

Stock Code: 1101

Market Observation Post System

Website: <http://mops.twse.com.tw/mops/web/index>

Taiwan Cement Corporation

Website: <http://www.taiwancement.com>

# **Taiwan Cement Corporation**

## **Year 2017 Annual General Meeting of Shareholders**

### **Meeting Handbook**



Time: 9:00 a.m., Wednesday, June 28, 2017

Place: 3F, No. 113 Chung-Shan North Road Sec.2, Taipei, Taiwan  
(TCC's Cement Hall)

# Table of Contents

---

I . Rules of Procedure for Annual General Shareholders Meeting.....	1
II . Meeting Agenda.....	4
1. Matters to Report.....	5
2. Matters for Approval.....	33
3. Matters for Discussion.....	35
4. Matters for Election.....	36
5. Matters for Discussion.....	37
6. Ad Hoc Motions.....	37
7. Meeting Adjourned.....	37
III .Annexes	
Annex 1: “Corporate Social Responsibility Code of Practice” Amendment Comparison Chart.....	38
Annex 2: 2016 Profit Distribution Table.....	41
Annex 3: Contrast Table of Amended Articles of the "Procedures Governing the Acquisition and Disposal of Assets".....	42
Annex 4: List of Candidates for the By-election of Independent Director....	57
Annex 5: List of Directors to be Released from Non-competition Restriction.....	58
Annex 6: Articles of Incorporation.....	59
Annex 7: Rules for Election of Directors.....	64
Annex 8: Directors' Stockholding Status.....	66

## Taiwan Cement Corporation Rules of Procedure for Annual General Shareholders Meeting

Amended and adopted by the Annual General Shareholders' Meeting dated June 21, 2012

- 1 Except as otherwise provided by laws or regulations and by the Corporation's Articles of Incorporation, the Corporation's Annual General Shareholders' Meetings shall proceed according to the Rules.
- 2 Attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated according to the shares indicated by the sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.
- 3 Attendance and voting right that may be exercised at the Annual General Shareholders' Meeting shall be calculated on the basis of the shares.
- 4 The venue for the Annual General Shareholders' Meeting shall be the premises of the Corporation, or a place easily accessible to shareholders and suitable for the Annual General Shareholders' Meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.
- 5 If the Annual General Shareholders' Meeting is convened by the board of directors, the meeting shall be chaired by the Chairman of the board. When the Chairman of the board is on leave or for any reason unable to exercise the powers of the Chairman, the Vice Chairman shall represent in place of the chairperson; if there is no Vice Chairman or the Vice Chairman also is on leave or for any reason unable to exercise the power of the Vice Chairman, the Chairman shall appoint one of the directors to represent as the chairperson. Where the Chairman does not make such a designation, the directors shall elect one person from among themselves to represent as the chairperson.  
If the Annual General Shareholders' Meeting is convened by another party with power to convene but other than the board of directors, the convening party shall chair the meeting.
- 6 The Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend the Annual General Shareholders' Meeting without voting capacity.  
Staff handling administrative affairs of the Annual General Shareholders' Meeting shall wear identification cards or arm bands
- 7 Entire proceedings of Annual General Shareholders' Meeting shall be recorded by audios or video tapes, and preserved for at least one year.
- 8 The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent more than half of the total number of issued shares, the chair may postpone the meeting, provided that no more than two such postponements, the total time of the postponements cannot exceed one hour. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, the tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act.  
When, prior to conclusion of the meeting, the attending shareholders represent more than half of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the Annual General Shareholders' Meeting pursuant to Article 174 of the Company Act.
- 9 If the Annual General Shareholders' Meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed according to the agenda, also which may not be changed without a resolution of the Annual General Shareholders' Meeting.  
The provisions of the preceding paragraph apply mutatis mutandis to an Annual General Shareholders' Meeting convened by a party with the power to convene that

is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda that has been set as prescribed in the preceding two paragraphs (including extraordinary motions), except by a resolution of the Annual General Shareholders' Meeting.

After the meeting has adjourned, the shareholders may not appoint another chair and continue the meeting either at the same or a different venue.

- 10 Before making the speech, the attending shareholder must specify on a speaker's slip with the subjects of the speech, his/her shareholder account number (or attendance card number), and account name. The orders of speech by which shareholders make will be set by the chair.

The shareholder in attendance who has submitted the speaker's slip but does not actually make the speech shall be deemed to have not made the speech.

When the contents of the speech do not correspond to the subjects displayed by the speaker's slip, the spoken contents shall prevail.

When the attending shareholder makes the speech, other shareholders may not make the speech or interrupt, unless they have sought and obtained the consents of the chair and the shareholder that has the floor; the chair shall stop any violation.

- 11 Without the consent of the chair, each shareholder may not speak more than twice on the same proposal, and the single speech may not exceed five minutes. If the shareholder's speech violates the rules in the preceding paragraph or exceeds the scope of the agenda item, the chair may terminate the speech.

- 12 When the legal person is appointed to attend as proxy, it may designate only one person to represent the shareholder in the meeting.

When the legal person as the shareholder appoints two or more representatives to attend the Annual General Shareholders' Meeting, only one of the representatives appointed may make the speech on the same proposal.

- 13 After the attending shareholder has made the speech, the chair may respond in person or designate the related persons to respond.

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

- 15 Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, also they shall be the shareholders of the Corporation. The results of the voting shall be announced on-site at the meeting, and the records shall be made.

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

- 17 When the Corporation holds a shareholders' meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. The relevant exercising methods shall be arranged in accordance with the provisions set forth in the Company Act and by the competent authority.

Except as otherwise provided in the Company Act and in the Corporation's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of more than half of the voting rights represented by the attending shareholders.

A proposal is deemed to have passed when no attending shareholders gave the dissents after being inquired by the chair and the effect thereof is the same as a vote.

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

- 19 The chair may direct the proctors or security personnel to help maintain the order at the meeting. When proctors or security personnel help maintain order at the

- meeting place, they shall wear an armband bearing the word "Proctor."
- 20 The rules and any amendments thereto, shall come into force after the approval by the shareholders' meeting.

**Taiwan Cement Corporation**  
**Agenda of Year 2017 Annual General Meeting of Shareholders**

Date: 9 a.m., Wednesday, June 28, 2017

Place: 3F, No. 113 Chung-Shan North Road Sec. 2, Taipei, Taiwan (TCC's  
Cement Hall)

**1. Commencement of the Meeting**

**2. Chairman's Statement**

**3. Matters to Report**

- (1) Report on 2016 Employees' and Directors' Compensation
- (2) To report the Business and Financial Statements of 2016
- (3) Audit Committee's Review Report
- (4) To amend the Corporate Social Responsibility Best Practice Principles

**4. Matters for Approval**

- (1) To accept 2016 Business Report and Financial Statements
- (2) To approve 2016 profit Distribution Proposal

**5. Matters for Discussion**

- (1) To amend the Procedures of the Acquisition or Disposal of Assets

**6. Matters for Election**

By-election of one Independent Director

**7. Matters for Discussion**

- (2) Releasing Directors from Non-competition Restrictions

**8. Ad Hoc Motions**

**9. Meeting Adjourned**

## **Matters to Report**

### **(1) Report on 2016 Employees' and Directors' Compensation**

Description:

1. Pursuant to Article 25 of the Company's amended Company Corporate Charter, "If the Company shows net profit for the year, the Company shall allocate: (1) Employees' remuneration: 0.0001% to 3%. (2) Directors' remuneration: shall not be higher than 1%." Arrangements shall be made accordingly.
2. The proposal has been adopted by the 12th meeting of the 22nd board of directors of the Corporation. The Corporation proposes to distribute in cash from the 2016 profits NT\$37,113,547 as employees' remuneration and NT\$55,679,530 as directors' remuneration for 2016.

## **(2) To report the Business and Financial Statements of 2016**

### **【Business Report】**

The economic turmoil in the previous year continues into 2017. This is accompanied by significant changes in the financial market, including the appreciation of the greenback resulting from US Fed-initiated interest rate hike, and devaluation of Renminbi and currencies of various emerging markets. In addition to the above, volatility in bulk commodity prices led by crude oil price movement, change in the balance of supply and demand caused by mainland China's policy-driven adjustment in production capacity, and the transition in political leadership of various foreign governments, indicating that although the light at the end of the tunnel is in sight, there is still a long way for global economic recovery. All in all, given the economy's bottom out and rebound after a sharp decline in 2016, the Company is cautiously optimistic about the 2017 economic outlook.

Around the world, the US stood out from other economies, with outstanding performance, since 2016. The Fed's formal embarkation on the interest rate upswing is expected to strengthen the USD. It also signifies continued improvement in the US employment market, and a more optimistic prospect for a mild inflation. However, one shall stay vigilant. The domestic demand in the Eurozone remains healthy, and banks are becoming more inclined to lend suggesting a gradual resumption of function of the transmission mechanism of monetary policy, and the economies in the Eurozone (with the exception of France) are on the path of recovery. In Japan, infrastructure development is leading the economy towards a positive direction, supported by Bank of Japan's ("BOJ") earlier continued purchase of Japanese stocks and the nation's negative interest rate, coupled with preparation for the upcoming Tokyo Olympic.

Although mainland China was under the impact of the turbulence of economic structural transformation and reported a 6.5% GDP growth in 2016, which was the lowest in recent years, the situation of corporate default and capital outflow began to ease in late 2016. The market is expecting mainland China to maintain relatively loose monetary and fiscal policies under an overall tightened environment, while it continues the promotion of its "One Belt and One Road Initiative". Mainland China is expected to maintain macro-austerity measures to prevent the emerge of market bubbles and to alleviate the pressure for further economic downturn. Furthermore, following the rapid depreciation of Renminbi in 2016 and relaxation in the burden of capital outflow, it is rather unlikely for a sharp depreciation to repeat.

Under the impact of the aforementioned external environment and driven by the increasing government's investment expenditure and private consumption, Taiwan, as an export-driven shallow plate economy, is also expecting a positive



economic outlook. Most research institutions forecast a modest year-on-year improvement in GDP in 2017.

In 2017, Taiwan Cement Corporation will continue to enhance cost-efficiency and to achieve an improvement in low energy consumption production, in order to fulfill its corporate social responsibility as a global civilian and to entrench its market position under an adverse macro environment. The Company seeks to set new record in sales, and to further penetrate its existing market, with an aim to allow cement sales in mainland China better addressing the demand of end-users. It will also utilize big data to accurately adjust its logistics operation and fraud-prevention measures. Moreover, it will continue to strengthen its cooperation with local governments through the introduction of refuse incineration system, utilizing the Company's niche in cement kiln production, to achieve a win-win situation in the long-run.

Followings are the highlights of the Company's performance in 2016:

#### 1. Cement

In 2016, the Company manufactured 4,976,314 tonnes of cement, and 484,500 tonnes of clinker for sale. Combining the outputs of cement and clinker on a one-to-one basis, the aggregate output amounted to 5,460,814 tonnes, declined by 395,759 tonnes, or 6.76% from that of 2015. The sales of cement and clinker totaled 4,604,712 tonnes, declined by 323,044 tonnes, or 6.56% from that of 2015.

Annual revenue from cement and clinker totaled NT\$8,358,435 thousands, declined by NT\$863,812 thousands, or 9.37% from 2015.

#### 2. Cement products

In 2016, the Company manufactured 3,999,271 cubic meter of ready mixed concrete, representing a decrease of 1,004,587 cubic meter, or 20.08%, from that of 2015. The sales of cement products totaled NT\$8,065,991 thousands, which was NT\$2,655,422 thousands, or 24.77%, less than that of 2015.

#### 3. Limestone

In 2016, the sales of limestone amounted to 58,661 tonnes, which was 8,028 tonnes, or 12.04%, less than that of 2015. The income from sales of limestone in 2016 was NT\$55,728 thousands, a decline of NT\$7,626 thousands, or 12.04%, from that of 2015.

#### 4. Net income and dividends

As for the 2016 operating results, net profit after tax was NT\$6,358,452 thousands, up by 10.08% from that of the corresponding period in 2015, and representing 64.15% of the budget for the year. After the appropriation of NT\$635,845 thousands to statutory surplus reserve, the accumulated distributable surplus was NT\$20,261,931 thousands. After retaining a surplus

of NT\$14,908,276 thousands, the balance of NT\$5,353,655 thousands would be allocated in full for dividend distribution, on the basis of NT\$1.45 for each share as intended cash dividend.

Chairman: Chang, An-Ping

General Manager: Chang, An-Ping

Accounting Supervisor: Yeh, Kuo-Hung

## 會計師查核報告

台灣水泥股份有限公司 公鑒：

### 查核意見

台灣水泥股份有限公司民國 105 年及 104 年 12 月 31 日之個體資產負債表，暨民國 105 年及 104 年 1 月 1 日至 12 月 31 日之個體綜合損益表、個體權益變動表、個體現金流量表以及個體財務報表附註（包括重大會計政策彙總），業經本會計師查核竣事。

依本會計師之意見，上開個體財務報表在所有重大方面係依照證券發行人財務報告編製準則編製，足以允當表達台灣水泥股份有限公司民國 105 年及 104 年 12 月 31 日之個體財務狀況，暨民國 105 年及 104 年 1 月 1 日至 12 月 31 日之個體財務績效及個體現金流量。

### 查核意見之基礎

本會計師係依照會計師查核簽證財務報表規則及一般公認審計準則執行查核工作。本會計師於該等準則下之責任將於會計師查核個體財務報表之責任段進一步說明。本會計師所隸屬事務所受獨立性規範之人員已依會計師職業道德規範，與台灣水泥股份有限公司保持超然獨立，並履行該規範之其他責任。本會計師相信已取得足夠及適切之查核證據，以作為表示查核意見之基礎。

### 關鍵查核事項

關鍵查核事項係指依本會計師之專業判斷，對台灣水泥股份有限公司民國 105 年度個體財務報表之查核最為重要之事項。該等事項已於查核個體財

務報表整體及形成查核意見之過程中予以因應，本會計師並不對該等事項單獨表示意見。

茲對台灣水泥股份有限公司民國 105 年度個體財務報表之關鍵查核事項敘明如下：

#### 採用權益法投資之減損評估

如個體財務報告附註四、五及十暨附表七所述，採用權益法投資中包括為擴充中國水泥市場業務而投資之子公司，取得該等子公司之過程中其投資成本超過可辨認淨資產公允價值之差額係認列於商譽，而其營運所需之資產則帳列不動產、廠房及設備，由於該等資產對於整體財務報表係屬重大，管理階層依照國際會計準則公報第 36 號「資產減損」規定，需定期針對該等資產進行減損評估測試。

管理階層於評估該等資產是否減損時，需計算其可回收金額及決定所屬適當折現率，而管理階層於決定可回收金額時，由於相關計算涉及諸多假設及主觀判斷，且可能受未來市場或經濟景氣影響，具有估計之不確定性。因是，將採用權益法投資中包含於投資子公司之不動產、廠房及設備暨商譽減損評估考量為關鍵查核事項。

本會計師針對管理階層評估該等資產是否減損時，主要查核程序如下：

1. 瞭解管理階層評估該等資產減損之相關流程及控制作業，包含執行評估中所採用之假設依據及資料來源。
2. 評估管理階層所估計之可回收金額，是否考量近期營運結果及所屬產業概況，以衡量其可達成之情形。
3. 評估管理階層使用之折現率是否合理。

#### **管理階層與治理單位對個體財務報表之責任**

管理階層之責任係依照證券發行人財務報告編製準則編製允當表達之個體財務報表，且維持與個體財務報表編製有關之必要內部控制，以確保個體財務報表未存有導因於舞弊或錯誤之重大不實表達。

於編製個體財務報表時，管理階層之責任亦包括評估台灣水泥股份有限公司繼續經營之能力、相關事項之揭露，以及繼續經營會計基礎之採用，除非管理階層意圖清算台灣水泥股份有限公司或停止營業，或除清算或停業外別無實際可行之其他方案。

台灣水泥股份有限公司之治理單位（含審計委員會）負有監督財務報導流程之責任。

#### **會計師查核個體財務報表之責任**

本會計師查核個體財務報表之目的，係對個體財務報表整體是否存有導因於舞弊或錯誤之重大不實表達取得合理確信，並出具查核報告。合理確信係高度確信，惟依照一般公認審計準則執行之查核工作無法保證必能偵出個體財務報表存有之重大不實表達。不實表達可能導因於舞弊或錯誤。如不實表達之個別金額或彙總數可合理預期將影響個體財務報表使用者所作之經濟決策，則被認為具有重大性。

本會計師依照一般公認審計準則查核時，運用專業判斷並保持專業上之懷疑。本會計師亦執行下列工作：

1. 辨認並評估個體財務報表導因於舞弊或錯誤之重大不實表達風險；對所評估之風險設計及執行適當之因應對策；並取得足夠及適切之查核證據以作為查核意見之基礎。因舞弊可能涉及共謀、偽造、故意遺漏、不實聲明或踰越內部控制，故未偵出導因於舞弊之重大不實表達之風險高於導因於錯誤者。
2. 對與查核攸關之內部控制取得必要之瞭解，以設計當時情況下適當之查核程序，惟其目的非對台灣水泥股份有限公司內部控制之有效性表示意見。
3. 評估管理階層所採用會計政策之適當性，及其所作會計估計與相關揭露之合理性。
4. 依據所取得之查核證據，對管理階層採用繼續經營會計基礎之適當性，以及使台灣水泥股份有限公司繼續經營之能力可能產生重大疑慮之事件或情況是否存在重大不確定性，作出結論。本會計師若認為該等事件或情況存在重大不確定性，則須於查核報告中提醒個體財務報表使用者注意個體財務報表之相關揭露，或於該等揭露係屬不適當時修正查核意見。本會計師之結論係以截至查核報告日所取得之查核證據為基礎。惟未來事件或情況可能導致台灣水泥股份有限公司不再具有繼續經營之能力。

5. 評估個體財務報表（包括相關附註）之整體表達、結構及內容，以及個體財務報表是否允當表達相關交易及事件。

6. 對於台灣水泥股份有限公司內組成個體之財務資訊取得足夠及適切之查核證據，以對個體財務報表表示意見。本會計師負責查核案件之指導、監督及執行，並負責形成台灣水泥股份有限公司查核意見。

本會計師與治理單位溝通之事項，包括所規劃之查核範圍及時間，以及重大查核發現（包括於查核過程中所辨認之內部控制顯著缺失）。

本會計師亦向治理單位提供本會計師所隸屬事務所受獨立性規範之人員已遵循會計師職業道德規範中有關獨立性之聲明，並與治理單位溝通所有可能被認為會影響會計師獨立性之關係及其他事項（包括相關防護措施）。

本會計師從與治理單位溝通之事項中，決定對台灣水泥股份有限公司民國 105 年度個體財務報表查核之關鍵查核事項。本會計師於查核報告中敘明該等事項，除非法令不允許公開揭露特定事項，或在極罕見情況下，本會計師決定不於查核報告中溝通特定事項，因可合理預期此溝通所產生之負面影響大於所增進之公眾利益。

勤業眾信聯合會計師事務所

會計師 翁雅玲

翁雅玲



會計師 邵志明

邵志明



金融監督管理委員會核准文號

金管證審字第 1020025513 號

證券暨期貨管理委員會核准文號

台財證六字第 0930128050 號

## 台灣水泥股份有限公司

## 個體資產負債表

民國 105 年及 104 年 12 月 31 日

單位：新台幣仟元

		105年12月31日			104年12月31日		
代 碼	資 產	金 額	%	金 額	%		
<b>流動資產</b>							
1100	現金及約當現金（附註四及六）	\$ 1,278,657	1	\$ 1,234,072	1		
1125	係供出售金融資產（附註四及七）	1,342,777	1	1,182,447	1		
1150	應收票據（附註四及八）	848,116	1	1,170,834	1		
1160	應收票據 關係人（附註四及二二）	153,730	-	106,973	-		
1170	應收帳款（附註四及八）	2,326,788	2	2,553,919	2		
1180	應收帳款 關係人（附註四及二二）	374,558	-	365,540	-		
1210	其他應收款 關係人（附註四及二二）	69,715	-	328,792	-		
130X	存貨（附註四、九及二四）	1,489,695	1	1,617,092	1		
1470	其他流動資產	122,728	-	137,992	-		
11XX	流動資產總計	8,006,764	6	8,697,661	6		
<b>非流動資產</b>							
1523	係供出售金融資產（附註四及七）	3,449,980	3	3,371,466	3		
1543	以成本衡量之金融資產（附註四）	90,992	-	108,299	-		
1550	採用權益法之投資（附註四、五及十）	88,378,924	67	90,740,015	67		
1600	不動產、廠房及設備（附註四、十一及二三）	28,064,674	21	28,635,070	21		
1760	投資性不動產（附註四及十二）	3,353,159	2	3,353,412	3		
1821	無形資產（附註四）	69,359	-	105,600	-		
1975	淨確定福利資產（附註四及十五）	817,828	1	442,783	-		
1990	其他非流動資產（附註四、十八及二三）	227,878	-	230,244	-		
15XX	非流動資產總計	124,452,794	94	126,986,889	94		
1XXX	資 產 總 計	\$132,459,558	100	\$135,684,550	100		
<b>負債及權益</b>							
<b>流動負債</b>							
2100	短期借款（附註十三）	\$ 5,839,557	4	\$ 4,432,649	3		
2110	應付短期票款（附註十三）	299,858	-	599,426	-		
2170	應付帳款	1,015,577	1	995,809	1		
2180	應付帳款 關係人（附註二二）	709,064	1	500,791	-		
2219	其他應付款（附註十四）	1,643,926	1	1,398,695	1		
2220	其他應付款 關係人（附註二二）	41,047	-	68,629	-		
2230	本期所得稅負債（附註四及十八）	39,626	-	266,646	-		
2320	一年內到期之長期負債（附註十三）	3,360,000	3	3,360,000	3		
2399	其他流動負債	88,022	-	96,411	-		
21XX	流動負債總計	13,086,677	10	11,719,056	8		
<b>非流動負債</b>							
2540	長期借款（附註十三）	7,268,893	5	10,621,053	8		
2570	遞延所得稅負債（附註四及十八）	5,141,802	4	5,069,432	4		
2670	其他非流動負債（附註十）	244,135	-	232,024	-		
25XX	非流動負債總計	12,654,830	9	15,922,509	12		
2XXX	負債總計	26,491,507	19	27,641,565	20		
<b>權益（附註四及十六）</b>							
3110	股 本	36,921,759	28	36,921,759	27		
3200	資本公積	13,534,162	10	12,309,615	9		
3300	保留盈餘	47,397,524	36	45,573,057	34		
3400	其他權益	8,374,606	7	13,238,554	10		
3XXX	權益總計	106,768,051	81	108,042,985	80		
負 債 與 權 益 總 計		\$132,459,558	100	\$135,684,550	100		

後附之附註係本個體財務報告之一部分。

董事長：張安平



經理人：張安平



會計主管：葉國宏



台灣水泥股份有限公司

個體綜合損益表

民國 105 年及 104 年 1 月 1 日至 12 月 31 日

單位：除每股盈餘為新台幣元外，餘係仟元

代 碼		105年度		104年度	
		全 額	%	全 額	%
4110	營業收入（附註四及二二）	\$ 17,299,027	100	\$ 20,667,929	100
4170	減：銷貨退回及折讓	80,028	-	100,369	-
4000	營業收入淨額	17,218,999	100	20,567,560	100
5110	營業成本（附註四、九、十七及二二）	15,080,237	88	18,345,276	89
5900	營業毛利	2,138,762	12	2,222,284	11
5920	與子公司之已實現利益	1,228	-	1,228	-
5950	已實現營業毛利	2,139,990	12	2,223,512	11
	營業費用（附註十七及二二）				
6100	推銷費用	178,878	1	205,210	1
6200	管理費用	685,337	4	545,047	3
6000	營業費用合計	864,215	5	750,257	4
6900	營業淨利	1,275,775	7	1,473,255	7
	營業外收入及支出				
7070	採用權益法之子公司及 關聯企業損益份額 （附註十）	5,266,258	31	4,341,468	21
7130	股利收入（附註四）	357,916	2	388,058	2
7190	其他收入（附註十七）	153,258	1	153,140	1
7050	財務成本	( 245,821 )	( 1 )	( 247,371 )	( 1 )
7590	其他支出（附註十七）	( 271,664 )	( 2 )	( 173,961 )	( 1 )
7000	營業外收入及支出 合計	5,259,947	31	4,461,334	22

（換次頁）



(承前頁)

代 碼		105年度		104年度	
		金 額	%	金 額	%
7900	稅前淨利	\$ 6,535,722	38	\$ 5,934,589	29
7950	所得稅費用(附註四及十八)	<u>177,270</u>	<u>1</u>	<u>158,600</u>	<u>1</u>
8200	本年度淨利	<u>6,358,452</u>	<u>37</u>	<u>5,775,989</u>	<u>28</u>
	其他綜合損益				
8310	不重分類至損益之項目				
8311	確定福利計畫之再 衡量數(附註十 五)	379,357	2	( 631,163)	( 3)
8330	採用權益法認列之 子公司及關聯企 業之其他綜合損 益之份額	1,743	-	( 15,776)	-
8349	與不重分類之項目 相關之所得稅 (附註十八)	( <u>64,491</u> )	<u>-</u>	<u>107,298</u>	<u>-</u>
		<u>316,609</u>	<u>2</u>	( <u>539,641</u> )	( <u>3</u> )
8360	後續可能重分類至損益 之項目				
8362	備供出售金融資產 未實現利益	238,844	1	( 1,027,693)	( 5)
8380	採用權益法之子公 司及關聯企業之 其他綜合損益份 額	( <u>4,502,792</u> )	( <u>26</u> )	( <u>5,015,109</u> )	( <u>24</u> )
		( <u>4,263,948</u> )	( <u>25</u> )	( <u>6,042,802</u> )	( <u>29</u> )
8300	本年度其他綜合損 益(稅後淨額)	( <u>3,947,339</u> )	( <u>23</u> )	( <u>6,582,443</u> )	( <u>32</u> )
8500	本年度綜合損益總額	<u>\$ 2,411,113</u>	<u>14</u>	( <u>\$ 806,454</u> )	( <u>4</u> )
	每股盈餘(附註十九)				
9750	基 本	\$ <u>1.72</u>		\$ <u>1.56</u>	
9850	稀 釋	\$ <u>1.72</u>		\$ <u>1.56</u>	

後附之附註係本個體財務報告之一部分。

董事長：張安平



經理人：張安平



會計主管：葉國宏





台灣水泥股份有限公司

個體現金流量表

民國 105 年及 104 年 1 月 1 日至 12 月 31 日

單位：新台幣仟元

代 碼		105年度	104年度
	營業活動之現金流量		
A10000	本年度稅前淨利	\$ 6,535,722	\$ 5,934,589
	不影響現金流量之收益費損項目：		
A20100	折舊費用	676,733	890,867
A20200	攤銷費用	36,554	36,553
A20900	財務成本	245,821	247,371
A21200	利息收入	( 8,453)	( 10,508)
A21300	股利收入	( 357,916)	( 388,058)
A22400	採用權益法之子公司及關聯企 業損益之份額	( 5,266,258)	( 4,341,468)
A22500	處分不動產、廠房及設備淨益	( 29,540)	( 1,681)
A23500	金融資產減損損失	5,724	3,334
A24100	未實現外幣兌換淨損（益）	3,840	( 4,726)
A30000	營業資產及負債之淨變動數		
A31130	應收票據	322,718	307,397
A31140	應收票據－關係人	( 46,757)	( 3,424)
A31150	應收帳款	227,338	95,814
A31160	應收帳款－關係人	( 7,976)	4,281
A31190	其他應收款－關係人	4,077	( 13,599)
A31200	存 貨	127,397	( 121,740)
A31240	其他流動資產	15,620	142,008
A31990	淨確定福利資產	4,312	( 7,839)
A32150	應付帳款	19,912	( 160,489)
A32160	應付帳款－關係人	208,019	( 11,654)
A32180	其他應付款	244,891	( 88,188)
A32190	其他應付款－關係人	( 27,582)	18,128
A32230	其他流動負債	( 8,389)	( 42,876)
A33000	營運產生之淨現金流入	2,925,807	2,484,092
A33500	支付之所得稅	( 395,336)	( 124,263)
AAAA	營業活動之淨現金流入	<u>2,530,471</u>	<u>2,359,829</u>

（接次頁）

(承前頁)

代 碼		105年度	104年度
	投資活動之現金流量		
B01200	取得以成本衡量之金融資產	(\$ 1)	(\$ 1)
B01400	以成本衡量之金融資產減資退回股 款	11,584	9,461
B01800	取得採用權益法之投資	( 15,000)	-
B02700	購置不動產、廠房及設備	( 79,854)	( 21,930)
B02800	處分不動產、廠房及設備價款	29,613	1,827
B04500	取得無形資產	( 313)	-
B04300	其他應收款－關係人減少(增加)	255,000	( 50,000)
B06700	其他非流動資產增加	( 25,012)	( 17,133)
B07500	收取之利息	8,068	10,499
B07600	收取之股利	<u>4,721,548</u>	<u>4,790,607</u>
BBBB	投資活動之淨現金流入	<u>4,905,633</u>	<u>4,723,330</u>
	籌資活動之現金流量		
C00200	短期借款增加	1,401,977	2,240,277
C00600	應付短期票券增加(減少)	( 299,568)	599,426
C01700	償還長期借款	( 3,360,000)	-
C04300	其他非流動負債增加(減少)	14,326	( 1,733)
C04500	支付股利	( 4,910,594)	( 9,193,518)
C05600	支付之利息	( <u>237,660</u> )	( <u>238,944</u> )
CCCC	籌資活動之淨現金流出	( <u>7,391,519</u> )	( <u>6,594,492</u> )
EEEE	本年度現金及約當現金增加	44,585	488,667
E00100	年初現金及約當現金餘額	<u>1,234,072</u>	<u>745,405</u>
E00200	年底現金及約當現金餘額	<u>\$ 1,278,657</u>	<u>\$ 1,234,072</u>

後附之附註係本個體財務報告之一部分。

董事長：張安平



經理人：張安平



會計主管：葉國宏



### 會計師查核報告

台灣水泥股份有限公司 公鑒：

#### 查核意見

台灣水泥股份有限公司及其子公司（台泥集團）民國 105 年及 104 年 12 月 31 日之合併資產負債表，暨民國 105 年及 104 年 1 月 1 日至 12 月 31 日之合併綜合損益表、合併權益變動表、合併現金流量表，以及合併財務報表附註（包括重大會計政策彙總），業經本會計師查核竣事。

依本會計師之意見，上開合併財務報表在所有重大方面係依照證券發行人財務報告編製準則及經金融監督管理委員會認可並發布生效之國際財務報導準則、國際會計準則、解釋及解釋公告編製，足以允當表達台泥集團民國 105 年及 104 年 12 月 31 日之合併財務狀況，暨民國 105 年及 104 年 1 月 1 日至 12 月 31 日之合併財務績效及合併現金流量。

#### 查核意見之基礎

本會計師係依照會計師查核簽證財務報表規則及一般公認審計準則執行查核工作。本會計師於該等準則下之責任將於會計師查核合併財務報表之責任段進一步說明。本會計師所隸屬事務所受獨立性規範之人員已依會計師職業道德規範，與台泥集團保持超然獨立，並履行該規範之其他責任。本會計師相信已取得足夠及適切之查核證據，以作為表示查核意見之基礎。

#### 關鍵查核事項

關鍵查核事項係指依本會計師之專業判斷，對台泥集團民國 105 年度合併財務報表之查核最為重要之事項。該等事項已於查核合併財務報表整體及形成查核意見之過程中予以因應，本會計師並不對該等事項單獨表示意見。

茲對台泥集團民國 105 年度合併財務報表之關鍵查核事項敘明如下：

#### 不動產、廠房及設備暨商譽減損評估

如合併財務報告附註四、五、十五及十七所述，台泥集團之不動產、廠房及設備係以經營水泥產業為主，而有關商譽來源主要係為擴充中國水泥市場之業務於併購相關子公司所產生，因相關資產金額對整體合併財務報表係屬重大，管理階層依照國際會計準則公報第 36 號「資產減損」規定，應定期進行該等資產減損評估。

管理階層於評估該等資產是否減損時，需計算其可回收金額及決定所屬適當折現率，而管理階層於決定可回收金額時，由於相關計算涉及諸多假設及主觀判斷，且可能受未來市場或經濟景氣影響，具有估計之不確定性。因是，將不動產、廠房及設備暨商譽減損評估考量為關鍵查核事項。

本會計師針對管理階層評估該等資產是否減損時，主要查核程序如下：

1. 瞭解管理階層評估該等資產減損之相關流程及控制作業，包含執行評估中所採用之假設依據及資料來源。
2. 評估管理階層所估計之可回收金額，是否考量近期營運結果及所屬產業概況，以衡量其可達成之情形。
3. 評估管理階層使用之折現率是否合理。

#### **其他事項**

台灣水泥股份有限公司業已編製民國 105 及 104 年度之個體財務報告，並經本會計師出具無保留意見之查核報告在案，備供參考。

#### **管理階層與治理單位對合併財務報表之責任**

管理階層之責任係依照證券發行人財務報告編製準則及經金融監督管理委員會認可並發布生效之國際財務報導準則、國際會計準則、解釋及解釋公告編製允當表達之合併財務報表，且維持與合併財務報表編製有關之必要內部控制，以確保合併財務報表未存有導因於舞弊或錯誤之重大不實表達。

於編製合併財務報表時，管理階層之責任亦包括評估台泥集團繼續經營之能力、相關事項之揭露，以及繼續經營會計基礎之採用，除非管理階層意圖清算台泥集團或停止營業，或除清算或停業外別無實際可行之其他方案。

台泥集團之治理單位（含審計委員會）負有監督財務報導流程之責任。

## 會計師查核合併財務報表之責任

本會計師查核合併財務報表之目的，係對合併財務報表整體是否存有導因於舞弊或錯誤之重大不實表達取得合理確信，並出具查核報告。合理確信係高度確信，惟依照一般公認審計準則執行之查核工作無法保證必能偵出合併財務報表存有之重大不實表達。不實表達可能導因於舞弊或錯誤。如不實表達之個別金額或彙總數可合理預期將影響合併財務報表使用者所作之經濟決策，則被認為具有重大性。

本會計師依照一般公認審計準則查核時，運用專業判斷並保持專業上之懷疑。本會計師亦執行下列工作：

1. 辨認並評估合併財務報表導因於舞弊或錯誤之重大不實表達風險；對所評估之風險設計及執行適當之因應對策；並取得足夠及適切之查核證據以作為查核意見之基礎。因舞弊可能涉及共謀、偽造、故意遺漏、不實聲明或踰越內部控制，故未偵出導因於舞弊之重大不實表達之風險高於導因於錯誤者。
2. 對與查核攸關之內部控制取得必要之瞭解，以設計當時情況下適當之查核程序，惟其目的非對台泥集團內部控制之有效性表示意見。
3. 評估管理階層所採用會計政策之適當性，及其所作會計估計與相關揭露之合理性。
4. 依據所取得之查核證據，對管理階層採用繼續經營會計基礎之適當性，以及使台泥集團繼續經營之能力可能產生重大疑慮之事件或情況是否存在重大不確定性，作出結論。本會計師若認為該等事件或情況存在重大不確定性，則須於查核報告中提醒合併財務報表使用者注意合併財務報表之相關揭露，或於該等揭露係屬不適當時修正查核意見。本會計師之結論係以截至查核報告日所取得之查核證據為基礎。惟未來事件或情況可能導致台泥集團不再具有繼續經營之能力。
5. 評估合併財務報表（包括相關附註）之整體表達、結構及內容，以及合併財務報表是否允當表達相關交易及事件。
6. 對於集團內組成個體之財務資訊取得足夠及適切之查核證據，以對合併財務報表表示意見。本會計師負責集團查核案件之指導、監督及執行，並負責形成集團查核意見。

本會計師與治理單位溝通之事項，包括所規劃之查核範圍及時間，以及重大查核發現（包括於查核過程中所辨認之內部控制顯著缺失）。

本會計師亦向治理單位提供本會計師所隸屬事務所受獨立性規範之人員已遵循會計師職業道德規範中有關獨立性之聲明，並與治理單位溝通所有可能被認為會影響會計師獨立性之關係及其他事項（包括相關防護措施）。

本會計師從與治理單位溝通之事項中，決定對台泥集團民國 105 年度合併財務報表查核之關鍵查核事項。本會計師於查核報告中敘明該等事項，除非法令不允許公開揭露特定事項，或在極罕見情況下，本會計師決定不於查核報告中溝通特定事項，因可合理預期此溝通所產生之負面影響大於所增進之公眾利益。

勤業眾信聯合會計師事務所

會計師 翁 雅 玲

翁雅玲



會計師 邵 志 明

邵志明



金融監督管理委員會核准文號  
金管證審字第 1020025513 號

證券暨期貨管理委員會核准文號  
台財證六字第 0930128050 號



台灣光電股份有限公司及其子公司

合併資產負債表

民國 105 年底 104 年 12 月 31 日

單位：新台幣千元

		105年12月31日		104年12月31日	
代	碼	金 額	%	金 額	%
<b>流動資產</b>					
1100	現金及約當現金 (附註四、五、六)	\$ 28,179,758	11	\$ 38,977,260	13
1110	透過損益按公允價值衡量之金融資產 (附註四、五、七)	148,488		147,113	
1125	備用金 (附註四、八、三)	15,536,693	6	15,227,906	5
1150	應收票據 (附註四、五)	12,600,411	5	12,377,095	4
1170	應收帳款 (附註四、十、十一、三)	6,782,292	3	6,850,598	3
1180	應收票據及帳款—其他 (附註四、五、三)	546,984		985,259	1
1200	其他應收款 (附註四、五、二)	770,838		663,601	
1210	其他應收款—其他 (附註四、五、三)	181,997		668,842	
1300	存貨 (附註四、十二、三)	8,893,965	3	8,941,127	3
1410	預付款項 (附註四、八、三)	2,955,246	1	3,286,150	1
1476	其他金融資產 (附註四、六、三)	812,127		2,043,253	1
1479	其他流動資產 (附註四、五)	475,213		425,072	
11XX	流動資產合計	77,884,012	29	90,593,376	31
<b>非流動資產</b>					
1528	備用金 (附註四、八、三)	4,190,855	2	3,990,535	1
1543	以成本衡量之金融資產 (附註四)	589,736		822,609	
1550	採用權益法之投資 (附註四、五、四)	7,444,947	3	8,013,265	3
1600	不動產、廠房及設備 (附註四、十五、三)	101,799,766	38	113,310,134	39
1760	投資性不動產 (附註四、十六、三)	6,073,056	2	5,996,536	2
1780	無形資產 (附註四、十七、六)	21,175,282	8	22,607,552	8
1915	預付設備款	2,740,525	1	1,992,087	1
1930	長期應收租賃款 (附註四、十一、三)	33,666,040	13	34,335,409	12
1975	淨確定福利資產 (附註四、二)	827,402		451,548	
1985	長期預付租賃款 (附註四、八、三)	6,934,059	3	7,698,950	2
1995	其他非流動資產 (附註四、二、四、三)	3,663,016	1	3,254,404	1
15XX	非流動資產合計	189,104,684	71	202,472,979	69
1XXX	資 產 合 計	\$ 266,988,696	100	\$ 293,066,355	100
<b>負債</b>					
2100	短期借款 (附註四、九、三)	\$ 20,635,324	8	\$ 22,325,389	8
2110	應付短期票款 (附註四、九)	5,921,518	2	6,159,780	2
2170	應付票據及帳款 (附註四、三)	7,671,640	3	7,081,053	2
2219	其他應付帳款 (附註四、十、三)	7,960,894	3	8,935,660	3
2220	本期所得稅負債 (附註四、五、二)	1,324,329	1	1,214,642	
2310	預收款項	3,352,902	1	3,119,316	1
2320	一年內到期之長期負債 (附註四、九、三)	8,163,950	3	19,133,616	7
2399	其他流動負債	74,362		114,376	
21XX	流動負債合計	55,104,919	21	68,083,832	23
<b>非流動負債</b>					
2540	長期借款 (附註四、九、三)	53,342,059	20	57,986,194	20
2570	遞延所得稅負債 (附註四、五、二)	10,213,967	4	10,268,560	4
2640	淨確定福利負債 (附註四、二)	184,115		287,238	
2670	其他非流動負債 (附註四、五、三)	746,965		956,279	
25XX	非流動負債合計	64,487,106	24	69,498,271	24
2XXX	負債合計	119,592,025	45	137,582,103	47
<b>本公司業主權益合計 (附註二、二、四)</b>					
3110	股本	36,921,759	14	36,921,759	13
3200	資本公積	13,534,162	5	12,309,615	4
3300	保留盈餘	47,337,524	18	45,573,057	16
3400	其他權益	8,974,606	3	13,238,554	4
31XX	本公司業主權益合計	106,768,051	40	108,042,985	37
36XX	存出利息 (附註二、二)	40,628,620	15	47,441,267	16
3XXX	權益合計	147,396,671	55	155,484,252	53
<b>負債與權益合計</b>		<b>\$ 266,988,696</b>	<b>100</b>	<b>\$ 293,066,355</b>	<b>100</b>

後附之附註係本合併財務報告之一部分。

董事長：張安平



經理人：張安平



會計主管：黃國宏



台灣水泥股份有限公司及子公司

合併綜合損益表

民國 105 年及 104 年 1 月 1 日至 12 月 31 日

單位：除每股盈餘為新台幣元外，餘係仟元

代 碼		105年度		104年度	
		金 額	%	金 額	%
4000	營業收入（附註四、九及三十）	\$ 89,564,306	100	\$ 93,679,076	100
5000	營業成本（附註四、九、十二、二三及三十）	<u>71,583,302</u>	<u>80</u>	<u>79,151,059</u>	<u>85</u>
5900	營業毛利	<u>17,981,004</u>	<u>20</u>	<u>14,528,017</u>	<u>15</u>
	營業費用（附註二三及三十）				
6100	推銷費用	733,021	1	859,723	1
6200	管理費用	4,193,229	4	3,987,700	4
6300	研究發展費用	<u>20,618</u>	<u>-</u>	<u>6,895</u>	<u>-</u>
6000	營業費用合計	<u>4,946,868</u>	<u>5</u>	<u>4,854,318</u>	<u>5</u>
6900	營業淨利	<u>13,034,136</u>	<u>15</u>	<u>9,673,699</u>	<u>10</u>
	營業外收入及支出				
7060	採用權益法認列之關聯企業及合資損益份額（附註四及十四）	979,609	1	737,161	1
7100	利息收入（附註四及三十）	267,182	-	430,757	-
7130	股利收入（附註四）	808,767	1	958,117	1
7190	其他收入（附註十一）	928,426	1	822,162	1
7050	財務成本（附註四及二三）	( 1,916,837)	( 2)	( 1,873,739)	( 2)
7590	其他支出（附註二三）	( 473,231)	-	( 447,715)	-
7630	外幣兌換淨損失	( 985,562)	( 1)	( 1,570,026)	( 2)
7671	金融資產減損損失	( 619,013)	( 1)	( 51,296)	-

（接次頁）

(承前頁)

代 碼		105年度		104年度	
		金 額	%	金 額	%
7673	不動產、廠房及設備減損損失(附註十五)	(\$ 508,142)	( 1)	(\$ 13,105)	-
7000	營業外收入及支出合計	( 1,518,801)	( 2)	( 1,007,684)	( 1)
7900	稅前淨利	11,515,335	13	8,666,015	9
7950	所得稅費用(附註四及二四)	2,673,260	3	1,740,389	2
8200	本年度淨利	8,842,075	10	6,925,626	7
	其他綜合損益(附註四)				
	不重分類至損益之項目				
8311	確定福利計畫之再衡量數(附註二一及二二)	385,369	-	( 652,832)	( 1)
8320	採用權益法認列之關聯企業及合資之其他綜合損益之份額(附註二二)	( 6,193)	-	( 1,476)	-
8349	與不重分類之項目相關之所得稅(附註二四)	( 65,512)	-	110,938	-
8310	後續可能重分類至損益之項目	313,664	-	( 543,370)	( 1)
8361	國外營運機構財務報表換算之兌換差額(附註二二)	( 7,055,040)	( 8)	( 1,828,277)	( 2)
8362	備供出售金融資產未實現利益(損失)(附註二二)	243,381	-	( 5,141,341)	( 5)
8363	現金流量避險(附註九及二二)	4,022	-	( 11,071)	-

(接次頁)

(承前頁)

代 碼		105年度		104年度	
		全 額	%	全 額	%
8370	採用權益法認列關 聯企業及合資之 其他綜合損益之 份額(附註二二)	(\$ 493,741)	-	\$ 6,015	-
8360		( 7,301,378)	( 8)	( 6,974,674)	( 7)
8300	本年度其他綜合損 益淨額(稅後淨 額)	( 6,987,714)	( 8)	( 7,518,044)	( 8)
8500	本年度綜合損益總額	<u>\$ 1,854,361</u>	<u>2</u>	<u>(\$ 592,418)</u>	<u>( 1)</u>
	淨利歸屬於				
8610	本公司業主	\$ 6,358,452	7	\$ 5,775,989	6
8620	非控制權益	<u>2,483,623</u>	<u>3</u>	<u>1,149,637</u>	<u>1</u>
8600		<u>\$ 8,842,075</u>	<u>10</u>	<u>\$ 6,925,626</u>	<u>7</u>
	綜合損益總額歸屬於				
8710	本公司業主	\$ 2,411,113	3	(\$ 806,454)	( 1)
8720	非控制權益	( 556,752)	( 1)	<u>214,036</u>	-
8700		<u>\$ 1,854,361</u>	<u>2</u>	<u>(\$ 592,418)</u>	<u>( 1)</u>
	每股盈餘(附註二五)				
9750	基 本	<u>\$ 1.72</u>		<u>\$ 1.56</u>	
9850	稀 釋	<u>\$ 1.72</u>		<u>\$ 1.56</u>	

後附之附註係本合併財務報告之一部分。

董事長：張安平



經理人：張安平



會計主管：葉國宏



每位：你每星期交銀制馬新  
台幣元外，每禮拜元

特許水産品株式会社

含洋雀送里斯美

[illegible]

上圖之圖解爲今擇『北魏書』卷六：

董事長：吳勝雄

三、埋人：吳安平

● 考査 2014 年 10 月 1 日現在

台灣水泥股份有限公司及子公司

合併現金流量表

民國 105 年及 104 年 1 月 1 日至 12 月 31 日

單位：新台幣仟元

代 碼		105 年度	104 年度
	營業活動之現金流量		
A10000	本年度稅前淨利	\$ 11,515,335	\$ 8,666,015
	不影響現金流量之收益費損項目		
A20100	折舊費用	6,587,626	7,021,678
A20200	攤銷費用	402,921	397,480
A20400	透過損益按公允價值衡量金融 資產及負債之淨損（益）	( 367,641)	1,114
A20900	財務成本	1,916,837	1,873,739
A21200	利息收入	( 267,182)	( 430,757)
A21300	股利收入	( 808,767)	( 958,117)
A22300	採用權益法認列之關聯企業及 合資淨益之份額	( 979,609)	( 737,161)
A22500	處分不動產、廠房及設備淨損 （益）	( 3,245)	34,307
A23100	處分投資淨益	( 402)	( 499)
A23500	金融資產減損損失	619,013	51,296
A23600	金融資產減損迴轉利益	-	( 186,035)
A23700	非金融資產減損損失	508,142	13,105
A23800	存貨跌價及呆滯損失（迴升利 益）	17,956	( 87,164)
A24100	未實現外幣兌換淨損	11,880	994,811
A29900	其 他	235,962	240,781
A30000	營業資產及負債之淨變動數		
A31110	持有供交易之金融資產	365,551	30,438
A31130	應收票據	( 421,615)	5,888,746
A31150	應收帳款	62,927	1,884,936
A31160	應收票據及帳款 關係人	426,650	( 643,176)
A31180	其他應收款	( 205,146)	630,897
A31190	其他應收款 關係人	76,503	846,460
A31200	存 貨	( 53,965)	2,495,379
A31230	預付款項	269,215	1,028,566
A31240	其他流動資產	( 52,334)	122,942
A32150	應付票據及帳款	662,309	( 2,701,077)
A32180	其他應付款	557,958	( 1,415,824)

（接次頁）

(承前頁)

代 碼		105 年度	104 年度
A32210	預收款項	\$ 257,740	\$ 70,644
A32230	其他流動負債	( 40,014)	( 105,817)
A32240	淨確定福利負債	( 93,608)	( 36,776)
A33000	營運產生之淨現金流入	21,200,997	24,990,931
A33500	支付之所得稅	( 2,450,842)	( 3,227,539)
AAAA	營業活動之淨現金流入	<u>18,750,155</u>	<u>21,763,392</u>
投資活動之現金流量			
B00300	取得備供出售金融資產	( 366,113)	( 10,087)
B00400	處分備供出售金融資產價款	69,708	14,842
B01200	取得以成本衡量之金融資產	( 1)	( 1)
B01400	以成本衡量之金融資產減資退回股款	11,584	9,461
B02200	對子公司之收購	-	( 6,721,329)
B02700	取得不動產、廠房及設備	( 2,995,914)	( 2,726,976)
B02800	處分不動產、廠房及設備價款	41,826	98,761
B04500	取得無形資產	( 79,398)	( 379,647)
B05400	取得投資性不動產	( 568)	-
B06000	長期應收租賃款減少	669,369	726,368
B06500	其他金融資產減少(增加)	1,225,039	( 691,123)
B06700	其他非流動資產減少(增加)	( 593,738)	208,091
B07300	預付租賃款增加	( 72,594)	( 125,947)
B07500	收取之利息	288,807	406,803
B07600	收取之股利	<u>1,856,760</u>	<u>1,357,381</u>
BBBB	投資活動之淨現金流入(出)	<u>54,767</u>	<u>( 7,833,403)</u>
籌資活動之現金流量			
C00200	短期借款減少	( 1,480,747)	( 3,539,971)
C01600	舉借長期借款	19,433,699	29,252,473
C01700	償還長期借款	( 34,738,309)	( 22,574,692)
C02100	應付短期票券減少	( 238,262)	( 210,728)
C04400	其他非流動負債減少	( 209,314)	( 324,608)
C04500	發放現金股利	( 7,209,885)	( 11,963,228)
C05400	取得子公司股權	( 2,732,057)	-
C05600	支付之利息	( 1,721,077)	( 1,708,559)
C05800	非控制權益變動	-	<u>6,022,723</u>
CCCC	籌資活動之淨現金流出	<u>( 28,895,952)</u>	<u>( 5,046,590)</u>

(接次頁)

(承前頁)

代 碼		105 年度	104 年度
DDDD	匯率變動對現金及約當現金之影響	(\$ 706,572)	(\$ 420,081)
EEEE	本年度現金及約當現金增加(減少)數	( 10,797,602)	8,463,318
E00100	年初現金及約當現金餘額	<u>38,977,360</u>	<u>30,514,042</u>
E00200	年底現金及約當現金餘額	<u>\$28,179,758</u>	<u>\$38,977,360</u>

後附之附註係本合併財務報告之一部分。

董事長：張安平



經理人：張安平



會計主管：葉國宏





### **(3) To Audit Committee's Review Report**

#### **Audit Committee's Audit Report**

The board of directors prepared the Corporation's business report, consolidated financial statements (including parent company only financial statements) and proposal of earnings distribution. Of which, the financial statements have been audited by Deloitte through an entrustment, and an audit report has been issued. The aforementioned business report, financial statements and proposal of earnings distribution have been audited by the Audit Committee, which is of the opinion that no inconsistency has been observed. Hence, the Committee hereby makes a report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To

Taiwan Cement Corporation  
2017 Annual General Shareholders' Meeting

Taiwan Cement Corporation  
Audit Committee Convener: Victor Wang

March 27, 2017

#### **(4) To amend the Corporate Social Responsibility Best Practice Principles**

Description:

1. Amendments were made pursuant to the Letter No. 1050014103 issued by the TWSE on July 28, 2016 with the amendment of Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies.
2. This resolution was passed by the 12th meeting of the 22nd board of directors of the Corporation. For comparison of the amended provisions, please see Annex 1 of this handbook (pages 38 to 40).

## **Matters for Approval**

Item 1: To accept 2016 Business Report and Financial Statements. (Proposed by the Board of Directors)

### **Description:**

1. Proposal is made according to Article 228 of the Company Act.
2. The Corporation's 2016 business report, parent company only financial statements and consolidated financial statements have been passing by the 12th meeting of the 22nd board of directors of the Corporation. The parent company only financial statements and consolidated financial statements have been audited by CPAs Wong, Ya-Ling and Shao, Chih-Ming of Deloitte.
3. The aforementioned final accounts have been submitted to the Audit Committee, and the auditing has been completed. Please refer to Pages 9 to 30 of this handbook.
4. Please accept this proposal.

### **Resolution:**

Item 2: To approve 2016 profit Distribution Proposal. (Proposed by the Board of Directors)

### **Description:**

1. The Proposal for distribution of 2016 earnings is in accordance with Articles 228 of the Company Act and Articles 26 of Incorporation.
2. 2016 net profit after tax is NT\$ 6,358,452,420. After setting aside the legal reserve of NT\$ 635,845,242, and then adding unappropriated retained earnings of previous years of NT\$ 14,222,703,892, reverse from special capital reserve arising from first adoption of TIFRS of NT\$ 11,174 and remeasurement of defined benefit obligation of NT\$

316,609,207, the total retained earnings available for distribution are NT\$ 20,261,931,451. The proposed cash dividend of NT\$ 1.45 per share is amounted to NT\$ 5,353,655,010.

3. After the proposal is adopted by the regular shareholder's meeting, a base date of ex-dividends will be set additionally. On such date, the distribution will be made to shareholders in accordance with the percentage of shares held thereby recorded in the shareholder register. The total cash dividends to be distributed to each shareholder will be rounded down to NT dollar and decimal places will be disregarded.
4. For the Corporation's earnings distribution table of year 2016, please refer to Annex 2 (on Page 41) of the Handbook.
5. The proposal has been adopted by the 12th meeting of the 22nd board of directors of the Corporation, and submitted to and audited by the Audit Committee.
6. Please accept this proposal.

**Resolution:**

## **Matters for Discussion**

Item 1: To amend the Procedures of the Acquisition or Disposal of Assets.

(Proposed by the Board of Directors)

### **Description:**

1. The Proposed according to Letter Number 1060001296 issued by the Securities and Futures Bureau, Financial Supervisory Commission, on February 9, 2017.
2. This proposal has been passed by the 12th meeting of the 22th board of directors. For comparison of the provisions proposed for amendment, please refer to Annex 3 (on Pages 42 to 56) of the handbook.
3. Please vote on the matter.

### **Resolution:**

## **Matters for Election**

Item: By-election of an Individual Director.

Description:

1. According to Article 14 of the Articles of Incorporation, the Corporation shall have no less than three independent directors, and the number of such independent directors shall not be less than one fifth of the number of directors. Currently the Corporation has three independent directors, and it is proposed to hold a by-election of one independent director at this Annual General Shareholders' Meeting, who will take office after being elected at this Annual General Shareholders' Meeting on June 28, 2017 and the term of office starts from June 28, 2017 to June 17, 2018.
2. For the List of Candidates for the by-election of the Individual Director, please refer to Annex 4 (on Page 57) of the handbook.
3. The proposal has been adopted by the 14th meeting of the 22nd board of directors of the Corporation.
4. Please Vote.

**Election Result:**

## **Matters for Discussion**

Item 2: Releasing Directors from Non-competition Restrictions. (Proposed by the Board of Directors)

Description:

1. According to Article 209 of the Company Act, "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."
2. Mr. Koo Kung Yi, the representative of the Corporation's legal person director, Heng Qiang Investment Corporation, and the independent director to be elected by the by-election at this shareholder' meeting of the Corporation may have invested in or operated other companies having the same or similar business scope as the Corporation and act as the director or managerial officer therefor. Hence, it is proposed for the Annual General Shareholders' Meeting to agree to release them from non-competition restrictions.
3. The proposal has been adopted by the 12th meeting of the 22nd board of directors of the Corporation. For the details pertaining to releasing the directors from non-competition restrictions, please refer to Annex 5 (on Page 58) of the handbook.
4. Please vote on the matter.

**Resolution:**

**Questions and Motions**

**Adjournment**

## Annex 1: Comparison of the Corporate Social Responsibility Code of Practice before and after the amendment

Taiwan Cement Corporation

Contrast Table of Amended Articles of the "Corporate Social Responsibility Best Practice Principles"

Articles after amendment	Current articles	Description of amendment
Chapter 2 Exercising Corporate Governance	Chapter 2 Exercising Corporate Governance	
<p>Article 7</p> <p>The directors of the Corporation shall exercise the due care of good administrators to urge the Corporation to perform its corporate social responsibility initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies.</p> <p>The board of directors of the Corporation is advised <b><u>to give full consideration to the interested parties</u></b>, including the following matters, in the Corporation's performance of its corporate social responsibility initiatives:</p> <p>1~3 (Omitted)</p>	<p>Article 7</p> <p>The directors of the Corporation shall exercise the due care of good administrators to urge the Corporation to perform its corporate social responsibility initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies.</p> <p>The board of directors of the Corporation is advised to include the following matters in the Corporation's performance of its corporate social responsibility initiatives:</p> <p>1~3 (Omitted)</p>	<p>By referring to international cooperative organizations, the board of directors of a company is advised to give full consideration to the interested parties for exercising its corporate social responsibility initiatives, enabling itself to implement the policies, systems or administration guidelines with respect to corporate social responsibility initiatives. Hence, the wordings are amended.</p>
Chapter 4 Preserving Society Public Interests	Chapter 4 Preserving Society Public Interests	
<p><b><u>Article 22-1</u></b></p> <p><b><u>A TWSE/TPEX listed company is, while interacting with customers or consumers, advised to consider its provision of products or services, as well as the characteristics of the business, and choose applicable, fair and reasonable methods to develop the strategies and specific measures for implementation.</u></b></p> <p><b><u>The aforementioned fair and</u></b></p>	<p>This article is newly added.</p>	<p>With reference to the "G20 Finance Ministers and Central Bank Governors Meeting" convened by international cooperative organizations, the wordings are</p>



Articles after amendment	Current articles	Description of amendment
<p><u>reasonable methods are listed as belows:</u></p> <p><u>1. Adhering to reciprocity, fairness and good faith in entering into contracts.</u></p> <p><u>2. Fulfilling due care and fiduciary duty while being entrusted by customers.</u></p> <p><u>3.Ensuring truthfulness in advertising and soliciting.</u></p> <p><u>4. Confirming fitness of products or services that are provided for customers or consumers.</u></p> <p><u>5. Giving a thorough explanations of important contents and disclosing risks for products or services that are provided.</u></p> <p><u>6.Commensuration between rights and interests of customers or consumers, and achievement of performance for salesperson's compensation system.</u></p> <p><u>7. A smooth grievance channel for customers or consumers, ensuring the response by the Corporation realistically.</u></p> <p><u>8.The practitioners who engage in the business requiring professionalishm are advised to obtain professional qualifications or licenses.</u></p>		newly added.

Articles after amendment	Current articles	Description of amendment
<p>Article 27</p> <p>The Corporation shall evaluate the impact of its business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance.</p> <p>The Corporation is advised to, through <b><u>equity investment</u></b>, commercial activities, article endowments, corporate volunteering service or other charitable professional services <b><u>etc.</u></b>, <b><u>dedicate resources to organizations that commercially resolve social or environmental issues, or</u></b> participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.</p>	<p>Article 27</p> <p>The Corporation shall evaluate the impact of its business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance.</p> <p>The Corporation is advised to, through commercial activities, article endowments, corporate volunteering service or other charitable professional services, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.</p>	<p>For the purpose of enabling the Corporation to further invest resources for exercising corporate social responsibility in events held by citizen organizations, charities and local government agencies, which continue to resolve social and environmental problems, to achieve the objective of sustainable development.</p>

## Annex 2: Earnings Distribution Table of the Year 2016

Taiwan Cement Corporation

Earnings Distribution Table

December 31, 2016

Unit: NTD

Unappropriated Retained Earnings of Previous Years	14,222,703,892
Add: Reverse from Special Capital Reserve arising from first adoption of TIFRS	11,174
Add: Remeasurement of Defined Benefit Obligation	0
Adjusted Unappropriated Retained Earnings	316,609,207
Add: Net Profit of 2016	6,358,452,420
Less: 10% Legal Reserve	(635,845,242)
Earnings in 2016 Available for Distribution	20,261,931,451
Distribution Item:	
Cash dividends for common share holders	(5,353,655,010)
Unappropriated Retained Earnings	14,908,276,441

Note: 1. The total cash dividends to be distributed to each shareholder will be rounded down to NT dollar and decimal places will be disregarded.

2. In accordance with the Letter No. 871941343 issued by the Ministry of Finance on April 30, 1998, when a company distributes earnings, it shall adopt the individual identification method; the distribution of earnings in a given year shall give priority to the distribution of earnings of the most recent year.

Chairman: Chang, An-Ping   General Manager: Chang, An-Ping   Accounting Supervisor: Yeh Kuo Hung

## Annex 3: Contrast Table of Amended Articles of the "Procedures Governing the Acquisition and Disposal of Assets"

Taiwan Cement Corporation

Contrast Table of Amended Articles of the "Procedures Governing the Acquisition and Disposal of Assets"

Articles after amendment	Current articles	Description of amendment
<p>Article 4. Assessment and operating procedures for acquiring or disposing of assets</p> <p>1. (Omitted)</p> <p>2. Procedures for acquiring or disposing of real property and equipment</p> <p>(1)(Omitted)</p> <p>(2)In acquiring or disposing of real property or equipment, where the transaction amount reaches 20 percent of the Corporation's paid-in capital or NT\$300 million or more, the Corporation, unless transacting with a government <b>agency</b>, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>1. (Omitted)</p> <p>2. (Omitted)</p> <p>3. (Omitted)</p> <p>4. (Omitted)</p> <p><b>3.</b> Procedures for acquiring or disposing of memberships, intangible assets or other major assets: (Omitted)</p> <p><b>4.</b> The amount of transactions in the preceding 3 paragraphs shall be calculated, (Omitted)</p> <p><b>5.</b> Where the Corporation acquires or disposes of assets through court auction procedures:</p>	<p>Article 4. Assessment and operating procedures for acquiring or disposing of assets</p> <p>1. (Omitted)</p> <p>2. Procedures for acquiring or disposing of real property or equipment</p> <p>(1) (Omitted)</p> <p>(2) In acquiring or disposing of real property or equipment, where the transaction amount reaches 20 percent of the Corporation's paid-in capital or NT\$300 million or more, the Corporation, unless transacting with a government <b>institution</b>, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>1. (Omitted)</p> <p>2. (Omitted)</p> <p>3. (Omitted)</p> <p>4. (Omitted)</p> <p><b>3. (1)</b> Procedures for acquiring or disposing of memberships, intangible assets or other major assets: (Omitted)</p> <p><b>(2)</b> The amount of transactions in the preceding 3 paragraphs shall be calculated, (Omitted)</p> <p><b>4.</b> Where the Corporation acquires or</p>	<p>1. Pursuant to the Letter of Financial-Supervisory-Securities-Corporate No. 10600012965 dated February 9, 2017, to amend wordings and ease the restrictions on organizational restructuring without involving the share exchange ratio, or distribution of cash or other property to shareholders, where the Corporation may be exempted from obtaining the opinion on reasonableness of the share exchange ratio from the expert.</p> <p>2. To adjust numbers of</p>

Articles after amendment	Current articles	Description of amendment
<p>The evidentiary documentation issued by the court may be substituted for the appraisal report or CPA's opinion.</p> <p><b>6.</b> Transactions with related parties:</p> <p><b>(1)</b> The Corporation shall conduct the relevant procedures for making decisions and assessments on the reasonableness of trading terms in accordance with the provisions under <b><u>Paragraphs 1 to 3</u></b> and this paragraph while acquiring or disposing of assets from or to a related party; provided that, where the transaction amount reaches 10 percent or more of the Corporation's total assets, <b><u>it shall obtain the appraisal report issued by a professional appraiser or CPA's opinion.</u></b></p> <ol style="list-style-type: none"> <li>1. (Omitted)</li> <li>2. When the Corporation intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of the Corporation's paid-in capital, 10 percent or more of total assets, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and reverse repurchase agreements, or subscription or <b><u>repurchase of domestic money market funds issued by securities investment trust enterprises,</u></b> the Corporation may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit</li> </ol>	<p>disposes of assets through court auction procedures:</p> <p>The evidentiary documentation issued by the court may be substituted for the appraisal report or CPA's opinion.</p> <p><b>5.</b> Transactions with related parties:</p> <p>The Corporation shall conduct the relevant procedures for making decisions and assessments on the reasonableness of trading terms in accordance with the provisions under <b><u>Paragraphs 1 to 3 of Article 4</u></b> and this paragraph while acquiring or disposing of assets from or to a related party; provided that, where the transaction amount reaches 10 percent or more of the Corporation's total assets, it shall obtain the appraisal report issued by a professional appraiser or CPA's opinion according to Article 4. The calculation of the transaction amounts referred to in the <b><u>preceding paragraph shall be made in accordance with Subparagraph 2 of Paragraph 3 of Article 4 herein.</u></b></p> <ol style="list-style-type: none"> <li>1. (Omitted)</li> <li>2. When the Corporation intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of the Corporation's paid-in capital, 10 percent or more of total assets, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and reverse repurchase agreements, or subscription or redemption of domestic money market funds, the Corporation may not proceed to enter into a transaction contract or make a payment until the following matters have been</li> </ol>	<p>provisions and amend wordings.</p>

Articles after amendment	Current articles	Description of amendment
<p>Committee and resolved by the board of directors:</p> <p>(1)(Omitted)</p> <p>(2)(Omitted)</p> <p>(3)With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with <b><u>Subparagraph (4), Subparagraph (5) and Subparagraph (6).</u></b></p> <p>(4)(Omitted)</p> <p>(5)(Omitted)</p> <p>(6)(Omitted)</p> <p>(7)(Omitted)</p> <p><b><u>(2)</u></b> The calculation of the transaction amounts referred to in the preceding subparagraph shall be made in accordance with Paragraph 2 of Article 5 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Audit Committee and resolved by the board of directors need not be counted toward the transaction amount. With respect to the acquisition or disposal of business-use equipment between the Corporation and its subsidiaries, the board of directors may authorize the Chairman to ratify the proposal within a certain limit first in accordance with Subparagraph <b><u>(1)</u></b> of Paragraph 1 of Article 4, and subsequently a proposal will be submitted to the next board of directors meeting for approval.</p> <p><b><u>(3)</u></b> Where the position of independent director has been created in the Corporation, when a matter is</p>	<p>approved by the Audit Committee and resolved by the board of directors:</p> <p>(1) (Omitted)</p> <p>(2) (Omitted)</p> <p>(3) With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Subparagraph 4, Subparagraph 5 and Subparagraph 6.</p> <p>(4) (Omitted)</p> <p>(5) (Omitted)</p> <p>(6) (Omitted)</p> <p>(7) (Omitted)</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Paragraph 2 of Article 5 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Audit Committee and resolved by the board of directors need not be counted toward the transaction amount. With respect to the acquisition or disposal of business-use equipment between the Corporation and its subsidiaries, the board of directors may authorize the Chairman to ratify the proposal within a certain limit first in accordance with Subparagraph <b><u>1</u></b> of Paragraph 1 of Article 4, and subsequently a proposal will be submitted to the next board of directors meeting for approval.</p> <p><b><u>3.</u></b> Where the position of independent director has been created in the Corporation, when a matter is</p>	

Articles after amendment	Current articles	Description of amendment
<p>submitted for discussion by the board of directors pursuant to the preceding subparagraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. Where matters that are subject to approval under the procedures in <b><u>Subparagraph (1)</u></b>, they shall be approved by more than half of all Audit Committee members and submitted to the board for a resolution; if approval of more than half of all Audit Committee members is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the board meeting. The terms "all Audit Committee members" and "all directors" as stated herein shall be counted as the actual number of persons currently holding those positions.</p> <p><b><u>(4) The Corporation that acquires real property from a related party</u></b> shall evaluate the reasonableness of the transaction costs by the following means and shall also engage a CPA to check the appraisal and render a specific opinion.</p> <ol style="list-style-type: none"> <li>1. (Omitted)</li> <li>2. (Omitted)</li> <li>3. Where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with</li> </ol>	<p>submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. Where matters that are subject to approval under the procedures in <b><u>Paragraph 2</u></b>, they shall be approved by more than half of all Audit Committee members and submitted to the board for a resolution; if approval of more than half of all Audit Committee members is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the board meeting. The terms "all Audit Committee members" and "all directors" as stated herein shall be counted as the actual number of persons currently holding those positions.</p> <p><b><u>4.</u></b> It shall evaluate the reasonableness of the transaction costs by the following means and shall also engage a CPA to check the appraisal and render a specific opinion.</p> <p><b><u>(1)</u></b> (Omitted)</p> <p><b><u>(2)</u></b> (Omitted)</p> <p><b><u>(3)</u></b> Where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either <b><u>(1) or (2)</u></b> of the means mentioned above.</p>	

Articles after amendment	Current articles	Description of amendment
<p>either <u>1</u> or <u>2</u> of the means mentioned above.</p> <p><b><u>(5)</u></b> Where the Corporation acquires real property from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with <b><u>Subparagraphs (1) to (3) and the preceding subparagraph does not apply:</u></b> (Omitted)</p> <p><b><u>(6)</u></b> When the results of the Corporation's appraisal conducted in accordance with Subparagraph <b><u>(4)</u></b> are uniformly lower than the transaction price for acquiring real property from the related party, the matter shall be handled in compliance with Subparagraph <b><u>(7)</u></b>. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA, this restriction shall not apply:</p> <p><b>1.</b> Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions: <b><u>(1)</u></b>Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division</p>	<p><b><u>5.</u></b> Where the Corporation acquires real property from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with <b><u>Subparagraphs 2 to 3</u></b> and the preceding subparagraph does not apply: (Omitted)</p> <p><b><u>6.</u></b> When the results of the Corporation's appraisal conducted in accordance with Subparagraph <b><u>4</u></b> are uniformly lower than the transaction price for acquiring real property from the related party, the matter shall be handled in compliance with Subparagraph <b><u>7.</u></b> However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA, this restriction shall not apply:</p> <p><b><u>(1)</u></b> Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions: <b><u>A.</u></b> Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent three years or the gross profit margin for the construction industry for the most recent period as</p>	



Articles after amendment	Current articles	Description of amendment
<p>over the most recent three years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.</p> <p><b>(2)</b> Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market practices.</p> <p><b>(3)</b> Completed leasing transactions by unrelated parties for other floors of the same property from within the preceding year, where the transaction terms are similar after calculation of reasonable price discrepancies among floors in accordance with standard property leasing market practices.</p> <p><b>2.</b> Where the Corporation acquiring real property from a related party provides evidence that the terms of the transaction are similar to the terms of transactions completed for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions for neighboring or closely valued parcels of land <b><u>as stated herein</u></b> in principle</p>	<p>announced by the Ministry of Finance, whichever is lower.</p> <p><b>B.</b> Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market practices.</p> <p><b>C.</b> Completed leasing transactions by unrelated parties for other floors of the same property from within the preceding year, where the transaction terms are similar after calculation of reasonable price discrepancies among floors in accordance with standard property leasing market practices.</p> <p><b>(2)</b> Where the Corporation acquiring real property from a related party provides evidence that the terms of the transaction are similar to the terms of transactions completed for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>Completed transactions for neighboring or closely valued parcels of land <b><u>as stated herein</u></b> in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels</p>	

Articles after amendment	Current articles	Description of amendment
<p>refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property.</p> <p><b><u>(7)</u></b> Where the Corporation acquires real property from a related party and the results of appraisals conducted in accordance with <b><u>Subparagraphs (4) to (6)</u></b> are uniformly lower than the transaction price, the following steps shall be taken:</p> <p><b><u>(1)</u></b>(Omitted)</p> <p><b><u>(2)</u></b>(Omitted)</p> <p><b><u>(3)</u></b>Actions taken pursuant to Item <b><u>1.</u></b> and Item <b><u>2.</u></b> shall be reported to an Annual General Shareholders' Meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p><b><u>(4)</u></b>The Corporation that has set aside a special reserve in accordance with Item <b><u>1.</u></b> shall... (Omitted).</p> <p><b><u>(8)</u></b> The Corporation shall also comply with Subparagraph <b><u>(7)</u></b> if there is other evidence indicating that the acquisition of real property from a related party was not an arms length transaction.</p> <p><b><u>7.</u></b>Engaging in derivatives trading</p> <p>(1) The Corporation engaging in derivatives trading shall pay strict attention to control of risk</p>	<p>with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property.</p> <p><b><u>(7)</u></b> Where the Corporation acquires real property from a related party and the results of appraisals conducted in accordance with <b><u>Subparagraphs 4 to 6</u></b> are uniformly lower than the transaction price, the following steps shall be taken:</p> <p><b><u>(1)</u></b> (Omitted)</p> <p><b><u>(2)</u></b> (Omitted)</p> <p><b><u>(3)</u></b> Actions taken pursuant to Item <b><u>(1)</u></b> and Item <b><u>(2)</u></b> shall be reported to an Annual General Shareholders' Meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p><b><u>(4)</u></b> The Corporation that has set aside a special reserve in accordance with Item <b><u>(1)</u></b> shall... (Omitted).</p> <p><b><u>8.</u></b> The Corporation shall also comply with Subparagraph <b><u>7</u></b> if there is other evidence indicating that the acquisition of real property from a related party was not an arm's length transaction.</p> <p><b><u>6.</u></b>Engaging in derivatives trading</p> <p>(1) The Corporation engaging in derivatives trading shall pay strict attention to control of risk</p>	

Articles after amendment	Current articles	Description of amendment
<p>management and auditing matters. Here are the handling procedures:</p> <p>1. Trading principles and strategies:</p> <p>(1)(Omitted)</p> <p>(2)(Omitted)</p> <p>(3)(Omitted)</p> <p>(4)(Omitted)</p> <p>(5)The following are the Corporation's segregation of duties for engaging in derivatives trading:</p> <p>A. The board of directors authorizes the President to be fully responsible for approving the execution of transactions, and supervisors of different levels shall make ratification first in accordance with the limits as below:</p> <p><b>a.</b> If the amount of an individual contract is equivalent to NT\$100 million (or in equivalent foreign currency) (included) or lower, the Vice President of the Finance Department shall make ratification first.</p> <p><b>b.</b> If the amount of an individual contract is higher than NT\$100 million (or in equivalent foreign currency), the President shall approve the execution.</p> <p>B. (Omitted)</p> <p>C. (Omitted)</p> <p>(6)(Omitted)</p> <p>(7)(Omitted)</p>	<p>management and auditing matters. Here are the handling procedures:</p> <p>1. Trading principles and strategies:</p> <p>(1) (Omitted)</p> <p>(2) (Omitted)</p> <p>(3) (Omitted)</p> <p>(4) (Omitted)</p> <p>(5) The following are the Corporation's segregation of duties for engaging in derivatives trading:</p> <p>A. The board of directors authorizes the President to be fully responsible for approving the execution of transactions, and supervisors of different levels shall make ratification first in accordance with the limits as below:</p> <p><b>(1)</b> If the amount of an individual contract is equivalent to NT\$100 million (or in equivalent foreign currency) (included) or lower, the Vice President of the Finance Department shall make ratification first.</p> <p><b>(2)</b> If the amount of an individual contract is higher than NT\$100 million (or in equivalent foreign currency), the President shall approve the execution.</p> <p>B. (Omitted)</p> <p>C. (Omitted)</p> <p>(6) (Omitted)</p> <p>(7) (Omitted)</p> <p>2. Risk management measures:</p>	

Articles after amendment	Current articles	Description of amendment
<p>2. Risk management measures: (Omitted)</p> <p>3. Internal audit system: (Omitted)</p> <p>4. Methods of periodical evaluations and dealing with irregular circumstances (Omitted)</p> <p>(2) Where the Corporation engages in derivatives trading, the board of directors shall supervise and manage such trading in accordance with the following principles:</p> <p>1. (Omitted)</p> <p>2. (Omitted)</p> <p>3. (Omitted)</p> <p>4. (Omitted)</p> <p>5. Senior management personnel authorized by the board of directors shall periodically evaluate whether the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these <b><u>Procedures</u></b> and the procedures for engaging in derivatives trading formulated by the Corporation.</p> <p>6. (Omitted)</p> <p>(3) The Corporation engaging in derivatives trading:</p> <p>1. shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under Item 2-<b><u>(5)</u></b> of Subparagraph (1) of Paragraph <b><u>7</u></b> of Article 4 and <b><u>Items 2 to 5</u></b> of Subparagraph (2) of Paragraph 7 of Article 4 shall be recorded in detail in the log book.</p> <p>2. (Omitted)</p>	<p>(Omitted)</p> <p>3. Internal audit system: (Omitted)</p> <p>4. Methods of periodical evaluations and dealing with irregular circumstances (Omitted)</p> <p>(2) Where the Corporation engages in derivatives trading, the board of directors shall supervise and manage such trading in accordance with the following principles:</p> <p>1.(Omitted)</p> <p>2.(Omitted)</p> <p>3.(Omitted)</p> <p>4.(Omitted)</p> <p>5. Senior management personnel authorized by the board of directors shall periodically evaluate whether the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these <b><u>Guidelines</u></b> and the procedures for engaging in derivatives trading formulated by the Corporation.</p> <p>6.(Omitted)</p> <p>(3) The Corporation engaging in derivatives trading:</p> <p>1. shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under Item 2-<b><u>(4)</u></b> of Subparagraph (1) of Paragraph <b><u>6</u></b> of Article 4 and <b><u>Items 4 and 5</u></b> of Subparagraph (2) of Paragraph 6 of Article 4 shall be recorded in detail in the</p>	

Articles after amendment	Current articles	Description of amendment
<p><b>8.</b> Mergers, demergers, acquisitions, and transfers of shares</p> <p>(1) Prior to convening the board of directors meeting to resolve on the matter, the Corporation shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. <b><u>However, where the Corporation merges the subsidiaries whose issued shares or total capital are wholly owned by itself directly or indirectly, or the subsidiaries whose issued shares or total capital are wholly owned by the Corporation directly or indirectly are merged together, the Corporation may be exempted from obtaining the aforementioned opinion on reasonableness from the expert.</u></b></p> <p>(2) (Omitted)</p> <p>(3) (Omitted)</p> <p>(4) (Omitted)</p> <p>(5) (Omitted)</p> <p>(6) (Omitted)</p> <p>(7) (Omitted)</p> <p>(8) (Omitted)</p> <p>(9) <b><u>The Corporation shall prepare a full written record of the following information with respect to mergers, demergers, acquisitions, or transfers of shares and retain it for 5 years for reference: (Omitted)</u></b></p> <p>(10) <b><u>When participating in a merger, demerger, acquisition, or transfer of another company's shares,</u></b> the Corporation shall, within 2 days counting inclusively from the date of</p>	<p>log book.</p> <p>2. (Omitted)</p> <p><b>7.</b> Mergers, demergers, acquisitions, and transfers of shares</p> <p>(1) Prior to convening the board of directors meeting to resolve on the matter, the Corporation shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage.</p> <p>(2) (Omitted)</p> <p>(3) (Omitted)</p> <p>(4) (Omitted)</p> <p>(5) (Omitted)</p> <p>(6) (Omitted)</p> <p>(7) (Omitted)</p> <p>(8) (Omitted)</p> <p>(9) <b><u>When participating in a merger, demerger, acquisition, or transfer of another company's shares,</u></b> a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference: (Omitted)</p> <p>(10) <b><u>When participating in a merger, demerger, acquisition, or transfer of another company's shares,</u></b> a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report in the prescribed format and via the Internet-based information system the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC</p>	

Articles after amendment	Current articles	Description of amendment
<p>passage of a resolution by the board of directors, report in the prescribed format and via the Internet-based information system the information set out in <b><u>Items 1. and 2. of the preceding subparagraph</u></b> to the FSC for recordation.</p> <p>(11) Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is not a public company, the Corporation shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Subparagraph (3), Subparagraph (4), Subparagraph (5), Subparagraph (8), Subparagraph (9), and Subparagraph (10).</p> <p><b><u>9.</u></b> Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Corporation with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall not be a related party of any party to the transaction.</p> <p><b><u>10.</u></b> With respect to an acquisition or disposal of assets that is subject to the approval of the board of directors under the Procedures or required by other laws, if a director expresses dissent and it is contained in the minutes or a written statement, the Corporation shall submit the director's dissenting opinion to the Audit Committee. When an acquisition or disposal of assets is submitted to the board of directors for discussion, the board shall take into full consideration each independent director's opinions; if an independent director objects to or</p>	<p>for recordation.</p> <p>(11) Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is not a public company, <b><u>the public company</u></b> shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Subparagraph (3), Subparagraph (4), Subparagraph (5), Subparagraph (8), Subparagraph (9), and Subparagraph (10).</p> <p><b><u>8.</u></b> Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Corporation with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall not be a related party of any party to the transaction.</p> <p><b><u>9.</u></b> With respect to an acquisition or disposal of assets that is subject to the approval of the board of directors under the Procedures or required by other laws, if a director expresses dissent and it is contained in the minutes or a written statement, the Corporation shall submit the director's dissenting opinion to the Audit Committee. When an acquisition or disposal of assets is submitted to the board of directors for discussion, the board shall take into full consideration each independent director's opinions; if an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. Transactions of major assets or financial derivatives shall be approved by more than half of all Audit Committee members and</p>	

Articles after amendment	Current articles	Description of amendment
<p>expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. Transactions of major assets or financial derivatives shall be approved by more than half of all Audit Committee members and submitted to the board of directors for a resolution. If approval of more than half of all Audit Committee members is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the board of directors meeting. The terms "all Audit Committee members" and "all directors" as stated herein shall be counted as the actual number of persons currently holding those positions.</p>	<p>submitted to the board of directors for a resolution. If approval of more than half of all Audit Committee members is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the board of directors meeting. The terms "all Audit Committee members" and "all directors" as stated herein shall be counted as the actual number of persons currently holding those positions.</p>	
<p>Article 5 Procedure for public announcement and declaration:</p> <p>1. Under any of the following circumstances, the Corporation acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the prescribed format based on the nature within 2 days counting inclusively from the date of occurrence of the event:</p> <p>(1) Acquisition or disposal of real estate from or to a related party, or acquisition or disposal of assets other than real estate from or to a related party where the transaction amount reaches 20 percent or more of the Corporation's paid-in capital, 10 percent or more of total assets, or NT\$300 million or more. Provided, this shall not apply to trading of government bonds or bonds under repurchase and reverse</p>	<p>Article 5 Procedure for public announcement and declaration:</p> <p>1. Under any of the following circumstances, the Corporation acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the prescribed format based on the nature within 2 days counting inclusively from the date of occurrence of the event:</p> <p>(1) Acquisition or disposal of real estate from or to a related party, or acquisition or disposal of assets other than real estate from or to a related party where the transaction amount reaches 20 percent or more of the Corporation's paid-in capital, 10 percent or more of total assets, or NT\$300 million or more. Provided, this shall not apply to trading of government bonds or bonds</p>	<p>1. Pursuant to the Letter No. 10600012965 issued by FSC dated February 9, 2017:</p> <p>(1) To amend wordings;</p> <p>(2) In respect of the public company whose paid-in capital is NT\$10 billion or more, if the equipment is acquired or disposed of for business use, and the trading counterparty is not a related party, the requirement for making</p>

Articles after amendment	Current articles	Description of amendment
<p>repurchase agreements, or subscription or <b><u>repurchase of domestic money market funds issued by securities investment trust enterprises.</u></b></p> <p>(2) Merger, demerger, acquisition, or transfer of shares.</p> <p>(3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Corporation.</p> <p><b><u>(4)</u></b> Where the type of asset acquired or disposed is equipment for business use, the trading counterparty is not a related party, and the transaction amount is <b><u>NT\$1 billion</u></b> or more.</p> <p><b><u>(5)</u></b> Where land is acquired under an arrangement on engaging others to build on the Corporation's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the Corporation expects to invest in the transaction is NT\$500 million or more.</p> <p><b><u>(6)</u></b> Where an asset transaction other than any of those referred to in the preceding <b><u>five</u></b> subparagraphs, or an investment in the mainland China area reaches 20 percent or more of the Corporation's paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>1.(Omitted)</p> <p>2.(Omitted)</p>	<p>under repurchase and reverse repurchase agreements, or subscription or redemption of domestic money market funds.</p> <p>(2) Merger, demerger, acquisition, or transfer of shares.</p> <p>(3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Corporation.</p> <p><b><u>(4)</u></b> Where an asset transaction other than any of those referred to in the preceding three subparagraphs, or an investment in the mainland China area reaches 20 percent or more of the Corporation's paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>1. (Omitted)</p> <p>2. (Omitted)</p> <p>3. Trading of bonds under repurchase and reverse repurchase agreements, or subscription or <b><u>redemption of domestic money market funds.</u></b></p> <p><b><u>4.</u></b> Where the type of asset acquired or disposed is equipment for business use, the trading counterparty is not a related party, and the transaction amount is <b><u>less than NT\$500 million.</u></b></p> <p><b><u>5.</u></b> Where land is acquired under an arrangement on engaging others to build on the Corporation's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation</p>	<p>public announcements is eased to a transaction amount reaching no less than NT\$1 billion;</p> <p>(3) to adjust numbers of provisions;</p> <p>(4) To explicitly state that when the Corporation at the time of public announcement makes an error or omission in an item of regulatory announcements and so is required to correct it, all the items shall be again publicly announced and declared in their entirety within two days from the day of becoming aware of the event.</p> <p>2. To adjust numbers of provisions and amend wordings.</p>



Articles after amendment	Current articles	Description of amendment
<p>3.Trading of bonds under repurchase and reverse repurchase agreements, or subscription or <b><u>repurchase of domestic money market funds issued by securities investment trust enterprises.</u></b></p> <p><b><u>2.</u></b> The amount of transactions described in the preceding paragraph shall be calculated as follows: (Omitted)</p> <p><b><u>3. The Corporation</u></b> shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.</p> <p><b><u>4.</u></b> When the Corporation at the time of public announcement makes an error or omission in an item of regulatory announcement and so is required to correct it, all the items shall be again publicly announced and declared in their entirety <b><u>within two days from the day of becoming aware of the event.</u></b></p> <p><b><u>5.</u></b> When acquiring or disposing of assets, the Corporation shall keep all relevant contracts, meeting minutes, log books, appraisal reports and certified public accountant, attorney, and securities underwriter opinions at the Corporation, where they shall be retained for 5 years except where another act provides otherwise.</p> <p><b><u>6.</u></b> When any of the following circumstances occurs with respect to a transaction that the Corporation has already publicly announced in accordance with the regulations set out in Paragraphs 1 and 2, a public report of relevant information shall be made on the website designated</p>	<p>of ownership percentages, or joint construction and separate sale, and the amount the Corporation expects to invest in the transaction is <b><u>no more than</u></b> NT\$500 million.</p> <p>The amount of transactions described in the preceding paragraph shall be calculated as follows: (Omitted)</p> <p><b><u>2.</u></b> It shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.</p> <p><b><u>3.</u></b> When the Corporation at the time of public announcement makes an error or omission in an item of regulatory announcement and so is required to correct it, all the items shall be again publicly announced and declared in their entirety.</p> <p><b><u>4.</u></b> When acquiring or disposing of assets, the Corporation shall keep all relevant contracts, meeting minutes, log books, appraisal reports and certified public accountant, attorney, and securities underwriter opinions at the Corporation, where they shall be retained for 5 years except where another act provides otherwise.</p> <p><b><u>5.</u></b> When any of the following circumstances occurs with respect to a transaction that the Corporation has already publicly announced in accordance with the regulations set out in Paragraphs 1 and 2, a public report of relevant information shall be made on the website designated by the FSC</p>	

Articles after amendment	Current articles	Description of amendment
<p>by the FSC within 2 days commencing immediately from the date of occurrence of the event:</p> <p>(1) Change, termination, or rescission of a contract signed in regards to the original transaction.</p> <p>(2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p>(3) Change to the originally publicly announced and reported information.</p> <p><b><u>7.</u></b> When the Corporation and its subsidiaries acquire or dispose of assets, they shall publicly announce or declare the relevant information according to Taiwan Stock Exchange Corporation Rules Governing Information Reporting by Companies with TWSE Listed Securities, Procedures for Verification and Disclosure of Material Information of Companies with TWSE Listed Securities, and Procedures for Press Conferences Concerning Material Information of Listed Companies.</p> <p><b><u>8.</u></b> The Corporation shall conduct regulatory announcements in the format and items according to the announcements on the FSC' s designated website.</p>	<p>within 2 days commencing immediately from the date of occurrence of the event:</p> <p>(1) Change, termination, or rescission of a contract signed in regards to the original transaction.</p> <p>(2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p>(3) Change to the originally publicly announced and reported information.</p> <p><b><u>6.</u></b> When the Corporation and its subsidiaries acquire or dispose of assets, they shall publicly announce or declare the relevant information according to Taiwan Stock Exchange Corporation Rules Governing Information Reporting by Companies with TWSE Listed Securities, Procedures for Verification and Disclosure of Material Information of Companies with TWSE Listed Securities, and Procedures for Press Conferences Concerning Material Information of Listed Companies.</p> <p><b><u>7.</u></b> The Corporation shall conduct regulatory announcements in the format and items according to the announcements on the FSC' s designated website.</p>	

## Annex 4: List of Candidates for the By-election of Independent Director

Title	Name	Educational Background	Major Past Positions & Current Positions	Shareholdings (shares)
Independent Director	Sheng Chin Jen	Ph.D. in Political Science from US Northwestern University	<p><b>Major Past Positions :</b></p> <p>Chairperson of Council for Cultural Affairs, Executive Yuan</p> <p>CEO of the Republic of China Centennial Foundation</p> <p>Chairperson of the Research, Development and Evaluation Commission (RDEC) of Taipei City Government</p> <p>CEO of the 2009 Summer Deaflympics</p> <p>Professor at the Department of Political Science at Soochow University</p> <p><b>Current Positions:</b></p> <p>Taiwan Prosperity Chemical Corp.: Independent Director</p> <p>L'Hotel de Chine Group: President</p> <p>FDC International Hotels Corporation: Chairman</p>	0

## **Annex 5: List of Directors to be Released from Non-competition Restriction**

<b>Name of Director</b>	<b>List of companies that the director may serve as within the scope of the company's business</b>
Heng Qiang Investment Co., Ltd. Representative: Koo Kung Yi	Taiwan Cement Corporation legal entity representative director Taiwan Prosperity Chemical Corporation legal entity representative director TCC International Holdings Limited legal entity representative Director and General Manager
Independent Director Sheng Chin Jen	Taiwan Prosperity Chemical Corp.: Independent Director. L'Hotel de Chine Group: General Manager FDC International Hotels Corporation: Chairman

## **Annex 6: Articles of Incorporation**

### **Taiwan Cement Corporation Articles of Incorporation**

#### **Chapter I General Provisions**

Article 1: The Corporation is organized according to the companies limited by shares set out in the Company Act and the applicable laws. The Corporation is named Taiwan Cement Corporation.

Article 2: The Corporation's businesses are listed as below:

- (1) C901030 Cement Manufacturing
- (2) C901040 Concrete Mixing Manufacturing
- (3) C901050 Cement and Concrete Mixing Manufacturing
- (4) C901990 Other Non Metallic Mineral Products Manufacturing
- (5) B601010 On land Clay and Stone Quarrying
- (6) F111090 Wholesale of Building Materials
- (7) F211010 Retail Sale of Building Materials
- (8) J101040 Waste Collecting
- (9) F401010 International Trade
- (10) G801010 Warehousing and Storage
- (11) C601030 Paper Containers Manufacturing
- (12) H701010 Residence and Buildings Lease Construction and Development
- (13) H701020 Industrial Factory Buildings Lease Construction and Development
- (14) H703100 Real Estate Rental and Leasing
- (15) ZZ99999 The Corporation may operate any business not prohibited or restricted by laws or regulations, except for those that require special permission.

Article 3: The Corporation makes reinvestments according to the resolutions by the board of directors, and the aggregate amount of investments thereof may exceed 40% of its paid-in capital.

Article 4: The Corporation sets up its headquarters in Taipei City.

It established manufacturing, transportation or distribution institutions in provinces or cities around Taiwan. If necessary, it may set up branch offices domestically or abroad.

The establishment, change or abolishment of the branch offices in the preceding paragraph shall all be conducted according to a resolution by the board of directors.

#### **Chapter II Shares**

Article 5: The Corporation's total capital is established at NT\$60 billion, which has been divided into 6 billion shares. Each share is NT\$10, and shares are issued in installments.

Article 6: The stocks of the Corporation shall be affixed with the signatures or personal seals of the Chairman and two or more directors. Such shares shall also be assigned with serial numbers, and shall be duly certified by the competent authority or a certifying institution appointed by the competent authority before issuance thereof.

The Corporation may be exempted from printing any stock certificate for the shares issued. However, the Corporation shall appoint a centralized securities custody enterprise/institution to make registration of such shares.

Article 7: The Corporation's shares are in registered form. Shareholders shall inform the Corporations' shareholder services agent of their names, domiciles or residences for recording in the shareholders register, and hand the chop specimens over to the Corporations' shareholder services agent.

Article 8: The transfer of stocks shall be suspended within 60 days prior to the convening date of a regular Annual General Shareholders' Meeting, or within 30 days prior to the convening date of a Extraordinary General Shareholders' Meeting, or within 5 days prior to the target date fixed by the Corporation for distribution of dividends, bonus or other benefits.

Article 9: The Corporation shall handle the stock-related affairs in accordance with the applicable rules by the competent authority.

### Chapter III Shareholders' Meeting

Article 10: The Corporation's Shareholders' meeting shall be divided into two kinds: Annual General meeting of shareholders and Extraordinary General meeting of shareholders. Annual General meeting of shareholders will be held once every year within six months after close of each fiscal year, while the Extraordinary General meeting of shareholders will be held when necessary.

Unless otherwise provided for in the Company Act, the Shareholders' Meetings in the preceding paragraph shall be convened by the board of directors.

Article 11: Unless otherwise provided for in the Company Act, the Shareholders' Meeting shall be chaired by the Chairman of the board.

When the Chairman is absent, the Vice Chairman shall represent in place of the chairperson; if both the Chairman and Vice Chairman are absent, the Chairman shall appoint one of the directors to represent as the chairperson. Where the Chairman does not make such a designation, the directors shall select from among themselves one person to represent as the chairperson.

Article 12: Unless otherwise provided for in the Company Act, each share of the Corporation held by the shareholders represent one voting right.

When a shareholder cannot attend the Shareholders' Meeting for some reason, he/she/it may appoint a proxy to attend the Shareholders' Meeting on his/her/its behalf by executing a proxy form printed by the Corporation stating therein the scope of power authorized to the proxy. With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy in excess of 3 percent of the voting rights represented by the total number of issued shares shall not be included in the calculation.

The aforementioned proxy form shall be delivered to the Corporation before 5 days from the date of the Shareholders' Meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail, provided that this does not apply to a declaration made to cancel the previous proxy appointment.

When the Corporation holds the Shareholders' Meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. The relevant exercising methods shall be arranged in accordance with the Company Act and the rules by the competent authority.

Article 13: Resolutions at the Shareholders' Meeting shall, unless otherwise provided for in the Company Act, be adopted by more than half of voting rights present at a meeting attended by shareholders representing one-half or more of the total issued shares.

### Chapter IV: Directors and Audit Committee

Article 14: The Corporation has 15 to 19 directors (including independent directors). It adopts a candidate nomination system, and the shareholders shall elect the directors from among the nominees listed in the roster of director candidates.

There shall be no less than three independent directors, and the number of

independent directors shall be no less than one-fifth of elected directors.  
The election of independent directors shall be held at the Annual General Shareholders' Meeting to elect them from among the nominees listed in the roster of independent director candidates. The professional qualifications, restrictions on shareholdings and concurrent positions held, recognition of independence, method of nomination and election, and other matters for compliance with respect to the independent directors shall be arranged in accordance with the relevant laws.  
The election of directors shall be arranged in accordance with the provisions of the Company Act. Independent directors and non-independent directors shall be elected together, and voting rights will be separately calculated.  
The measures for election of directors shall be deliberated by the Shareholders' Meeting. Article 12 shall apply mutatis mutandis to the restriction on the voting rights held by the Corporation's shareholders.

Article 14-1: The Corporation shall establish an Audit Committee and may establish other functional committees.

The Audit Committee shall be composed of the all independent directors in a number no less than three persons.

One of its independent directors will be the convener and at least one of such independent directors is required to have expertise in accounting or finance.

The Audit Committee is responsible for exercising the duties of supervisor as prescribed in the Company Act, the Securities and Exchange Act and other laws, and shall comply with the applicable laws and the Corporation's regulations.

Article 15: The term of office of a director shall be three years; but he/she may be eligible for re-election.

Article 16: The directors shall designate one of them to act as the Chairman; any may designate one of them to act as the Vice Chairman. The Chairman represents the Corporation to manage all business.

Article 17: The Corporation's board meetings, unless otherwise provided for in the Company Act, shall be convened by the Chairman; resolutions thereby shall, unless otherwise provided for in the Company Act, be adopted by more than half of directors present at a meeting attended by one-half or more of all directors.

If a director cannot attend a meeting in person, he/she/it may appoint another director to attend the meeting on his/her/its behalf.

The notice of the convention of the board of directors meeting may be effected in writing, by e-mail, or fax to inform each director.

Article 18: The notice of the convention of the board of directors meeting shall state the reasons for the convention and be sent to each director seven days prior to the meeting. However, in the case of emergency, the meeting may be convened at any time.

Article 19: The Chairman shall serve as the chair at the Corporation's board of directors meetings. When the Chairman is absent, the Vice Chairman shall represent in place of the chairperson. If both the Chairman and Vice Chairman are absent, the Chairman shall appoint one of the directors to represent as the chairperson. Where the Chairman does not make such a designation, the directors shall select from among themselves one person to represent as the chairperson.

Article 20: For remunerations of the directors, the board of directors is authorized to decide the amount based on the extent of involvement of each director in the Corporation's business and the value contributed thereby, and by referring to the normal payment standards of the peers domestically and abroad.

Article 21: The Corporation may purchase the liability insurance for its directors within the

term of office of these directors and based on the scope of business operated by these directors to cover the liability for damage born by itself according to laws.

#### Chapter V Managerial officers

Article 22: The Company has one General Manager, who is appointed and dismissed by the board of directors.

Article 23: The General Manager shall oversee and lead the subordinate managerial officers and unit supervisors and personnel to deal with business in accordance with the Corporation's organizational rules.

#### Chapter VI Final Accounting and Earnings Distribution

Article 24: The Corporation's fiscal year starts from January 1st to December 31st of each year, and the final accounting period is based on the year-end of the general calendar year. The board of directors shall prepare the following statements and records and shall forward the same to a regular meeting of shareholders for acknowledgement based on the statutory procedures:

- (1) the business report
- (2) the financial statements
- (3) the surplus earning distribution or loss off-setting proposals.

Article 25: If the Company shows net profit for the year, the Company shall allocate

- (1) Employees' remuneration: 0.0001% to 3%.
- (2) Directors' remuneration: shall not be higher than 1%." Arrangements shall be made accordingly.

In case of accumulated loss, the Corporation shall reserve a specific amount to make up for losses in advance, and then distribute the employees' and directors' remuneration according to ratios set out in Subparagraphs 1 and 2 of the preceding paragraph.

Employee's remuneration may be distributed in stocks or cash, and the counterparty to whom stocks or cash are distributed to as employee's remuneration may include the employees of its subordinate companies that meet certain criteria.

For the distribution of employees' and directors' remuneration, a resolution by more than half of voting of the directors present at a meeting of its board of directors attended by two-thirds or more of the directors of the Corporation shall be obtained, and a report shall be submitted to the Shareholders' Meeting.

Before the Corporation establishes the Audit Committee, supervisors' remuneration shall be decided in accordance with the distribution ratio provided in Subparagraph 2 of Paragraph 1, and the Article shall apply mutatis mutandis thereto.

Article 26: When the Corporation makes the final accounting to obtain a net income, after all taxes and dues have been paid and losses have been covered and at the time of allocating surplus profits, it shall first set aside 10% of such profits as a legal reserve; provided that no legal reserve may be set aside when such legal reserve has reached the Corporation's total paid-in capital. If necessary, it may set aside or reverse a special reserve or retain surplus earnings with discretion in accordance with the relevant laws from the balance plus undistributed earnings. After that, it may distribute common stock dividends from the balance, and the board of directors shall draw up a surplus earnings distribution proposal containing the distribution ratio calculated in accordance with the dividends policies under Paragraph 2 of this Article to be resolved by the Annual General Shareholders' Meeting.

The Corporation not only engages in manufacturing and marketing of cement and



cement products that are capital intensive and more mature and steady, it also endeavors to diversify its business. For the purpose of accommodating to demands for diverse development and investment or planning of major capital budgets, the ratio of dividends paid in cash is set at 20% or more of common stock dividends, while the balance shall be distributed by means of stock dividends.

Article 27: The Corporation may distribute new shares or cash to shareholders based on the original shareholding ratios of shareholders from its reserve in accordance with the provisions of the Company Act.

### **Chapter VII Supplementary Provisions**

Article 28: The Corporation's board of directors shall establish the organizational rules for the board of directors, head office and subordinate branch offices.

Article 29: The Corporation may, based on business needs, provide guarantees externally.

Article 30: Matters not regulated in the Articles, if any, shall be conducted in accordance with the provisions of the Company Act and other applicable laws.

Article 31: The Articles were established on November 1, 1950; the 1st amendment was on September 30, 1951; the 2nd amendment was on May 5, 1952; the 3rd amendment was on June 18, 1953; the 4th amendment was on October 23, 1954; the 5th amendment was on March 20, 1957; the 6th amendment was on October 19, 1957; the 7th amendment was on March 27, 1958; the 8th amendment was on Mar 17, 1960; the 9th amendment was on October 15, 1960; the 10th amendment was on March 16, 1961; the 11th amendment was on March 21, 1963; the 12th amendment was on April 10, 1967; the 13th amendment was on April 11, 1969; the 14th amendment was on April 24, 1970; the 15th amendment was on April 20, 1973; the 16th amendment was on April 19, 1974; the 17th amendment was on April 18, 1975; the 18th amendment was on April 20, 1976; the 19th amendment was on April 21, 1977; the 20th amendment was on March 31, 1978; the 21st amendment was on April 10, 1979; the 22nd amendment was on April 10, 1980; the 23rd amendment was on April 10, 1981; the 24th amendment was on April 9, 1982; the 25th amendment was on April 8, 1983; the 26th amendment was on April 18, 1985; the 27th amendment was on April 21, 1987; the 28th amendment was on April 18, 1988; the 29th amendment was on April 21, 1989; the 30th amendment was on April 20, 1990; the 31st amendment was on April 19, 1991; the 32nd amendment was on April 21, 1992; the 33rd amendment was on April 20, 1993; the 34th amendment was on April 21, 1994; the 35th amendment was on April 20, 1995; the 36th amendment was on May 30, 1997; the 37th amendment was on April 30, 1998; the 38th amendment was on May 28, 1999; the 39th amendment was on May 30, 2000; the 40th and 41st amendments were on May 31, 2001; the 42nd amendment was on June 18, 2002; the 43rd amendment was on June 26, 2003; the 44th amendment was on June 11, 2004; the 45th amendment was on June 30, 2005; the 46th amendment was on June 9, 2006; the 47th amendment was on June 15, 2007; the 48th amendment was on June 18, 2010; the 49th amendment was on June 22, 2011; the 50th amendment was on June 21, 2012; the 51st amendment was on June 18, 2015; the 52nd amendment was on June 22, 2016.

## **Appendix 7: Rules for Election of Directors**

### **Taiwan Cement Corporation Rules for Election of Directors**

Passed by the Annual General Shareholders' Meeting on June 18, 2015.

Article 1: The Rules herein are enacted according to the Articles of Incorporation. Unless otherwise provided in the Company Law or the Articles of Incorporation of this company, the directors of this Company shall be elected in accordance with the rules specified herein.

Article 2: The Company's directors are elected in the shareholders' meeting by single-ballot voting method. The identity of the voter can be replaced with the shareholder's account number or attendance card number on the ballot. For the election of the Company's directors and supervisors, each stock share represents the voting right equivalent to the number of persons to be elected. Stock shares can be collected to focusing on electing one person or more than one person.

Article 3: In the election of directors of this Company, candidates who acquire more votes should win the seats of directors. If two or more persons acquire the same number of votes and the number of such persons exceeds the specified seats available, such persons acquiring the same votes shall draw lots to decide who should win the seats available, and the Chairman shall draw lots on behalf of the candidate who is not present.

The qualifications of independent directors of the Company shall comply of Securities and Exchange Act. The election of independent directors of the Company shall comply of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. The election of independent directors of the Company shall comply of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and shall be conducted in accordance of Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article 4: Ballot is prepared and distributed by the board of meeting and it is coded in accordance with the shareholder's account number or attendance card number with the number of voting rights stated.

Article 5: At the beginning of the election, the Chairman shall appoint several persons each to check and record the ballots.

Article 6: The ballot box used for voting shall be prepared by the Board of Directors and checked in public by the person to check the ballots before voting.

Article 7: If the candidate is a shareholder of this Company, voters shall fill in the "candidate" column the candidate's name and shareholder's number, and the number of votes cast for such candidate. If the candidate is not a shareholder of this Company, voters shall fill in the "candidate" column the candidate's name, the candidate's ID number, and the number of votes cast for such candidate. If the candidate is a government agency or a legal entity, the full name of the government agency or the legal entity or the name(s) of their representative(s) should be filled in the column.

Article 8: Ballot is invalid upon the occurrence of any of the followings:

1. Ballot is not used in accordance with the Rules Governing the Election of Directors.
2. Blank ballot is cast into the ballot box.
3. The writing is unclear and illegible or the alteration is made without sealing thereon as required by law;

4. If the candidate is a shareholder of the Company, the name or shareholder's number of the candidate filled in the ballot is inconsistent with the roster of shareholders. If the candidate is not a shareholder of the Company, the name or ID number of the candidate filled in the ballot is incorrect;
5. The number selected candidates filled in the ballot exceeds the prescribed number of available seats;
6. Ballot with other written characters or symbols in addition to candidate's name and shareholder's number/ID number;
7. Any of the candidate's name or shareholder's number is failed to fill in the ballot.

Article 9. The ballot boxes shall be respectively prepared for the election of Directors and that of Supervisors. These ballot boxes will be opened by the persons to check and record the ballots after the vote casting.

The ballots for said election should be properly retained after they are sealed and signed-off by ballot monitoring personnel for at least one year. However, if any shareholder files a lawsuit in accordance with Article 189 of the Company Act, the ballots should be retained until the conclusion of the litigation.

Article 10: The ballots should be calculated during the meeting right after the vote casting and the results of the election should be announced by the Chairman at the meeting.

Article 11: The Board of Directors shall issue elected notification to the directors elected.

Article 12: The outstanding issues that are not regulated in the Rules Governing the Election of Directors will be processed in accordance with the Company Law and related regulations

Article 13: The Rules and any amendments hereto shall be implemented after being approved by the shareholders' meeting.

## Annex 8: Directors' Shareholding Status

Base date: April 30, 2017

Position title	Name	Date of being appointed	Number of shares held at the time of appointment		Number of shares currently held	
			Number of shares	As a percentage (%) to then issued shares	Number of shares	As a percentage (%) to then issued shares
Chairman	Fu Pin Investment Co., Ltd. Representative: Chang An Ping	2015.6.18	62,688,346	1.70%	62,688,346	1.70%
Director	China Synthetic Rubber Corp. Representative: Kenneth C.M. Lo	2015.6.18	83,777,716	2.27%	83,777,716	2.27%
Director	Heng Qiang Investment Co., Ltd. Representative: Koo Kung Yi	2015.6.18	71,487,931	1.94%	71,487,931	1.94%
Director	Heng Qiang Investment Co., Ltd. Representative: Yu Tzun-Yen	2015.6.18	71,487,931	1.94%	71,487,931	1.94%
Director	Falcon Investment Co., Ltd. Representative: Wang, Por-Yuan	2015.6.18	36,762,616	1.00%	36,762,616	1.00%
Director	Chinatrust Investment Co., Ltd. Representative: Jennifer Lin, Esq.	2015.6.18	120,047,530	3.25%	120,047,530	3.25%
Director	Ching Yuan Investment Co., Ltd. Representative: Chen Chien-Tong	2015.6.18	2,636,402	0.07%	2,636,402	0.07%
Director	Shinkong Synthetic Fibers Corporation Representative: Eric T. Wu	2015.6.18	9,554,654	0.26%	9,554,654	0.26%
Director	Chia Hsin Cement Corp. Representative: Chang Kang Lung, Jason	2015.6.18	23,105,050	0.63%	23,105,050	0.63%
Director	Goldsun Development & Construction Co., Ltd. Representative: Lin, Ming Sheng	2015.6.18	14,078,750	0.38%	14,078,750	0.38%
Director	Xin Hope Investment Co., Ltd. Representative: CHI-WEN CHANG	2015.6.18	10,701,572	0.29%	10,701,572	0.29%
Director	Sishan Investment Co., Ltd. Representative: Lin Nan-Chou	2015.6.18	7,525,603	0.20%	7,525,603	0.20%
Director	Fu Pin Investment Co., Ltd. Representative: Hsieh Chi-Chia	2016.6.22	62,688,346	1.70%	62,688,346	1.70%
Director	Heng Qiang Investment Co., Ltd. Representative: Chen Chi-Te	2016.6.22	71,487,931	1.94%	71,487,931	1.94%
Director	C.F. Koo Foundation Representative: David Carr Michael	2016.6.22	2,308,909	0.06%	2,308,909	0.06%
Independent Director	Yu-Cheng Chiao	2015.6.18	0	0.00%	0	0.00%
Independent Director	Victor Wang	2015.6.18	0	0.00%	0	0.00%
Independent Director	Cheng-Ming Yeh	2016.6.22	0	0.00%	0	0.00%
Total			444,675,079		444,675,079	

Number of total issued common shares on June 16, 2015: 3,692,175,869 shares.

Number of total issued common shares on June 22, 2016: 3,692,175,869 shares.

Number of total issued common shares on April 30, 2017: 3,692,175,869 shares.

Note: 1. The minimum shares required to be held by the entire body of directors of the Corporation is 88,612,220 shares. As of April 30, 2017, the numbers of shares held by the entire body of directors were 444,675,079 shares.

2. The Corporation has established an Audit Committee, so the minimum shares required to be held by the supervisors are not applicable.

# **MEMO**