cement in line with carbon reduction trends.

### **V. Policy in response to the influence of external competition, legal environment, and overall business environment.**

- (I) To fulfill the responsibility of environmental protection and sustainable development, Portland limestone cement has been developed to reduce carbon dioxide emissions.

- (II) Active investments and improvements in equipment have been carried out, and the second phase of the electrostatic baghouse dust collector project was completed on January 3, 2025.
- (III) Shipment quantities to each customer are adjusted in a timely manner based on inventory levels to meet daily delivery needs.
- (IV) Efforts continue to strengthen relationships with customers by staying informed of market trends and intelligence related to other cement manufacturers, and promptly relaying this information to the Company and plants to support timely operational adjustments.
- (V) Close attention is paid to revisions of the Public Construction Commission Construction Outline Specifications and CNS 03050, with ongoing adjustments to the sales strategies for Type I and IL cements, gradually replacing Type I cement with IL-type cement.

#### **VI. Business plan and outlook for 2025**

In 2024, production costs—including raw materials, electricity, and carbon fees—continued to rise. In addition, the outcome of the U.S. presidential election is expected to create international political instability. It is anticipated that price levels will remain volatile in 2025. Meanwhile, China’s housing market and overall economic conditions have yet to show improvement, leading to stagnation in the pace of construction. Evidently, 2025 is shaping up to be a particularly challenging and difficult year. Before these various uncertainties become clearer, all departments must remain closely attuned to market trends and be prepared to adjust operational strategies at any time—seeking upward breakthroughs in market opportunities, while maintaining stability in production and sales.

#### **Domestic cement market:**

Public construction is expected to make continued progress, with infrastructure projects such as the Taoyuan railway undergrounding, New Taipei and Taoyuan MRT lines already underway. These initiatives are projected to generate steady demand this year. However, the private construction sector remains sluggish due to ongoing government housing market restrictions. The housing market in the Taipei–New Taipei–Keelung region is expected to remain cool, with only Taoyuan showing some positive momentum driven by the Aerotropolis development project—though overall growth remains limited.

One piece of mixed news is that the Cement Manufacturers Association filed an anti-dumping complaint against Vietnam. A preliminary investigation by the Ministry of Economic Affairs, released on September 26, 2024, found that imports

of cement and clinker from Vietnam pose a potential threat of substantial harm to the domestic industry. The Executive Yuan has delegated the investigation to the Ministry of Finance and the Ministry of Economic Affairs to separately assess “dumping” and “injury.” This development is considered favorable for domestic producers. However, the Ministry of Finance announced on February 10, 2025, that while the impact is recognized, actual damage requires further investigation. As a result, no provisional anti-dumping duties will be imposed on Vietnamese cement at this time. Thus, the anti-dumping case against Vietnam still has a long way to go. At the same time, the Cement Manufacturers Association has also submitted a proposal to the Ministry of the Environment, recommending the imposition of a border carbon fee on imported cement and clinker, aiming to level the playing field and mitigate unfair competition and carbon leakage arising from carbon cost discrepancies.

In summary, domestic cement demand for 2025 is projected to be approximately 11.5 million metric tons. While importers are estimated to have captured around 27% of the total market, internal assessments indicate that the Company can still achieve its sales targets of 625,000 metric tons of cement and 25,000 metric tons of clinker in the Taiwan region. Rather than engaging in vicious price competition with imported cement, the Company continues to focus on enhancing product quality, improving customer service, and diversifying its product offerings. These efforts aim to maintain brand competitiveness and corporate resilience, enabling the Company to navigate a volatile and unpredictable market while ensuring stable profitability.

#### **Mainland China’s cement market:**

In 2025, with the real estate market yet to stabilize and infrastructure investment remaining limited, cement demand is expected to continue declining. However, awareness of “anti-involution” within the industry continues to grow, and average cement prices may see a slight rebound, leading to some recovery in industry profitability. Cement demand is forecast to keep contracting throughout 2025, with an increase in the number of staggered production days across regions. Nationwide kiln shutdowns are expected to exceed 200 days, and cement output may continue to decline, with national production potentially falling to 1.78 billion metric tons.

At present, outdated production lines with daily capacities of 2,500 tons or less

still make up the majority of the market, particularly in the Northeast, Northwest, and North China regions. As local policies are implemented, some of these small-scale kilns will be replaced with environmentally friendly and energy-efficient alternatives, or else phased out and decommissioned. Starting in 2025, the cement industry will be included in the national carbon emissions trading scheme. Enterprises with low carbon intensity are expected to benefit from increased revenue, while less efficient producers will bear higher costs.

In response to this policy, the Company's mainland subsidiary, Jiangsu Xinning New Building Materials Co., Ltd., installed online particulate monitoring systems for the cement and coal mills in August 2024. These systems are directly connected to the Nanjing pollution source monitoring platform. The company is also continuing to advance its ultra-low emissions initiatives. Plans are in place to launch environmental micro-stations and clean transportation projects in 2025. Furthermore, the Company will submit the 2024 carbon emissions report for Jiangsu Xinning by March 31, 2025, complete certification for its 2024 low-carbon products, and prepare the "Carbon Peak and Carbon Neutrality Action Plan" to be submitted to the Nanjing Municipal Government.

Since its founding in 1964, the Company has weathered over six decades of challenges and adversity, upholding the principles of "quality first, safety above all, dedication and pragmatism, and customer service." By providing reasonable pricing and consistent quality, the Company has fulfilled its responsibility to both the nation and society. Looking ahead, the Company is committed to the goal of "low carbon emissions," fully implementing environmental protection and achieving a low-carbon transformation to contribute to the well-being of the people of Taiwan.

Chairman of BOD : Yang Jee-Shing    General manager : Yang Ta-Kuan    Accounting Manager : Tsai Su Chiu



# Year 2024 Consolidated Financial Statements and Independent Auditors' Report

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Hsing Ta Cement Co., Ltd.

### ***Opinion***

We have audited the accompanying consolidated balance sheets of Hsing Ta Cement Co., Ltd. and its subsidiaries (the "Group") as at December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other independent auditors, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, 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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

### ***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and 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 Accountants 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 Group's 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2024 consolidated financial statements are stated as follows:

#### **Occurrence of revenue recognition of cement sales**

##### Description

Please refer to Note 4(28) of the financial statements for accounting policies on revenue recognition and Note 6(16) for details of operating revenue.

The Group's operating revenue mainly consists of cement sales revenue, revenue from recycling and treatment and rental revenue. The revenue from cement sales amounted to NTD 4,445,777 thousand, constituting 95.48% of the 2024 operating revenue. The price of cement often fluctuates due to the prices of raw materials, market supply and demand as well as the general economic situation. Sales prices and order quantities are based on the contracts signed with individual customers. Cement sales revenue is recognised when customers collect the cement, which is based on the dispatch reports prepared by the cement factory according to actual collection situation. The Group's counterparties are numerous, and the types of products, the related prices and the qualities are various. Also, the information process, recording and maintenance of the relevant reports mainly relies on manual operation. Therefore, more audit staff were required to perform the procedures.

Additionally, since the cement sales revenue is material to the financial statements, we consider the occurrence of revenue recognition of cement sales as a key audit matter.

##### How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Assessed the reasonableness of revenue recognition policies and procedures for cement sales based on our understanding of the Group's business and the industry it operates in, and confirmed that these were consistently applied in the financial statements.
2. Obtained an understanding of the order, collection and delivery processes, and assessed as well as tested the relevant internal control procedures including sample testing the prices and quantities on the cement order reports and agreed them with the records on the cement sales register cards and the collection reports as well as checking whether the quantities on the collection report were consistent with the records on the delivery sheets and the daily dispatch reports.

3. Verified the monthly dispatch reports used by the management for revenue recognition, including sample testing the quantities on the reports whether they were consistent with the records on the daily dispatch reports, and recalculating the amount of the revenue and agreeing them with the recorded revenue.

***Other matter – Parent company only financial statements***

We have audited and expressed an unmodified opinion on the parent company only financial statements of the Company as at and for the years ended December 31, 2024 and 2023.

***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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, 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 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 appropriate audit evidence regarding the financial information of the 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 of the current period 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.

Lee, Hsiu-Ling

Chih, Ping-Chiun

For and on behalf of PricewaterhouseCoopers, Taiwan

March 13, 2025

---

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

**HSING TA CEMENT CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2024		December 31, 2023		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 3,021,873	27	\$ 2,930,678	25
1110	Financial assets at fair value through profit or loss - current	6(2)	1,194,891	11	1,380,895	12
1136	Financial assets at amortised cost-current	6(3) and 8	124,565	1	224,758	2
1150	Notes receivable, net	6(4)	545,859	5	620,701	5
1170	Accounts receivable, net	6(4)	349,886	3	521,500	5
1200	Other receivables		3,484	-	6,626	-
130X	Inventories	6(5)	1,043,684	9	928,382	8
1410	Prepayments		93,387	1	73,036	1
1470	Other current assets		178	-	350	-
11XX	<b>Current assets</b>		<u>6,377,807</u>	<u>57</u>	<u>6,686,926</u>	<u>58</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	204,077	2	232,611	2
1535	Financial assets at amortised cost - non-current	6(3) and 8	276,299	2	227,709	2
1600	Property, plant and equipment	6(6)	2,625,304	23	2,671,967	23
1755	Right-of-use assets	6(7)	185,063	2	159,212	2
1760	Investment property - net	6(9)	1,419,268	13	1,425,931	12
1780	Intangible assets		14,306	-	17,537	-
1840	Deferred income tax assets	6(23)	36,965	-	40,810	-
1920	Guarantee deposits paid		32,820	-	33,451	-
1990	Other non-current assets, others		107,325	1	67,016	1
15XX	<b>Non-current assets</b>		<u>4,901,427</u>	<u>43</u>	<u>4,876,244</u>	<u>42</u>
1XXX	<b>Total assets</b>		<u>\$ 11,279,234</u>	<u>100</u>	<u>\$ 11,563,170</u>	<u>100</u>

(Continued)

**HSING TA CEMENT CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2024		December 31, 2023		
		AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>						
2130	Current contract liabilities	6(16)	\$ 80,033	1	\$ 99,616	1
2150	Notes payable		62,277	-	164,927	1
2160	Notes payable - related parties	7	2,211	-	2,035	-
2170	Accounts payable		433,082	4	675,743	6
2200	Other payables	6(10) and 7	245,798	2	336,215	3
2230	Current income tax liabilities		72,671	1	99,273	1
2280	Current lease liabilities	6(26)	14,295	-	11,311	-
2399	Other current liabilities, others		1,097	-	2,180	-
21XX	<b>Current Liabilities</b>		<u>911,464</u>	<u>8</u>	<u>1,391,300</u>	<u>12</u>
<b>Non-current liabilities</b>						
2570	Deferred income tax liabilities	6(23)	51,138	1	70,521	1
2580	Non-current lease liabilities	6(26)	64,199	1	36,522	1
2640	Accrued pension liabilities	6(11)	18,933	-	37,541	-
2670	Other non-current liabilities, others	6(26)	31,706	-	36,685	-
25XX	<b>Non-current liabilities</b>		<u>165,976</u>	<u>2</u>	<u>181,269</u>	<u>2</u>
2XXX	<b>Total liabilities</b>		<u>1,077,440</u>	<u>10</u>	<u>1,572,569</u>	<u>14</u>
<b>Equity attributable to owners of parent</b>						
Share capital						
3110	Share capital - common stock	6(12)	3,411,589	30	3,411,589	30
Capital surplus						
3200	Capital surplus	6(13)	15,724	-	15,697	-
Retained earnings						
3310	Legal reserve	6(14)	1,723,394	15	1,655,263	14
3320	Special reserve		193,155	2	136,484	1
3350	Unappropriated retained earnings		3,040,960	27	3,091,799	27
Other equity interest						
3400	Other equity interest	6(15)	( 86,109)	( 1)	( 193,155)	( 2)
31XX	<b>Equity attributable to owners of the parent</b>		<u>8,298,713</u>	<u>73</u>	<u>8,117,677</u>	<u>70</u>
36XX	Non-controlling interest		<u>1,903,081</u>	<u>17</u>	<u>1,872,924</u>	<u>16</u>
3XXX	<b>Total equity</b>		<u>10,201,794</u>	<u>90</u>	<u>9,990,601</u>	<u>86</u>
Significant contingent liabilities and unrecognised contract commitments						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 11,279,234</u>	<u>100</u>	<u>\$ 11,563,170</u>	<u>100</u>

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

**HSING TA CEMENT CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**

(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

Items	Notes	Year ended December 31			
		2024		2023	
		AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(8)(9)(16) and 7	\$ 4,656,290	100	\$ 6,259,864	100
5000 Operating costs	6(21)(22) and 7	( 3,664,642)	( 79)	( 4,918,790)	( 78)
5900 Gross profit		<u>991,648</u>	<u>21</u>	<u>1,341,074</u>	<u>22</u>
Operating expenses	6(21)(22) and 7				
6100 Selling expenses		( 130,147)	( 3)	( 143,827)	( 2)
6200 General and administrative expenses		( 199,996)	( 4)	( 208,502)	( 4)
6450 Expected credit losses	12(2)	( 10,141)	-	547	-
6000 Total operating expenses		( 340,284)	( 7)	( 351,782)	( 6)
6900 Operating profit		<u>651,364</u>	<u>14</u>	<u>989,292</u>	<u>16</u>
Non-operating income and expenses					
7100 Interest income	6(17)	48,187	1	51,100	1
7010 Other income	6(18)	27,489	-	22,378	-
7020 Other gains and losses	6(19)	( 13,203)	-	50,137	1
7050 Finance costs	6(20)	( 2,119)	-	( 1,289)	-
7000 Total non-operating income and expenses		<u>60,354</u>	<u>1</u>	<u>122,326</u>	<u>2</u>
7900 Profit before income tax		<u>711,718</u>	<u>15</u>	<u>1,111,618</u>	<u>18</u>
7950 Income tax expense	6(23)	( 187,437)	( 4)	( 304,031)	( 5)
8200 Profit for the year		<u>\$ 524,281</u>	<u>11</u>	<u>\$ 807,587</u>	<u>13</u>
<b>Other comprehensive income</b>					
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311 Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	6(11)	\$ 17,604	-	( \$ 5,941)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(23)	( 3,521)	-	1,188	-
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361 Financial statements translation differences of foreign operations		<u>160,935</u>	<u>4</u>	( 85,194)	( 2)
8360 Components of other comprehensive income that will be reclassified to profit or loss		<u>160,935</u>	<u>4</u>	( 85,194)	( 2)
8300 Other comprehensive income (loss) for the year		<u>\$ 175,018</u>	<u>4</u>	( \$ 89,947)	( 2)
8500 Total comprehensive income for the year		<u>\$ 699,299</u>	<u>15</u>	<u>\$ 717,640</u>	<u>11</u>
Profit, attributable to:					
8610 Owners of the parent		\$ 469,398	10	\$ 685,884	11
8620 Non-controlling interest		<u>54,883</u>	<u>1</u>	<u>121,703</u>	<u>2</u>
		<u>\$ 524,281</u>	<u>11</u>	<u>\$ 807,587</u>	<u>13</u>
Comprehensive income attributable to:					
8710 Owners of the parent		\$ 590,400	13	\$ 624,638	10
8720 Non-controlling interest		<u>108,899</u>	<u>2</u>	<u>93,002</u>	<u>1</u>
		<u>\$ 699,299</u>	<u>15</u>	<u>\$ 717,640</u>	<u>11</u>
Basic earnings per share	6(24)				
9750 Total basic earnings per share		<u>\$ 1.38</u>		<u>\$ 2.01</u>	
9850 Total diluted earnings per share		<u>\$ 1.37</u>		<u>\$ 2.00</u>	

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

2023

Balance at January 1		\$ 3,411,589	\$ 14,534	\$ 1,110	\$ 1,615,360	\$ 200,753	\$ 2,659,051	(\$ 136,484 )	\$ 7,765,913	\$ 1,897,639	\$ 9,663,552
Profit for the year		-	-	-	-	-	685,884	-	685,884	121,703	807,587
Other comprehensive income loss for the year	6(15)	-	-	-	-	-	( 4,575 )	( 56,671 )	( 61,246 )	( 28,701 )	( 89,947 )
Total comprehensive income		-	-	-	-	-	681,309	( 56,671 )	624,638	93,002	717,640
Appropriations and distribution of 2022 retained earnings:	6(14)										
Legal reserve appropriated		-	-	-	39,903	-	( 39,903 )	-	-	-	-
Special reserve reversed		-	-	-	-	( 64,269 )	64,269	-	-	-	-
Cash dividends		-	-	-	-	-	( 272,927 )	-	( 272,927 )	-	( 272,927 )
Expired unclaimed dividends transferred to capital surplus		-	-	53	-	-	-	-	53	-	53
Decrease in non-controlling interests		-	-	-	-	-	-	-	-	( 117,717 )	( 117,717 )
Balance at December 31		\$ 3,411,589	\$ 14,534	\$ 1,163	\$ 1,655,263	\$ 136,484	\$ 3,091,799	(\$ 193,155 )	\$ 8,117,677	\$ 1,872,924	\$ 9,990,601

2024

Balance at January 1		\$ 3,411,589	\$ 14,534	\$ 1,163	\$ 1,655,263	\$ 136,484	\$ 3,091,799	(\$ 193,155 )	\$ 8,117,677	\$ 1,872,924	\$ 9,990,601
Profit for the year		-	-	-	-	-	469,398	-	469,398	54,883	524,281
Other comprehensive income	6(15)	-	-	-	-	-	13,956	107,046	121,002	54,016	175,018
Total comprehensive income		-	-	-	-	-	483,354	107,046	590,400	108,899	699,299
Appropriations and distribution of 2023 retained earnings:	6(14)										
Legal reserve appropriated		-	-	-	68,131	-	( 68,131 )	-	-	-	-
Special reserve		-	-	-	-	56,671	( 56,671 )	-	-	-	-
Cash dividends		-	-	-	-	-	( 409,391 )	-	( 409,391 )	-	( 409,391 )
Expired unclaimed dividends transferred to capital surplus		-	-	27	-	-	-	-	27	-	27
Decrease in non-controlling interests		-	-	-	-	-	-	-	-	( 78,742 )	( 78,742 )
Balance at December 31		\$ 3,411,589	\$ 14,534	\$ 1,190	\$ 1,723,394	\$ 193,155	\$ 3,040,960	(\$ 86,109 )	\$ 8,298,713	\$ 1,903,081	\$ 10,201,794

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

HSING TA CEMENT CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2024	2023
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 711,718	\$ 1,111,618
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(6)(7)(9)(21)	304,036	303,996
Amortisation expense	6(21)	7,182	4,402
Expected credit losses(gains)	12(2)	10,141 (	547 )
Net loss(gain) on financial assets at fair value through profit or loss	6(2)(19)	31,147 (	70,896 )
Interest expense	6(20)	2,119	1,289
Interest income	6(17)	( 48,187 ) (	51,100 )
Dividend revenue	6(18)	( 13,253 ) (	11,138 )
Loss on disposals of property, plant and equipment	6(19)	3,600	7,683
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		74,678	101,629
Accounts receivable, net		161,633 (	193,047 )
Other receivables		1,034	938
Inventories		( 115,302 )	82,929
Prepayments		( 20,351 )	16,116
Other current assets		172 (	9,598 )
Changes in operating liabilities			
Current contract liabilities		( 19,583 ) (	6,639 )
Notes payable		( 102,650 ) (	118,034 )
Notes payable - related parties		176	1,120
Accounts payable		( 242,661 ) (	89,333 )
Other payables		( 86,129 ) (	49,348 )
Other current liabilities, others		( 1,083 )	1,045
Net defined benefit liability		( 18,964 )	5,166
Cash inflow generated from operations		639,473	1,038,251
Interest paid		( 2,119 ) (	1,289 )
Income taxes paid		( 234,110 ) (	322,221 )
Net cash flows from operating activities		403,244	714,741

(Continued)

HSING TA CEMENT CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss	12(3)	(\$ 403,680 )	(\$ 1,794,332 )
Proceeds from disposal of financial assets at fair value through profit or loss	12(3)	628,664	1,428,874
Acquisition of financial assets at amortised cost		( 251,794 )	( 384,475 )
Proceeds from disposal of financial assets at amortised cost		308,711	792,372
Acquisition of property, plant and equipment (include prepayments for equipment)	6(25)	( 211,756 )	( 223,252 )
Acquisition of investment property	6(9)	( 1,762 )	( 3,490 )
Proceed from disposal of property, plant and equipment		3,157	1,079
Decrease (increase) in refundable deposits		631	( 495 )
Increase in other non-current assets, others		( 18,240 )	( 320 )
Interest received		50,171	53,687
Dividends received		13,253	11,138
Net cash flows from (used in) investing activities		117,355	( 119,214 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Repayments of short-term debt		-	( 9,170 )
Increase in short-term debt		-	9,170
(Decrease) increase in guarantee deposits received	6(26)	( 5,606 )	4,272
Payments of lease liabilities	6(26)	( 18,071 )	( 3,785 )
Cash dividend paid	6(14)	( 409,391 )	( 272,927 )
Dividends paid to non-controlling interests	4(3)	( 78,742 )	( 117,717 )
Expired unclaimed dividends transferred to capital surplus		27	53
Net cash flows used in financing activities		( 511,783 )	( 390,104 )
Effect of exchange rate changes on cash and cash equivalents		82,379	( 41,829 )
Net increase in cash and cash equivalents		91,195	163,594
Cash and cash equivalents at beginning of year		2,930,678	2,767,084
Cash and cash equivalents at end of year		\$ 3,021,873	\$ 2,930,678

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

# Year 2024 Parent Company Only Financial Statements and Independent Auditors' Report

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Hsing Ta Cement Co., Ltd.

### ***Opinion***

We have audited the accompanying parent company only balance sheets of Hsing Ta Cement Co., Ltd. (the "Company") as at December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other independent auditors, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its parent company only financial performance and its parent company only 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 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 parent company only 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 Company's 2024 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2024 parent company only financial statements are stated as follows:

## **Occurrence of revenue recognition of cement sales**

### Description

Please refer to Note 4(26) of the financial statements for accounting policies on revenue recognition and Note 6(16) for details of operating revenue.

The Company's operating revenue mainly consists of cement sales revenue, revenue from recycling and treatment and rental revenue. The revenue from cement sales amounted to NTD 1,871,650 thousand, constituting 93.38% of the 2024 operating revenue. The price of cement often fluctuates due to the prices of raw materials, market supply and demand as well as the general economic situation. Sales prices and order quantities are based on the contracts signed with individual customers. Cement sales revenue is recognised when customers collect the cement, which is based on the dispatch report prepared by the cement factory according to actual collection situation. The Company's counterparties are numerous, and the types of products, the related prices and the qualities are various. Also, the information process, recording and maintenance of the relevant reports mainly relies on manual operation. Therefore, more audit staff were required to perform the procedures. Additionally, since the cement sales revenue is material to the financial statements and the Company's subsidiaries, accounted for using equity method, have the same matters as the aforementioned, we consider the occurrence of revenue recognition of cement sales of the Company and its subsidiaries as a key audit matter.

### How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Assessed the reasonableness of revenue recognition policies and procedures for cement sales based on our understanding of the Company's business and the industry it operates in, and confirmed that these were consistently applied in the financial statements.
2. Obtained an understanding of the order, collection and delivery processes, and assessed as well as tested the relevant internal control procedures including sample testing the prices and quantities on the cement order reports and agreed them with the records on the cement sales register cards and the collection reports as well as checking whether the quantities on the collection report were consistent with the records on the delivery sheets and the daily dispatch reports.
3. Verified the monthly dispatch report used by the management for revenue recognition, including sample testing the quantities on the reports whether they were consistent with the records on the daily dispatch report, and recalculating the amount of the revenue and agreeing them with the recorded revenue.

### ***Responsibilities of management and those charged with governance for the parent company only financial statements***

Management is responsible for the preparation and fair presentation of the parent company only 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 parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only 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 parent company only financial statements***

Our objectives are to obtain reasonable assurance about whether the parent company only 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 parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only 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 parent company only 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 parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only 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 parent company only financial statements of the current period 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.

Lee, Hsiu-Ling

Chih, Ping-Chiun

For and on behalf of PricewaterhouseCoopers, Taiwan

March 13, 2025

---

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

HSING TA CEMENT CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2024		December 31, 2023		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 1,583,848	18	\$ 1,625,579	19
1110	Financial assets at fair value through profit or loss - current	6(2)	25,409	-	34,499	-
1150	Notes receivable, net	6(4)	61,284	1	129,536	2
1160	Notes receivable - related parties	6(4) and 7	26,046	-	34,043	-
1170	Accounts receivable, net	6(4)	29,372	1	63,519	1
1200	Other receivables		1,737	-	4,077	-
130X	Inventories	6(5)	509,280	6	383,513	5
1410	Prepayments		14,257	-	19,973	-
11XX	<b>Current assets</b>		<u>2,251,233</u>	<u>26</u>	<u>2,294,739</u>	<u>27</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	204,077	2	232,611	3
1535	Financial assets at amortised cost- non-current	6(3) and 8	264,849	3	216,347	2
1550	Investments accounted for under equity method	6(6) and 7	3,612,702	42	3,572,586	41
1600	Property, plant and equipment	6(7) and 7	792,687	9	742,633	9
1755	Right-of-use assets	6(8)	49,233	1	22,493	-
1760	Investment property - net	6(10)	1,417,527	16	1,424,167	17
1840	Deferred income tax assets	6(23)	34,614	-	40,251	-
1900	Other non-current assets		81,677	1	64,547	1
15XX	<b>Non-current assets</b>		<u>6,457,366</u>	<u>74</u>	<u>6,315,635</u>	<u>73</u>
1XXX	<b>Total assets</b>		<u>\$ 8,708,599</u>	<u>100</u>	<u>\$ 8,610,374</u>	<u>100</u>

(Continued)

HSING TA CEMENT CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2024		December 31, 2023		
		AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>						
2130	Current contract liabilities	6(16) and 7	\$ 56,520	1	\$ 65,014	1
2170	Accounts payable		48,486	1	58,597	1
2200	Other payables		135,404	1	197,420	2
2230	Current income tax liabilities		35,646	-	48,372	1
2280	Current lease liabilities	6(26)	8,770	-	9,081	-
2300	Other current liabilities		947	-	2,018	-
21XX	<b>Current Liabilities</b>		<u>285,773</u>	<u>3</u>	<u>380,502</u>	<u>5</u>
<b>Non-current liabilities</b>						
2570	Deferred income tax liabilities	6(23)	31,668	1	34,244	-
2580	Non-current lease liabilities	6(26)	52,276	1	20,667	-
2640	Accrued pension liabilities	6(11)	22,125	-	39,391	1
2645	Guarantee deposits received	6(26)	18,044	-	17,893	-
25XX	<b>Non-current liabilities</b>		<u>124,113</u>	<u>2</u>	<u>112,195</u>	<u>1</u>
2XXX	<b>Total liabilities</b>		<u>409,886</u>	<u>5</u>	<u>492,697</u>	<u>6</u>
<b>Equity</b>						
Share capital						
3110	Share capital - common stock	6(12)	3,411,589	39	3,411,589	40
Capital surplus						
3200	Capital surplus	6(13)	15,724	-	15,697	-
Retained earnings						
3310	Legal reserve	6(14)	1,723,394	20	1,655,263	19
3320	Special reserve		193,155	2	136,484	1
3350	Unappropriated retained earnings		3,040,960	35	3,091,799	36
Other equity interest						
3400	Other equity interest	6(15)	( 86,109)	( 1)	( 193,155)	( 2)
3XXX	<b>Total equity</b>		<u>8,298,713</u>	<u>95</u>	<u>8,117,677</u>	<u>94</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the balance sheet date						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 8,708,599</u>	<u>100</u>	<u>\$ 8,610,374</u>	<u>100</u>

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

**HSING TA CEMENT CO., LTD.**  
**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	Year ended December 31			
		2024		2023	
		AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(9)(10)(16) and 7	\$ 2,004,314	100	\$ 2,273,939	100
5000 Operating costs	6(5)(10)(21)(22) and 7	( 1,426,271)	( 71)	( 1,597,470)	( 70)
5900 Gross profit		578,043	29	676,469	30
5910 Unrealized profit from sales		( 321)	-	( 466)	-
5920 Realized profit from sales		466	-	251	-
5950 Net operating margin		578,188	29	676,254	30
Operating expenses	6(21)(22) and 7				
6100 Selling expenses		( 37,754)	( 2)	( 49,739)	( 2)
6200 General and administrative expenses		( 76,058)	( 4)	( 83,394)	( 4)
6450 Expected credit losses	12(2)	( 27)	-	-	-
6000 Total operating expenses		( 113,839)	( 6)	( 133,133)	( 6)
6900 Operating profit		464,349	23	543,121	24
Non-operating income and expenses					
7100 Interest income	6(17)	28,329	1	25,531	1
7010 Other income	6(18)	23,756	1	14,932	1
7020 Other gains and losses	6(19)	( 18,196)	( 1)	40,044	2
7050 Finance costs	6(20)	( 1,784)	-	( 733)	-
7070 Share of profit of associates and joint ventures accounted for using equity method, net	6(6)	90,277	5	215,106	9
7000 Total non-operating income and expenses		122,382	6	294,880	13
7900 Profit before income tax		586,731	29	838,001	37
7950 Income tax expense	6(23)	( 117,333)	( 6)	( 152,117)	( 7)
8200 Profit for the year		\$ 469,398	23	\$ 685,884	30
<b>Other comprehensive income</b>					
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311 Actuarial gain (loss) on defined benefit plan	6(11)	\$ 17,249	1	( \$ 5,445)	-
8330 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		157	-	( 219)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(23)	( 3,450)	-	1,089	-
8310 Components of other comprehensive (loss)income that will not be reclassified to profit or loss		13,956	1	( 4,575)	-
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8380 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	6(6)(15)	107,046	5	( 56,671)	( 3)
8360 Components of other comprehensive income(loss) that will be reclassified to profit or loss		107,046	5	( 56,671)	( 3)
8300 Other comprehensive income (loss) for the year		\$ 121,002	6	( \$ 61,246)	( 3)
8500 Total comprehensive income for the year		\$ 590,400	29	\$ 624,638	27
Basic earnings per share	6(24)				
9750 Total basic earnings per share		\$ 1.38		\$ 2.01	
9850 Total diluted earnings per share		\$ 1.37		\$ 2.00	

The accompanying notes are an integral part of these parent company only financial statements.

HSING TA CEMENT CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

Notes	Share capital - common stock	Capital Reserves			Retained Earnings		Total unappropriated retained earnings (accumulated deficit)	Financial statements translation differences of foreign operations	Amount	
		Treasury stock transactions	Others	Legal reserve	Special reserve					
<u>2023</u>										
		\$3,411,589	\$ 14,534	\$ 1,110	\$1,615,360	\$ 200,753	\$2,659,051	(\$ 136,484)	\$ -	\$7,765,913
		-	-	-	-	-	685,884	-	-	685,884
	6(6)(15)	-	-	-	-	-	( 4,575 )	( 56,671 )	-	( 61,246 )
		-	-	-	-	-	681,309	( 56,671 )	-	624,638
	6(14)									
		-	-	-	39,903	-	( 39,903 )	-	-	-
		-	-	-	-	( 64,269 )	64,269	-	-	-
		-	-	-	-	-	( 272,927 )	-	-	( 272,927 )
		-	-	53	-	-	-	-	-	53
		\$3,411,589	\$ 14,534	\$ 1,163	\$1,655,263	\$ 136,484	\$3,091,799	(\$ 193,155)	\$ -	\$8,117,677
<u>2024</u>										
		\$3,411,589	\$ 14,534	\$ 1,163	\$1,655,263	\$ 136,484	\$3,091,799	(\$ 193,155)	\$ -	\$8,117,677
		-	-	-	-	-	469,398	-	-	469,398
	6(6)(15)	-	-	-	-	-	13,956	107,046	-	121,002
		-	-	-	-	-	483,354	107,046	-	590,400
	6(14)									
		-	-	-	68,131	-	( 68,131 )	-	-	-
		-	-	-	-	56,671	( 56,671 )	-	-	-
		-	-	-	-	-	( 409,391 )	-	-	( 409,391 )
		-	-	27	-	-	-	-	-	27
		\$3,411,589	\$ 14,534	\$ 1,190	\$1,723,394	\$ 193,155	\$3,040,960	(\$ 86,109)	\$ -	\$8,298,713

The accompanying notes are an integral part of these parent company only financial statements.

HSING TA CEMENT CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 586,731	\$ 838,001
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(7)(8)(10)(21)	88,918	101,004
Expected credit loss	12(2)	27	-
Net loss(gain) on financial assets at fair value through profit or loss	6(2)(19)	37,624	( 46,739 )
Interest expense	6(8)(20)	1,784	733
Interest income	6(17)	( 28,329 )	( 25,531 )
Dividend revenue	6(18)	( 13,253 )	( 11,138 )
Share of profit of associates and joint ventures accounted for using equity method	6(6)	( 90,277 )	( 215,106 )
Loss on disposal of property, plant and equipment	6(19)	4,925	5,324
Unrealized gain from sale		321	466
Realized gain from sale		( 466 )	( 251 )
Changes in operating assets and liabilities			
Changes in operating assets			
Other receivables		227	4,170
Inventories		( 125,767 )	70,111
Prepayments		5,716	10
Changes in operating liabilities			
Net notes receivable		68,234	( 26,914 )
Notes receivable - related parties		7,997	( 9,996 )
Net accounts receivable		34,138	14,497
Current contract liabilities		( 8,494 )	7,630
Accounts payable		( 10,111 )	13,953
Other payables		( 52,167 )	38,343
Other current liabilities		( 1,071 )	1,003
Net defined benefit liability		( 17 )	3
Cash inflow generated from operations		506,690	759,573
Income taxes paid		( 130,448 )	( 150,705 )
Interest paid		( 1,706 )	( 733 )
Net cash flows from operating activities		<u>374,536</u>	<u>608,135</u>

(Continued)

HSING TA CEMENT CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortised cost		(\$ 48,379 )	(\$ 33 )
Acquisition of property, plant and equipment	6(25)	( 143,174 )	( 112,922 )
Acquisition of investment property	6(10)	( 1,762 )	( 3,490 )
Proceeds from disposal of property, plant and equipment		415	865
Increase in refundable deposits		( 231 )	( 513 )
Decrease (increase) in other non-current assets, others		1,981	( 321 )
Interest received		30,241	25,531
Dividends received	6(6)(18)	170,762	246,573
Net cash flows from investing activities		<u>9,853</u>	<u>155,690</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in guarantee deposits received	6(26)	151	( 143 )
Cash dividend paid	6(14)	( 409,391 )	( 272,927 )
Payments of lease liabilities	6(26)	( 16,907 )	( 2,210 )
Expired unclaimed dividends transferred to capital surplus		27	53
Net cash flows used in financing activities		<u>( 426,120 )</u>	<u>( 275,227 )</u>
Net (decrease) increase in cash and cash equivalents		( 41,731 )	488,598
Cash and cash equivalents at beginning of year		<u>1,625,579</u>	<u>1,136,981</u>
Cash and cash equivalents at end of year		<u>\$ 1,583,848</u>	<u>\$ 1,625,579</u>

The accompanying notes are an integral part of these parent company only financial statements.

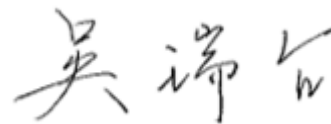
## **Audit Committee's Review Report of 2024 Annual Accounting Final Statements**

### **Audit Report of Audit Committee**

The Board of Directors has prepared the Company's 2024 Business Report, Financial Statements and Earnings Distribution Proposal. The Company's Financial Statements have been audited and an audit report has been issued by the PricewaterhouseCoopers. The Business Report, Financial Statements and Earnings Distribution Proposal have been reviewed and considered to be complied with relevant rules by the Audit Committee. Pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Hsing Ta Cement Co., LTD.

Chairman of the Audit Committee : Wu Rui-Tai

Handwritten signature of Wu Rui-Tai in black ink.

March 13, 2025

## 2024 Distribution Report of Employees' Compensation and Directors' Remuneration

- 1.The total amount of NTD \$12,483,644 shall be distributed in cash as employees' compensation.
- 2.The total amount of NTD \$24,967,288 shall be distributed in cash as Directors' remuneration.

## Endorsement and Guarantee

As of December 31, 2024, the Company's aggregate balance of endorsement and guarantee was not more than the Company's net asset value based on the latest financial statements and the total endorsement and guarantee for a single enterprise was not more than 50 percent of the Company's net asset value based on the latest financial statements, both of which were in accordance with the Rules of Procedure of Endorsement and Guarantee. The list of details is as follows:

(Thousand \$NTD)

Name of the Company being Endorsed/ Guaranteed	Limit on Endorsement/ Guarantee Provided for a Single Enterprise	The Ending Balance of Endorsement/Guarantee
Hsin I Ready Mixed Concrete Co., Ltd.	4,149,357	321,176

## 2024 Earnings Distribution Table

Hsing Ta Cement Co., Ltd.  
2024 Earnings Distribution Table



	\$NTD
Unappropriated Retained Earnings at Beginning of Year	2,557,606,844
Add (Less): Remeasurement of defined benefit plans for 2024	13,955,911
Net income after tax for 2024	469,398,157
Special reserve reversed	107,046,031
Legal reserve appropriated	(48,335,407)
Earnings available for distribution for the period	3,099,671,536
Less: Cash dividends to shareholders ( \$0.9/Per Share )	(307,042,981)
Unappropriated earnings at the end of the period	2,792,628,555

Chairman of BOD : Yang Jee-Shing      General manager : Yang Ta-Kuan      Accounting Manager : Tsai Su Chiu



## Appendix

Comparison Table of the Articles of Incorporation

Amended Clause	Current Clause	Note
<p><b>Chapter 6 Article 26</b>            The Company shall set aside 1% to 3% of its annual profit as profitsharing remuneration for employees and not more than 5% as profitsharing remuneration for directors of the Company for each year in which the Company makes a profit. The proposal for Profit-sharing remuneration for employees and profit-sharing remuneration for directors shall be resolved by the Board and reported to the shareholders' meeting. However, when the Company still has accumulated losses, it should reserve the losses make-up amount in advance.</p> <p><u>The amount of employee remuneration as stated in the preceding paragraph shall include not less than 50% to be allocated to grassroots employees as remuneration or salary adjustment.</u></p> <p><u>Definition of grassroots employees:</u>  <u>Grassroots employees refer to those who are not managerial personnel and whose salary level falls below the reasonable</u></p>	<p><b>Chapter 6 Article 26</b>            The Company shall set aside 1% to 3% of its annual profit as profitsharing remuneration for employees and not more than 5% as profitsharing remuneration for directors of the Company for each year in which the Company makes a profit. The proposal for Profit-sharing remuneration for employees and profit-sharing remuneration for directors shall be resolved by the Board and reported to the shareholders' meeting. However, when the Company still has accumulated losses, it should reserve the losses make-up amount in advance.</p>	<p>Explanation:            In compliance with the Financial Supervisory Commission's directive Jin-Guan-Zheng-Fa No. 1130385442 dated November 8, 2024, and the amendment and newly added provisions based on Article 14, Paragraph 6 of the Securities and Exchange Act.</p>

<p><u>benchmark determined by the Company based on the characteristics of the industry and its operating conditions.</u>  <u>In special circumstances where it is necessary to extend the scope of grassroots employees to include those employed by the Company’s affiliates or subsidiaries, the Board of Directors shall set the applicable criteria based on actual needs and submit the matter to the shareholders’ meeting for approval.</u></p>		
<p><b>Chapter 7 Article 29</b>  These Articles of Incorporation were enacted on March 15, 1964, with the 1st amendment on April 12, 1966; the 2nd amendment on August 15, 1966; .....the 42st amendment on June 20,2023, <u>the 43st amendment on June 19,2024</u>, effective from the date of resolution of the shareholders’ meeting. Subsequent amendments thereto shall be affected in the same manner.</p>	<p><b>Chapter 7 Article 29</b>  These Articles of Incorporation were enacted on March 15, 1964, with the 1st amendment on April 12, 1966; the 2nd amendment on August 15, 1966; .....the 41st amendment on June 21, 2018;the 42st amendment on June 20,2023, effective from the date of resolution of the shareholders’ meeting. Subsequent amendments thereto shall be affected in the same manner.</p>	

## **Rules of Procedure of Hsing Ta Cement Co., Ltd. Shareholders' Meeting**

**Date: June 16, 2017 (Amended)**

### **Article 1**

Shareholders' meeting of the Company shall be governed by these Rules except as otherwise provided by law or regulation.

### **Article 2**

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders shall hand in the sign-in cards in lieu of signing in.

The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or sign-in cards handed in plus the number of shares in voting rights exercised electronically.

### **Article 3**

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

### **Article 4**

The venue of a shareholders' meeting shall be the premises of the Company or a place accessible to the shareholders and suitable for a shareholders' meeting. The meeting shall begin no earlier than 9 am and no later than 3 pm.

### **Article 5**

A shareholders' meeting convened by the Board of Directors shall be presided over by the Chairman of the Board of Directors. In case of the absence of the Chairman, a Director appointed by the Chairman shall be designated to act on behalf thereof. In the absence of the designation, the Directors shall elect one representative from among themselves to act on behalf of the Chairman.

For the shareholders' meeting convened by any other person having the convening right, the convener shall act as the Chairman of that meeting provided.

### **Article 6**

The lawyers, accountants or relevant personnel appointed by the company may attend the shareholders' meeting.

Staffs handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

### **Article 7**

The Company shall make an uninterrupted audio and video recording throughout the process of a shareholders' meeting and the recorded materials shall be retained for at least one year.

### **Article 8**

The Chairman shall call the meeting to order at the appointed meeting time. However,

when the attending shareholders do not represent a majority of the total number of issued shares, the Chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act. Prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the Chairman may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

#### **Article 9**

If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, which shall not be changed without a resolution of the shareholders' meeting.

The provision of the preceding paragraph shall apply to a shareholders' meeting convened by a party having the convening right that is not the Board of Directors.

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

After close of the said meeting, shareholders shall not elect another Chairman to continue the meeting at the same or any other place. If the Chairman declares the meeting adjourned in violation of the rules of procedure, attending shareholders shall elect a new Chairman by agreement of a majority of the votes represented by the attending shareholders and then continue the meeting.

#### **Article 10**

Before speaking, an attending shareholder must specify on a speaker's slip the subject, shareholder account number and account name. The order in which shareholders speak will be set by the Chairman.

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

When an attending shareholder is speaking, other shareholders shall not speak or interrupt unless they have obtained the consent of the Chairman and the speaking shareholder. The Chairman shall stop any violation.

#### **Article 11**

Except with the consent of the Chairman, a shareholder may not speak more than twice on the same proposal and shall not exceed five minutes in a single speech.

If the shareholder's speech violates the provision of the preceding paragraph or exceeds the scope of the agenda, the Chairman may terminate the speech.

#### **Article 12**

When a juristic person is appointed to attend a shareholders' meeting, it shall designate

only one person as a representative in the meeting.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one representative shall speak on the same proposal.

**Article 13**

After an attending shareholder has spoken, the Chairman may respond in person or direct relevant personnel to respond.

**Article 14**

When the Chairman is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the Chairman may announce the discussion closed and call for a vote.

**Article 15**

The scrutineer and counting personnel for the vote on a proposal shall be appointed by the Chairman, provided that all scrutineers shall be shareholders of the Company. Immediately after vote counting has been completed, the results of the voting shall be announced on-site at the meeting and recorded.

**Article 16**

When a meeting is in progress, the Chairman may announce a break based on time considerations.

**Article 17**

The passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders unless specified otherwise by the Company Act and the Company's Article of Incorporation. In case of a vote, if the shareholders exercising voting rights electronically have no objection to a proposal and other attending shareholders have no objection via the Chairman's query, it shall be deemed as passed. The effect shall be the same as that of a vote.

**Article 18**

When there is an amendment or an alternative to the same proposal, the Chairman shall decide the voting order in conjunction with the original case. When one of the cases is passed, the other proposals shall then be deemed rejected, and no further voting shall be required.

**Article 19**

The Chairman may direct the proctors (or security personnel) to help maintain order at the venue. When proctors (or security personnel) help maintain order at the meeting, they shall wear arm bands bearing the word "Proctor."

**Article 20**

These rules will be implemented after approval by the shareholders' meeting. Subsequent amendments thereto shall be affected in the same manner.

## **Article of Incorporation of Hsing Ta Cement Co., Ltd.**

Date: June 20, 2024

### **Chapter 1 General Provisions**

#### **Article 1**

The Company shall be incorporated as a Company Limited by Shares under the Company Act, and its name shall be Hsing Ta Cement Co., Ltd.

#### **Article 2**

The Company shall have its head office in Taipei City, and may, pursuant to a resolution adopted at the meeting of the Board of Directors, set up branch offices, mining areas or manufacturing factories within or outside the territory of the Republic of China when deemed necessary.

#### **Article 3**

The Code of Business Scope of the Company shall be ZZ99999, all business items that are not prohibited or restricted by law, except those that are subject to special approval.

#### **Article 4**

Deleted.

#### **Article 5**

The Company may provide endorsement or act as a guarantor pursuant to its business needs.

#### **Article 5-1**

The total amount of the Company's investment shall not be subject to the restriction of the Company Act. Any matter regarding the long-term equity investment shall be upon adoption of a resolution at the meeting of the Board of Directors.

### **Chapter 2 Capital Stock**

#### **Article 6**

The total capital stock of the Company shall be in the amount of 5,400,000,000 New Taiwan Dollars, divided into 540,000,000 shares, at ten New Taiwan Dollars each, to be issued in installments.

#### **Article 7**

The share certificates of the Company shall all be name-bearing share certificates, and before they are issued, shall be signed by or affixed with the seals of no less than three Directors of the Company, and be certified pursuant to the law.

The Company shall be exempted from printing any share certificate for the shares issued and shall register the issued shares with a centralized securities depository enterprise.

**Article 8**

Seal specimen shall be submitted by each shareholder to the Company for filing, and this shall apply to any change to the seal specimen. The seal specimen kept by the Company shall be the basis for the exercise of each shareholder's right.

**Article 9**

All transfer of stocks, pledge of rights, loss, succession, gift, loss of seal, amendment of seal, change of address conducted by each shareholder of the Company shall follow the "Regulations Governing the Administration of Shareholder Services of Public Companies" unless specified otherwise by law and securities regulations.

**Article 10**

Registration for transfer of shares shall be suspended 60 days immediately before the convening date of a regular shareholders' meeting, and 30 days immediately before the convening date of any special shareholders' meeting, or within 5 days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

**Chapter 3 Shareholders' Meeting****Article 11**

The shareholders' meetings of the Company shall include regular and special meetings. Regular meetings shall be convened at least once a year within six months following the end of the fiscal year, and a written notice for convening a regular meeting shall be sent to each shareholder no later than 30 days prior to the scheduled meeting date. Special meetings shall be called when necessary, and a written notice for convening a special meeting shall be sent to each shareholder no later than 15 days prior to the scheduled meeting date. The convening date, place and subjects of a meeting shall be indicated in the notice provided to each shareholder.

The company hold a shareholders meeting, it can held by video conference or other way announced by the competent authority.

The shareholders' meeting shall be called by the Board of Directors unless specified otherwise by the Company Act.

**Article 12**

In the event that any shareholder cannot attend a shareholders' meeting in person, the shareholder may entrust a representative to attend the meeting by presenting a proxy issued by the Company, stamped with the original seal specimen and specifying the scope of authorization. When a person is entrusted by two or more shareholders, the number of the voting rights represented shall not exceed 3% of the total outstanding number of voting shares of the Company. Otherwise, the portion in excess of 3% voting rights represented by the total outstanding shares shall not be counted.

The use of a proxy for attendance at shareholders' meeting shall be in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder

Meetings of Public Companies” unless specified otherwise by the Company Act.

**Article 13**

The shareholders’ meeting shall be presided over by the Chairman of the Board of Directors of the Company unless specified otherwise by the Company Act. In case of the absence of the Chairman, a Director appointed by the Chairman shall be designated to act on behalf thereof. In the absence of the designation, the Directors shall elect one representative from among themselves to act on behalf of the Chairman.

Shareholders’ meeting shall follow Rules of Procedure for Shareholders’ Meeting of the Company.

**Article 14**

Each share held by each shareholder of the Company shall carry one voting right unless specified otherwise by the Company Act.

A shareholder shall exercise the voting right at a shareholders’ meeting in writing or by the way of electronic transmission. The exercise of the voting right shall be in accordance with the Company Act and the Regulation of Competent Authority.

**Article 15**

Unless specified otherwise by the Company Act, resolution of the shareholders’ meeting shall be adopted by a majority vote of the shareholders at a meeting attended by shareholders representing over half of the total outstanding shares.

**Article 16**

Resolutions adopted at a shareholders' meeting shall be recorded in the minutes affixed with the signature or seal of the Chairman and distributed to all shareholders within 20 days following the meeting.

The distribution of minutes shall be in accordance with the Company Act.

The minutes of shareholders' meeting shall record the date and place of the meeting, the name of the Chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept persistently throughout the life of the company.

The attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept by the company for a minimum period of at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with the Article 189 of the Company Act hereof, the minutes of the shareholders' meeting involved shall be kept by the company until the legal proceedings of the foregoing lawsuit have been concluded.

**Chapter 4 Directors, Audit Committee**

**Article 17**

The Company shall have nine Directors, including three Independent Directors. In accordance with Article 192-1 of the Company Act, a candidate nomination system shall be adopted by the Company and the shareholders shall elect the Directors from among

the nominees listed in the roster of Director candidates. The term of office of a Director shall not exceed three years and may be eligible for re-election.

The total number of registered shares owned by all Directors shall be in accordance with the ratio stipulated in "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies".

The professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to Independent Directors shall be in accordance with the Regulation of Competent Authority.

The Directors of the Company shall be elected in accordance with Article 198 of the Company Act, with Independent and Non-Independent Directors elected at the same time, but in separately calculated numbers. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed an Independent and Non-Independent Director elected.

The Company may obtain Directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of directorship.

#### **Article 17-1**

The Company shall establish an Audit Committee, which shall be composed of all Independent Directors, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise.

The Audit Committee shall be responsible for the duties of supervisors stipulated in the provisions of the Company Act, Securities and Exchange Act and other laws and regulations.

The exercise of powers by Audit Committees shall comply with the provisions of relevant regulations and the Company rules. The Audit Committee Charter shall be adopted by resolution of the Board of Directors.

#### **Article 18**

The Directors shall establish the Board of Directors. The Chairman of the Board of Directors shall be elected from among the Directors, and the Chairman shall be responsible for the overall administration of the business operations of the Company and represent the Company externally.

#### **Article 19**

In calling a meeting of the Board of Directors, a notice shall be sent to each Director no later than 7 days prior to the scheduled meeting date. In the case of emergency, a meeting of the Board of Directors may be convened at any time.

The reasons for calling a Board of Directors meeting shall be indicated on the notice which shall be sent in writing, by email or fax.

Meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors. The Chairman of the Board of Directors shall preside the meeting of the Board of Directors, and in case of the absence of the Chairman, a Director appointed by the Chairman shall be designated to act on behalf thereof. In the absence of the designation,

the Directors shall elect one representative from among themselves to act on behalf of the Chairman.

In case a meeting of the Board of Directors is proceeded via visual communication network, then the Directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

In case of the absence of a Director, another Director shall be appointed to attend a meeting of the Board of Directors on behalf thereof with written proxy on which the scope of authority with reference to the subjects to be discussed at the meeting shall be indicated.

#### **Article 20**

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

#### **Article 21**

Deleted.

#### **Article 22**

The Board of Directors shall be authorized to determine the remuneration of Directors in line with industry standards. The transportation allowance for the Directors shall be adopted by resolution of the Board of Directors.

### **Chapter 5 Management**

#### **Article 23**

The Company shall have one General manager and more Deputy General Managers, Senior managers and Managers. Appointment and discharge of the managerial personnel shall be decided by a resolution to be adopted by a majority vote of the Directors at a meeting of the Board of Directors attended by at least a majority of the entire Directors of the Company.

The General manager shall be responsible for the overall administration of the business operations of the Company in accordance with resolutions of the Board of Directors.

#### **Article 24**

The Company shall have one Chief Engineer of whom the appointment and discharge proposed by the Chairman of the Board of Directors shall be decided by a resolution of the Board of Directors.

## Chapter 6 Accounting

### Article 25

The fiscal year for the Company shall be from January 1 of each year to December 31 of the same year. After the close of each fiscal year, the following reports shall be prepared by the Board of Directors, and submitted to the regular shareholders' meeting for recognition:

1. Business Report.
2. Financial Statements.
3. Proposals Concerning the Distribution of Earnings or Compensation of Losses.

### Article 26

If there is profit at the end of each fiscal year, at least 1% but less than 3% of profit of the current year shall be appropriated as employees' compensation and not more than 5% shall be distributed as Directors' remuneration. The employees' compensation and Directors' remuneration shall be upon adoption of a resolution at the meeting of the Board of Directors and be submitted to the shareholders' meeting. However, the Company shall reserve a sufficient amount to offset its accumulated losses.

### Article 26-1

The earnings of the current year, if any, shall be used to pay the tax first, offset the losses of the prior years, and then 10% of the remaining amount shall be set aside as legal reserve. When necessary if needed, the special reserve or retained earnings shall be set aside. Distribution as shareholders' dividends of remaining earnings along with the beginning unappropriated retained earnings shall be proposed by the Board of Directors and upon subject to the approval of the shareholders' meeting.

In accordance with the Regulation of Competent Authority, if there are Unrealized impairment loss on long-term investment, Accumulated translation adjustment or other debits of Shareholders' Equity, the same amount of special reserve within the following limits shall be set aside before distribution of retaining earnings.

1. Special reserve set aside for the current year's amount of the debit balance on Shareholders' Equity shall not be more than the sum of current year's net profit after tax and prior years' accumulated unappropriated retained earnings.
2. The prior years' amount of the debit balance on Shareholders' Equity shall not be more than the net of the amount reserved on subparagraph 1 deducted by prior years' accumulated unappropriated retained earnings.

The amount reversed from the debit balance of Shareholders' Equity may be distributed as earnings when reversed. The Company has entered a mature stage and regarding the distribution of dividends, the cash dividends shall not less than 10% of shareholders' bonuses of the current year unless needed in fact for future capital expenditures or financial plans of the Company's development.

## Chapter 7 Supplemental Provisions

### Article 27

The Company's organization and business guidelines shall be separately prescribed.

### Article 28

Matters not stipulated herein shall be governed by the Company Act and other relevant laws and regulations.

### Article 29

These Articles of Incorporation were enacted on March 15, 1964, with the 1st amendment on April 12, 1966; the 2nd amendment on August 15, 1966; the 3rd amendment on May 20, 1967; the 4th amendment on April 10, 1972; the 5th amendment on October 4, 1973; the 6th amendment on March 21, 1974; the 7th amendment on November 20, 1974; the 8th amendment on April 15, 1975; the 9th amendment on August 20, 1975; the 10th amendment on December 22, 1975; the 11th amendments on November 1, 1977; the 12th amendment on July 21, 1979; the 13th amendment on October 2, 1979; the 14th amendment on May 22, 1980; the 15th amendment on November 17, 1982; the 16th amendment on June 11, 1983; the 17th amendment on October 29, 1983; the 18th amendment on June 16, 1984; the 19th amendment on June 15, 1985; the 20th amendment on July 1, 1987; the 21st amendment on June 11, 1988; the 22nd amendment on February 19, 1990; the 23rd amendment on April 17, 1990; the 24th amendment on May 26, 1990; the 25th amendment on May 24, 1991; the 26th amendment on May 14, 1992; the 27th amendment on May 25, 1993; the 28th amendment on May 24, 1995; the 29th amendment on May 26, 2000; the 30th amendment on June 14, 2002; the 31st amendment on May 30, 2003; the 32nd amendment on June 14, 2005; the 33rd amendment on June 9, 2006; the 34th amendment on June 18, 2010; the 35th amendment on June 22, 2012; the 36th amendment on June 28, 2013; the 37th amendment on June 12, 2014; the 38th amendment on June 18, 2015; the 39th amendment on June 22, 2016; the 40th amendment on June 16, 2017; the 41st amendment on June 21, 2018; the 42nd amendment on June 20, 2023, effective from the date of resolution of the shareholders' meeting. Subsequent amendments thereto shall be affected in the same manner.

**Current Directors' Shareholdings are as follows on April 21, 2025:**

Title	Name	Appointment Date	Number of Shares Held at the Time of Appointment			Number of Shares Held Currently			Note
			Stock Class	Number of Shares	%	Stock Class	Number of Shares	%	
Chairman	Yang Jee-Shing	June 19, 2024	Common Stock	34,905,166	10.23	Common Stock	34,952,166	10.25	-
Director	Yang Chung-Hsiung	June 19, 2024	Common Stock	41,528,048	12.17	Common Stock	41,528,048	12.17	-
Director	Yang Ren-Hsiung	June 19, 2024	Common Stock	36,108,783	10.58	Common Stock	36,108,783	10.58	-
Director	Yang Da-Qin	June 19, 2024	Common Stock	8,145,934	2.39	Common Stock	8,145,934	2.39	-
Director	Yang Yin-Hsing	June 19, 2024	Common Stock	5,169,655	1.52	Common Sock	5,169,655	1.52	-
Director Representative of director: Yang Po-Wei	Turbo investment Co., Ltd.	June 19, 2024	Common Stock	50,000	0.01	Common Stock	50,000	0.01	-
Independent Director	Wu Ruei-Tai	June 19, 2024	Common Stock	0	0.00	Common Stock	0	0.00	-
Independent Director	Chen Li-Xiong	June 09, 2021	Common Stock	0	0.00	Common Stock	0	0.00	-
Independent Director	Chen Da-Xiong	June 19, 2024	Common Stock	0	0.00	Common Stock	0	0.00	-
Total				125,907,586		Common Stock	125,954,586		

Total Number of Outstanding Shares on June 19, 2024: 341,158,868

Total Number of Outstanding Shares on April 21, 2025: 341,158,868

**Note:**

Total Number of Shares shall be held by all Directors pursuant to the law: 13,646,354.

Total Number of Shares held by all Directors as of April 21, 2025: 125,954,586.

The shareholdings of Independent Directors of the Company shall not be counted in the total of the shareholdings of Directors.

All Directors' shareholdings of the Company shall be in accordance with the percentage of "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies".

