

TAIWAN CEMENT CORPORATION
MINUTES of 2019 ANNUAL GENERAL SHAREHOLDERS' MEETING
(Translation)

Time and date: 9 A.M., June 12nd, 2019

Place: 3F., No.113, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City
(Shimin Hall, Taiwan Cement Building)

Total outstanding shares of the Company: 5,107,989,911 shares

Total shares represented by shareholders present in person or by proxy:
4,318,921,718 shares

Percentage of shareholding of the shareholders present in person or by proxy:
84.55%

Present Directors: Chang An Ping, Koo Kung Yi, Li Jong-Peir, Chang Kang Lung, Tsai Chih-Chung, Victor Wang(Independent director), Sheng Chin Jen(Independent director), Chou Ling-Tai (Independent director)

Attendance: Wu Chih Kuang, Attorneys-at-Law, Lee and Li
Wong Ya Ling, CPA, Deloitte Taiwan

Chairman: Chang An Ping, Chairman of the Board of Directors

Recorder: Tsai Li Wen

Commencement: The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

I. Chairman's Address (Omitted)

II. Reported Items

(I) Employees' and directors' compensation from 2018 profits.

Notes:

1. According to Article 25 of the Company's Article of Incorporation, if the Company has surplus, it shall (i) set aside 0.01-3% for employees' compensation; and (ii) set aside no more than 1% as directors' compensation.
2. The proposal has been approved by the 8th meeting of the 23rd term

Board of Directors. For 2018, the Company distributes cash dividend of NT\$68,236,208 as employees' compensation and NT\$215,087,848 as directors' compensation.

(II) Reported the Business and Finance of 2018 (see Attachment I)

(III) Audit Committee's Review Report (see Attachment II)

(IV) Domestic and international corporate bonds report

Notes:

1. To raise capital for domestic and international investments, the Company issued unsecured corporate bonds:

Unit: NTD

Detail	2018 First Unsecured Corporate Bond
Date of Resolution	June 12, 2018
Date of Issuance	June 21, 2018
Total Issuance Amount	12 billion
Face Value	1 million
Issue Price	100 (100%)
Issue Period	15 years, due date: June 21, 2033
Issue Interest Rate	Fixed rate: 1.7% per annum
Interest Payment Method	Starting on the date of issuance, based on the coupon rate, interest accrued and paid once per annum
Redemption	On due date, the bonds will be redeemed in whole
Trustee	CTBC Bank Co., Ltd.
Principal Paying Agent, Conversion Agent, and Transfer Agent	CTBC Bank Co., Ltd.
Use of Proceeds	1. In 4Q18, 5 billion of proceeds for capital raising have been utilized.

	2. 1.4 billion of 7 billion of proceeds for domestic and international investments have been used, the rest 5.6 billion have been saved in bank as term deposits.
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2. The Company issued international zero coupon unsecured convertible bonds to repay domestic bank loans and international bank loans by overseas subsidiaries:

Unit: USD

Detail	2018 First Overseas Unsecured Convertible Corporate Bond
Date of Resolution	July 25, 2018 and October 19, 2018
Date of Issuance	December 10, 2018
Due Date	December 10, 2023
Total Issuance Amount	400 million
Face Value	200,000
Issue Price	100 (100%)
Listing	SGX-ST
Conversion Price	NT\$41
Coupon Rate	0%
Redemption	On due date, the bonds will be redeemed in whole
Trustee	Citigroup International Limited
Principal Paying Agent, Conversion Agent, and Transfer Agent	Citigroup, N.A., London Branch
Use of Proceeds	Utilization completed in 4Q18

(V) Amendments on part of Ethical Corporate Management Best Practice Principles

Notes:

1. In accordance with company development, amendments need to be made on part of Ethical Corporate Management Best Practice Principles.
2. The proposal has been approved in the 8th meeting of the 23rd term of Board of Directors. Amendments can be viewed in Annex 1.

III. Approval Items

(I) To approve 2018 Annual Business Report and Financial Statements. (Proposed by the Board of Directors)

Notes:

- (1) It was conducted according to Article 228 of the Company Act.
- (2) The 2018 Annual Business Report, Individual Financial Statements and Consolidated Financial Statements have been approved by the 8th meeting of the 23rd term Board of Directors. The Individual Financial Statements and Consolidated Financial Statements were audited by independent auditors, Irene Wong and Eddie Shao, of Deloitte & Touch.
- (3) The above Annual Business Report and Financial Statements were audited by the Auditor Committee. Please refer to Attachments I and II.
- (4) Please review and ratify.

Voting Results:

Shares represented at the time of voting: 4,267,102,242

Voting Results (including votes casted electronically (numbers in brackets))	% of the total represented share present
Votes in favor: 3,856,144,703 Votes	90.36%
Votes against: 64,525 Votes	0.00%
Votes invalid: 0 Votes	0.00%
Votes abstained: 410,893,014 Votes	9.62%

***including votes casted electronically (numbers in brackets)**

RESOLVED, that the 2018 Business Report and Financial Statements be and hereby were accepted as submitted.

(II) The proposal for distribution of 2018 profits (Proposed by the Board of Directors)

Notes:

- (1) The proposal of distribution of 2018 profits is conducted in accordance with Article 228 of the Company Act and Article 26 of the amended Articles of Incorporation.
- (2) The 2018 unappropriated retained earnings were NT\$10,584,068,962, trace back NT\$654,004,583 affected by the adoption of IFRS 9, the adjusted unappropriated retained earnings of 2018 were NT\$11,238,073,545. After adding special capital reverse arising from first of adoption of TIFRS of NT\$572,722, remeasurement of defined benefit obligation of NT\$73,268,525 and disposal of equity instrument at fair value through other comprehensive income (FVOCI) NT\$1,321,032,126, and then deducting difference between consideration received and the carrying amount of subsidiaries' net during actual acquisitions of NT\$89,370 and organization restructuring of NT\$58,513,322, the adjusted unappropriated retained earnings are NT\$ 12,574,344,226. By adding 2018 net profit of NT\$ 21,180,820,773, and setting aside legal reserve of NT\$2,118,082,077, the total earnings available for distribution amounts to NT\$ 31,637,082,922. It is proposed to distribute NT\$18,219,178 as interest earned by preferred shareholders, cash dividends at NT\$3.3 per share and stock dividends at NT\$0.7 per share for common stock which amounts to NT\$20,431,959,636. After distribution of the dividends, the 2018 unappropriated retained earnings are NT\$11,186,904,108. The distribution of cash dividends shall be accounted by dollars and rounded off to the integer. Fractional dividend amounts that are less than NT\$1 shall be combined into other income.

- (3) The Board of Directors has full authority to make adjustments to the ratio of shares if the number of outstanding shares is affected by transfer or cancellation of treasury stocks after the issuance of new shares for capital increase.
- (4) Upon the approval of the Annual Shareholders' Meeting, the Company will determine the ex-dividend date and distribute the dividend to each share based on the number of actual outstanding on the record date for distribution. The cash dividend to each and every shareholder shall be paid in a whole number of New Taiwan Dollars.
- (5) Please see the Annex 2 for 2018 Earnings Distribution Proposal.
- (6) The proposal has been approved by the 8th meeting of 23rd term Board of Directors and sent to the Audit Committee for approval.
- (7) Please review and ratify.

Voting Results:

Shares represented at the time of voting: 4,267,102,242

Voting Results (including votes casted electronically (numbers in brackets))	% of the total represented share present
Votes in favor: 3,873,767,180 Votes	90.78%
Votes against: 71,150 Votes	0.00%
Votes invalid: 0 Votes	0.00%
Votes abstained: 393,263,912 Votes	9.21%

***including votes casted electronically (numbers in brackets)**

RESOLVED, that the above proposal be and hereby was approved as proposed.

IV. Discussion Items

(I) Proposal for a new share issue through capitalization of earnings. (Proposed by the Board of Directors)

Notes:

- (1) For replenishing capital and further development of company business, the management plans to issue new shares through capitalization of earnings. The plan is to withdraw dividends of NT\$3,575,592,930 from distributable earnings to issue dividends stocks of 357,559,293 shares. (Share par value NT\$10)
- (2) The conditions of new shares issuance
- A. Dividends stocks will be calculated on the basis of outstanding shares, 70 shares to be distributed without consideration for each 1,000 shares held. Any amount less than one share following distribution will be distributed in cash with minimum calculation unit of one NT dollar. The Chairman is authorized to procure specific persons of the purchase of these shares based on face value. Actual amounts of distributed shares shall be determined by the amounts of shares held in the register of shareholders on the record date of dividend.
 - B. The rights and duties of the new shares are identical to those of the existing shares.
 - C. Upon the approval of 2018 Annual Shareholders' Meeting and the Competent Authority, the Board Meeting is authorized to determine the distribution record date.
 - D. The Board of Directors has full authority to make adjustments to the ratio of shares if the number of outstanding shares is affected after the issuance of new shares for capital increase.
- (3) The Proposal has been approved by the 8th meeting of the 23rd term Board of Directors.
- (4) Please discuss and resolve.

Voting Results:

Shares represented at the time of voting: 4,267,102,242

Voting Results (including votes casted electronically (numbers in brackets))	% of the total represented share present
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Votes in favor: 3,810,593,519 Votes	89.30%
Votes against: 6,548,237 Votes	0.00%
Votes invalid: 0 Votes	0.00%
Votes abstained: 449,960,486 Votes	10.54%

***including votes casted electronically (numbers in brackets)**

RESOLVED, that the above proposal be and hereby was approved as proposed.

(II)To approve the amendments on part of Article of Incorporation. (Proposed by the Board of Directors)

Notes:

- (1) In accordance with amendments of The Company Act and company development, amendments need to be made on part of Article of Incorporation.
- (2) The proposal has been approved in the 8th meeting of the 23rd term of Board of Directors. Amendments can be viewed on Annex 3.
- (3) Please discuss and resolve.

Voting Results:

Shares represented at the time of voting: 4,267,102,242

Voting Results (including votes casted electronically (numbers in brackets))	% of the total represented share present
Votes in favor: 3,795,982,443 Votes	88.95%
Votes against: 93,518 Votes	0.00%
Votes invalid: 0 Votes	0.00%
Votes abstained: 471,026,281 Votes	11.03%

***including votes casted electronically (numbers in brackets)**

RESOLVED, that the above proposal be and hereby was approved as proposed.

(III) To approve the amendments on part of Procedures for Acquisition or Disposal of Fixed Assets. (Proposed by the Board of Directors)

Notes:

- (1) In accordance with the Competent Authority and company development, amendments need to be made on part of Procedures for Acquisition or Disposal of Fixed Assets.
- (2) The proposal has been approved in the 8th meeting of the 23rd term of Board of Directors. Amendments can be viewed on Annex 4.
- (3) Please discuss and resolve.

Voting Results:

Shares represented at the time of voting: 4,267,102,242

Voting Results (including votes casted electronically (numbers in brackets))	% of the total represented share present
Votes in favor: 3,795,973,244 Votes	88.95%
Votes against: 94,614 Votes	0.00%
Votes invalid: 0 Votes	0.00%
Votes abstained: 471,034,384 Votes	11.03%

***including votes casted electronically (numbers in brackets)**

RESOLVED, that the above proposal be and hereby was approved as proposed.

(IV) To approve the amendments on part of Procedures for Loaning of Funds. (Proposed by the Board of Directors)

Notes:

- (1) In accordance with the Competent Authority and company development, amendments need to be made on part of Procedures for Loaning of Funds.

- (2) The proposal has been approved in the 8th meeting of the 23rd term of Board of Directors. Amendments can be viewed on Annex 5.
- (3) Please discuss and resolve.

Voting Results:

Shares represented at the time of voting: 4,267,102,242

Voting Results (including votes casted electronically (numbers in brackets))	% of the total represented share present
Votes in favor: 3,795,949,837 Votes	88.95%
Votes against: 112,685 Votes	0.00%
Votes invalid: 0 Votes	0.00%
Votes abstained: 471,039,720 Votes	11.03%

***including votes casted electronically (numbers in brackets)**

RESOLVED, that the above proposal be and hereby was approved as proposed.

(V) To approve the amendments on part of Procedures for Handling Endorsement/Guarantee. (Proposed by the Board of Directors)

Notes:

- (1) In accordance with the Competent Authority and company development, amendments need to be made on part of Procedures for Handling Endorsement/Guarantee.
- (2) The proposal has been approved in the 8th meeting of the 23rd term of Board of Directors. Amendments can be viewed on Annex 6.
- (3) Please discuss and resolve.

Voting Results:

Shares represented at the time of voting: 4,267,102,242

Voting Results	% of the total represented
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(including votes casted electronically (numbers in brackets)	share present
Votes in favor: 3,795,963,010 Votes	88.95%
Votes against: 97,471 Votes	0.00%
Votes invalid: 0 Votes	0.00%
Votes abstained: 471,041,761 Votes	11.03%

***including votes casted electronically (numbers in brackets)**

RESOLVED, that the above proposal be and hereby was approved as proposed.

V. Ad Hoc Motions

None.

VI. Meeting Adjourned: 10:00 AM, June 12nd, 2019

Attachment I : Business report and financial statements of 2018

Business Report

In 2018, the global economy saw growth slowing down due to factors such as the trade war between the US and China, Brexit and the de-leveraging measures taken by many major central banks around the world. In 2019, due to uncertainties such as the effects from the trade war between the US and China and the concerns regarding the growth of China's economy, it is possible to see the global economic growth weakening.

In 2018, China continued to strengthen the supply and demand structure reform by executing off-peak production halts and raise environmental protection standards to improve market balance and help the cement price to return to a reasonable and stable level. In 2019, the trade negotiations with the US is still ongoing plus there are concerns over the liquidity of the market, the possibility of an economic downturn grows. Nevertheless, China's economy can be stabilized as the government initiate measures to stimulate domestic demand and expand infrastructure projects.

In Taiwan, the government's *Forward-Looking Infrastructure Development Program* have been introduced and will likely increase public sector spending, therefore, the economy in 2019 should be flat compared to 2018.

In 2018, Taiwan Cement strived to cooperate with international partners in the cement business and to expand and increase the investments of our green energy and environmental protection businesses. In 2019, Taiwan Cement hopes to broaden core business development axis to Europe, other parts of Asia and Africa while expands multiple business unit goals of globalization, green energy, environment protection and circular economy.

The Company's 2018 business performance results are as below:

1. Cement

The Company produced 4,557,303 tons of cement and 852,824 tons of clinker in 2018. Using the ratio of 1 to 1, the total combined production of cement reached 5,410,127 tons, representing 178,132 tons (3.4%) of growth compared to 2017. The Company sold a total of 4,498,658 tons of cement and clinker, showing 60,201 tons (1.36%) of increase on year. The total sales of cement and clinker in 2018 reached NT\$8,028.88 million, representing NT\$178.663 million (2.28%) growth compared to 2017.

2. Cement Product

Taiwan Cement produced 4,519,931 cubic meter of ready-mixed concrete in 2018, showing 395,906 cubic meter (9.6%) of on-year growth. Total revenue from cement products reached NT\$8,183.032 million, showing an on-year increase of NT\$579.854 million (7.63%).

3. Limestone

The Company sold 61,006 tons of limestone, showing an on-year increase of 8,147 tons (15.41%) in 2018. The total annual revenues from limestone sales was NT\$57.956 million, representing an on-year growth of NT\$7.740 million (15.41%).

4. Net Profit

Taiwan Cement's consolidated net profit reached a historical high of NT\$21,180.821 million, showing an on-year increase of 178.91%. Budget achieving rate reached 246.34%.

Chairman: Chang, An-Ping

President: Li, Jong-Peir

Accounting Supervisor: Yeh, Kuo-Hung



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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 107 年及 106 年 12 月 31 日之個體資產負債表，暨民國 107 年及 106 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 107 年及 106 年 12 月 31 日之個體財務狀況，暨民國 107 年及 106 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 107 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 107 年度個體財務報表之關鍵查核事項敘明如下：

取得採用權益法之投資

如個體財務報告附註四及十二所述，台灣水泥股份有限公司於民國 107 年 11 月透過 Taiwan Cement (Dutch) Holdings B.V.與 Ordu Yardimlasma Kurumu 共同成立合資公司 Dutch OYAK TCC Holdings B.V.，並取得該合資公司 40%股權以間接持有土耳其等地區之水泥項目投資，經台灣水泥股份有限公司管理階層評估對於該合資公司僅有重大影響力並無控制力，依國際會計準則公報第 28 號「投資關聯企業及合資」規定採用權益法投資。由於該項投資金額對整體財務報表係屬重大，因是將此權益法投資考量為關鍵查核事項。

本會計師針對取得上述採用權益法投資主要查核程序如下：

1. 瞭解管理階層評估取得該項投資之相關流程及控制作業，並確定是否經過適當核准。
2. 評估管理階層所委任之外部評價專家適任性及客觀性，並覆核其出具之股權價格合理性意見書。
3. 取得交易相關匯款憑證及股權協議書暨股權登記相關文件，以確定交易對象及條件與經核准議案係屬一致。

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）。

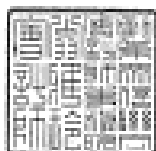
本會計師亦向治理單位提供本會計師所隸屬事務所受獨立性規範之人員已遵循會計師職業道德規範中有關獨立性之聲明，並與治理單位溝通所有可能被認為會影響會計師獨立性之關係及其他事項（包括相關防護措施）。

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 107 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。

勸業眾信聯合會計師事務所

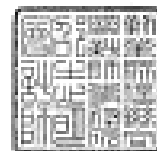
會計師 翁雅玲

翁雅玲



會計師 邵志明

邵志明



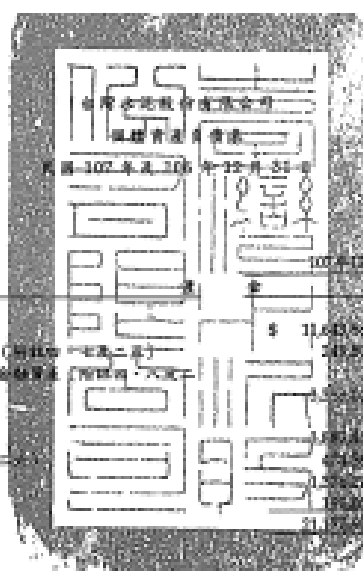
金融監督管理委員會核准文號

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

中 華 民 國 108 年 3 月 22 日



單位：新台幣仟元

				107年12月31日			
代 碼	資 產	金 額	權 益	金 額	權 益		
流動資產							
1100	現金及約當現金 (附註四及六)	\$ 11,643,945	4	\$ 799,845	1		
1110	透過損益按公允價值衡量之金融資產 (附註四、七及二五)	249,800	-	-	-		
1120	透過其他綜合損益按公允價值衡量之金融資產 (附註四、六及二五)	1,532,639	1	-	-		
1125	備供出售金融資產 (附註四及九)	-	-	3,740,687	3		
1150	應收票據及帳款 (附註四及十)	3,870,646	2	3,174,220	2		
1180	應收票據及帳款－關係人 (附註四及二)	434,562	-	425,326	-		
120X	存貨 (附註四、十一及二八)	1,230,720	1	1,655,388	1		
1470	其他流動資產 (附註二六)	182,000	-	158,652	-		
110X	流動資產總計	21,175,432	8	9,512,038	6		
非流動資產							
1507	透過其他綜合損益按公允價值衡量之金融資產 (附註四、八及二五)	4,385,175	2	-	-		
1520	備供出售金融資產 (附註四及九)	-	-	2,419,659	1		
1540	以成本衡量之金融資產 (附註四)	-	-	85,159	-		
1550	採用權益法之投資 (附註四、五、十二及二五)	205,397,803	78	118,108,972	73		
1600	不動產、廠房及設備 (附註四、十三、二十及二七)	27,007,306	10	27,577,177	17		
1700	投資性不動產 (附註四、十四及三十)	3,382,677	1	3,552,908	3		
1801	商標資產 (附註四及二十)	10,711	-	21,594	-		
1905	非確定福利資產 (附註四及十八)	991,103	1	888,179	1		
1915	預計設備款	563,185	-	63,886	-		
1990	其他非流動資產 (附註四、二一及二七)	281,092	-	258,373	-		
150X	非流動資產總計	249,288,063	92	152,276,730	84		
100X	資 產 總 計	\$ 263,463,495	100	\$ 162,688,768	100		

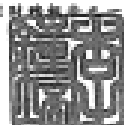
代 碼	負 債 及 權 益	金 額	權 益
流動負債			
2100	短期借款 (附註十五)	\$ 12,969,000	5
2110	應付短期票券 (附註十五)	1,899,674	1
2120	透過損益按公允價值衡量之金融負債 (附註四、七及二五)	179,600	-
2170	應付帳款	930,007	-
2180	應付帳款－關係人 (附註二六)	937,698	-
2219	其他應付款 (附註十七)	1,863,564	1
2250	本期所得稅負債 (附註四及二一)	-	-
2320	一年內到期之長期負債 (附註十五)	-	-
2399	其他流動負債 (附註二六)	86,332	-
210X	流動負債總計	18,483,895	7
非流動負債			
2530	應付公司債 (附註四及十六)	12,777,693	9
2540	長期借款 (附註十五)	13,530,427	5
2550	長期應付票款 (附註十五)	21,478,716	8
2570	遞延所得稅負債 (附註四及二一)	5,254,334	2
2670	其他非流動負債 (附註十)	428,428	-
250X	非流動負債總計	63,434,373	24
200X	負債總計	81,918,268	31
權益 (附註四、十九及二二)			
3100	註 冊 資 本	53,080,599	20
3200	資本公積	47,826,241	18
3300	保留盈餘	61,988,762	24
3400	其他權益	19,038,454	7
3500	庫藏股票	(2,545)	-
300X	權益總計	181,241,510	69
負債與權益總計		\$ 263,463,495	100

後附之附註係本個體財務報告之一部分。

董事長：張安平



總經理：李維揚



會計主管：簡國宏



台灣水泥股份有限公司

個體綜合損益表

民國 107 年及 106 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	107年度			106年度	
	金 額		%	金 額	%
4110 營業收入（附註四及十二）	\$ 17,057,945	100		\$ 16,274,654	100
4170 減：銷貨退回及折讓	78,500	-		58,777	-
4000 營業收入淨額	16,979,445	100		16,215,877	100
5110 營業成本（附註四、十一、二十及二六）	15,600,509	92		14,500,652	90
5900 營業毛利	1,378,936	8		1,715,225	10
5920 與子公司之已實現利益	1,228	-		1,228	-
5950 已實現營業毛利	1,380,164	8		1,716,453	10
營業費用（附註二十及二六）					
6100 推銷費用	230,176	1		180,458	1
6200 管理費用	957,120	6		640,703	4
6000 營業費用合計	1,187,296	7		821,161	5
6900 營業淨利	192,868	1		895,292	5
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（附註十二）	21,133,842	125		6,950,116	43
7130 股利收入（附註四）	381,051	2		323,812	2
7190 其他收入（附註二十）	346,278	2		163,379	1
7050 財務成本（附註二十）	(481,032)	(3)		(211,840)	(1)

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代 碼		107年度		106年度	
		金 額	%	金 額	%
7590	其他支出 (附註二十)	(\$ 275,608)	(2)	(\$ 161,461)	(1)
7670	減損損失 (附註十三)	(37,524)	-	(156,000)	(1)
7000	營業外收入及支出 合計	<u>21,067,007</u>	<u>124</u>	<u>6,908,006</u>	<u>43</u>
7900	稅前淨利	21,259,875	125	7,803,298	48
7950	所得稅費用 (附註四及二一)	<u>79,054</u>	-	<u>209,051</u>	<u>1</u>
8200	本年度淨利	<u>21,180,821</u>	<u>125</u>	<u>7,594,247</u>	<u>47</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 八)	98,819	-	70,524	-
8316	透過其他綜合損益 按公允價值衡量 之權益工具投資 未實現評價損益	98,784	-	-	-
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	1,143,130	7	(26,903)	-
8349	與不重分類之項目 相關之所得稅 (附註二一)	(29,629)	-	(11,989)	-
		<u>1,311,104</u>	<u>7</u>	<u>31,632</u>	<u>-</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	-	-	1,370,286	9

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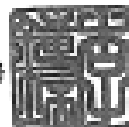
代 碼		107年度		106年度	
		金 額	%	金 額	%
8380	採用權益法之子公司及關聯企業之其他綜合損益份額	(\$ 4,246,746)	(25)	\$ 8,779,647	54
		(4,246,746)	(25)	10,149,933	63
8300	本年度其他綜合損益（稅後淨額）	(2,935,642)	(18)	10,181,565	63
8500	本年度綜合損益總額	\$ 18,245,179	107	\$ 17,775,812	110
	每股盈餘（附註二二）				
9750	基 本	\$ 4.37		\$ 1.82	
9850	稀 釋	\$ 4.37		\$ 1.82	

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：李鍾培



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 107 年及 106 年 1 月 1 日至 12 月 31 日

單位：新台幣仟元

代 碼		107年度	106年度
	營業活動之現金流量		
A10000	本年度稅前淨利	\$ 21,259,875	\$ 7,803,298
	不影響現金流量之調整項目		
A20100	折舊費用	518,572	537,065
A20200	攤銷費用	10,683	36,553
A20400	透過損益按公允價值衡量金融		
	資產及負債之淨損失	1,117	-
A20900	財務成本	481,032	211,840
A21200	利息收入	(98,520)	(6,102)
A21300	股利收入	(381,051)	(323,812)
A21900	員工認股權酬勞成本	45,448	-
A22400	採用權益法之子公司及關聯企		
	業損益之份額	(21,133,842)	(6,950,116)
A22500	處分不動產、廠房及設備淨損		
	(益)	140,615	(142)
A29900	存貨跌價損失	6,401	19,519
A23100	處分投資損失	-	745
A23700	非金融資產減損損失	37,524	156,000
A24100	未實現外幣兌換淨損(益)	7,189	(4,067)
A30000	營業資產及負債之淨變動數		
A31130	應收票據及帳款	(705,416)	(3,116)
A31140	應收票據及帳款－關係人	(49,150)	101,352
A31200	存 貨	272,624	(185,122)
A31240	其他流動資產	(1,291)	27,302
A31990	淨確定福利資產	(3,104)	(827)
A32150	應付帳款	140,208	(217,514)
A32160	應付帳款－關係人	238,681	40,173
A32180	其他應付款	271,773	(202,465)
A32190	其他應付款－關係人	(21,409)	(16,332)
A32230	其他流動負債	(678)	(4,118)
A33000	營運產生之淨現金流入	1,037,281	1,020,114
A33500	支付之所得稅	(214,394)	(125,525)
AAAA	營業活動之淨現金流入	<u>822,887</u>	<u>894,589</u>

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代 碼		107年度	106年度
投資活動之現金流量			
B00010	取得透過其他綜合損益按公允價值 衡量之金融資產	(\$ 72,086)	\$ -
B00200	處分透過其他綜合損益按公允價值 衡量之金融資產	1,333	-
B00400	處分備供出售金融資產價款	-	1,961
B01400	以成本衡量之金融資產減資退回股 款	-	5,833
B01800	取得採用權益法之投資	(4,127,150)	(1,329,584)
B02200	取得子公司之淨現金流出	(67,877,447)	-
B02700	購置不動產、廠房及設備	(612,055)	(32,268)
B02800	處分不動產、廠房及設備價款	14,533	6,992
B04300	其他應收款－關係人減少	-	20,000
B06700	其他非流動資產增加	(290,041)	(98,012)
B07500	收取之利息	73,789	6,003
B07600	收取之股利	<u>4,604,367</u>	<u>4,624,633</u>
BBBB	投資活動之淨現金流入（出）	<u>(68,284,757)</u>	<u>3,205,558</u>
籌資活動之現金流量			
C00200	短期借款增加	4,443,260	2,691,523
C00600	應付短期票券增加（減少）	(399,340)	1,599,156
C01200	發行公司債	24,223,847	-
C01600	舉借長期借款	13,402,917	-
C01700	償還長期借款	(7,276,733)	(3,360,000)
C04300	其他非流動負債增加	226,435	6,237
C04500	支付股利	(6,360,764)	(5,353,655)
C04600	現金增資	26,688,262	-
C04800	庫藏股轉讓員工	179,680	-
C04900	庫藏股票買回成本	(218,166)	-
C05500	處分子公司部分權益價款	2,189,786	-
C05600	支付之利息	(232,190)	(202,220)
C09900	長期應付票券增加	<u>21,478,716</u>	<u>-</u>
CCCC	籌資活動之淨現金流入（出）	<u>78,345,710</u>	<u>(4,618,959)</u>

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代 碼		107年度	106年度
EEEE	本年度現金及約當現金增加(減少)	\$ 10,883,840	(\$ 518,812)
E00100	年初現金及約當現金餘額	<u>759,845</u>	<u>1,278,657</u>
E00200	年底現金及約當現金餘額	<u>\$ 11,643,685</u>	<u>\$ 759,845</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：李鐘培



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子公司（台泥集團）民國 107 年及 106 年 12 月 31 日之合併資產負債表，暨民國 107 年及 106 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 107 年及 106 年 12 月 31 日之合併財務狀況，暨民國 107 年及 106 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 107 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 107 年度合併財務報表之關鍵查核事項敘明如下：

取得採用權益法之投資

如合併財務報告附註四及十四所述，台泥集團於民國 107 年 11 月透過 Taiwan Cement (Dutch) Holdings B.V.與 Ordu Yardimlasma Kurumu 共同成立合資公司 Dutch OYAK TCC Holdings B.V.，並取得該合資公司 40%股權以間接持有土耳其等地區之水泥項目投資，經台泥集團管理階層評估對於該合資公司僅有重大影響力並無控制力，依國際會計準則公報第 28 號「投資關聯企業及合資」規定採用權益法投資。由於該項投資金額對整體合併財務報表係屬重大，因是將此權益法投資考量為關鍵查核事項。

本會計師針對取得上述採用權益法投資主要查核程序如下：

1. 瞭解管理階層評估取得該項投資之相關流程及控制作業，並確定是否經適當核准。
2. 評估管理階層所委任之外部評價專家適任性及客觀性，並覆核其出具之股權價格合理性意見書。
3. 取得交易相關匯款憑證及股權協議書暨股權登記相關文件，以確定交易對象及條件與經核准議案係屬一致。

其他事項

台灣水泥股份有限公司業已編製民國 107 及 106 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）。

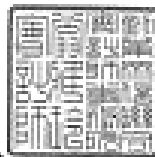
本會計師亦向治理單位提供本會計師所隸屬事務所受獨立性規範之人員已遵循會計師職業道德規範中有關獨立性之聲明，並與治理單位溝通所有可能被認為會影響會計師獨立性之關係及其他事項（包括相關防護措施）。

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 107 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

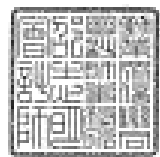
會計師 翁雅玲

翁雅玲



會計師 邵志明

邵志明

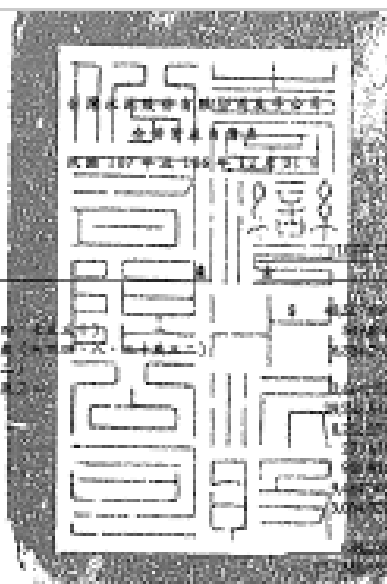


金融監督管理委員會核准文號

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



單位：新台幣千元

代 碼	名 稱	100年12月31日		100年12月31日	
		金 額	%	金 額	%
1100	流動資產				
1110	現金及約當現金 (附註四、四六)	14	-	26,331,318	10
1120	透過損益綜合及價值衡量之金融資產 (附註四、四七)	-	-	147,048	-
1130	透過其他綜合損益綜合及價值衡量之金融資產 (附註四、四八)	2	-	-	-
1139	當期信用金融資產 (附註四、九、五十五及五七)	-	-	28,181,238	9
1139	非當期信用金融資產 (附註四、九、五十五及五七)	1	-	-	-
1139	應收票據 (附註四、五)	9	-	33,083,898	7
1170	應收帳款 (附註四、十、十一及五五)	1	-	7,073,446	3
1180	應收票據及應收一關係人 (附註四及五一)	-	-	239,703	-
1200	其他應收款 (附註四及五二)	-	-	731,852	-
1300	存貨 (附註四、十二及五三)	3	-	8,584,522	3
1410	預付帳款 (附註四十八)	1	-	2,984,700	1
1470	其他金融資產 (附註四、五五及五七)	-	-	1,383,249	1
1479	其他金融資產 (附註五一)	-	-	530,850	-
1100	流動資產總計	22	-	82,718,524	34
1500	非流動資產				
1517	透過其他綜合損益綜合及價值衡量之金融資產 (附註四、九、五十五及五七)	25,792,169	9	-	-
1520	透過損益綜合資產 (附註四、九、五十五及五七)	-	-	1,488,038	1
1540	以成本衡量之金融資產 (附註四)	-	-	583,819	-
1550	採用權益法之投資 (附註四及五十四)	46,247,074	13	7,848,781	3
1600	不動產、廠房及設備 (附註四、十五、二四及五二)	51,892,025	26	94,709,484	35
1700	投資性不動產 (附註四、十六、二四及五二)	6,344,668	2	6,374,920	2
1700	無形資產 (附註四、十七及五二)	20,437,882	6	20,802,624	8
1900	遞延所得稅	2,624,175	1	2,826,384	1
1990	長期應收帳款 (附註四、十一及五二)	26,881,796	9	32,428,884	12
1999	淨確定福利資產 (附註四及五二)	999,648	-	897,637	-
1999	長期應付帳款 (附註四十八)	4,584,348	2	4,818,745	2
1999	其他非流動資產 (附註四、五五及五七)	2,833,758	1	2,897,458	1
1500	非流動資產總計	131,708,423	66	175,857,138	66
1000	資 產 總 計	2,344,885,713	100	2,372,587,662	100
2100	流動負債				
2100	短期借款 (附註四十九、二八及五二)	2	-	20,304,212	7
2110	應付帳款及應付 (附註四十九)	7,483,214	2	7,981,417	3
2120	透過損益綜合及價值衡量之金融負債 (附註四、七及五二)	139,460	-	-	-
2130	合約負債	5,114,644	2	-	-
2170	應付票據及應付 (附註五一)	7,688,831	2	7,780,179	3
2210	其他應付帳款 (附註二一及五三)	13,683,179	3	8,899,408	3
2240	本期所得稅負債 (附註四及五五)	4,090,640	1	1,681,843	1
2310	預收帳款	-	-	4,548,753	2
2320	一年內到期之長期負債 (附註十九、二八及五二)	1,933,946	1	13,910,242	5
2399	其他流動負債	114,799	-	148,865	-
2100	流動負債總計	68,533,844	12	65,136,962	28
2500	非流動負債				
2500	應付公司債 (附註四及五二)	22,779,636	7	-	-
2540	長期借款 (附註十九、二八及五二)	28,635,873	7	43,494,968	16
2570	遞延所得稅負債 (附註四及五五)	11,528,154	3	10,349,776	4
2610	長期應付帳款 (附註十九)	22,471,880	7	-	-
2640	淨確定福利負債 (附註四及五二)	214,808	-	211,687	-
2670	其他非流動負債 (附註五三)	229,693	-	413,482	-
2500	非流動負債總計	82,359,143	24	54,716,873	20
2000	負債總計	146,708,662	42	119,853,835	44
3100	本公司業主權益總計 (附註四、二五及五七)				
3110	股本	83,883,898	15	42,443,090	16
3200	資本公積	47,836,341	14	25,739,088	9
3300	保留盈餘	61,588,761	18	49,874,510	18
3400	其他權益	79,838,434	6	18,134,396	7
3500	庫藏股票	(2,543)	-	-	-
3100	本公司業主權益總計	181,241,311	55	136,348,284	50
3600	非控制權益 (附註二五及五七)	18,837,348	4	16,289,613	6
3000	權益總計	197,379,458	57	152,637,897	56
1000	負 債 與 權 益 總 計	2,344,885,713	100	2,372,587,662	100

民國九十九年九月三十日財務報告之一部分。

董事長：張國平



總經理：李維靖



會計主管：張國安



台灣水泥股份有限公司及其子公司

合併綜合損益表

民國 107 年及 106 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		107年度		106年度	
		金 額	%	金 額	%
4000	營業收入（附註四及三一）	\$124,594,602	100	\$ 98,311,776	100
5000	營業成本（附註四、十二、二四及三一）	<u>91,003,063</u>	<u>73</u>	<u>79,398,862</u>	<u>81</u>
5900	營業毛利	<u>33,591,539</u>	<u>27</u>	<u>18,912,914</u>	<u>19</u>
	營業費用（附註二四及三一）				
6100	推銷費用	901,611	1	791,540	1
6200	管理費用	4,485,361	4	4,126,090	4
6300	研究發展費用	<u>23,666</u>	<u>-</u>	<u>32,399</u>	<u>-</u>
6000	營業費用合計	<u>5,410,638</u>	<u>5</u>	<u>4,950,029</u>	<u>5</u>
6900	營業淨利	<u>28,180,901</u>	<u>22</u>	<u>13,962,885</u>	<u>14</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）	2,263,413	2	1,271,111	1
7100	利息收入（附註四）	584,482	-	244,041	-
7130	股利收入（附註四）	1,326,142	1	799,137	1
7190	其他收入（附註二四）	884,648	1	628,473	1
7050	財務成本（附註四及二四）	(2,460,302)	(2)	(1,923,309)	(2)
7590	其他支出（附註二四）	(252,595)	-	(555,190)	(1)
7630	外幣兌換淨益（損）	48,764	-	(241,360)	-
7671	金融資產減損損失	-	-	(110,507)	-
7679	非金融資產減損損失（附註十五及十七）	(31,032)	-	(250,622)	-
7000	營業外收入及支出合計	<u>2,363,520</u>	<u>2</u>	<u>(138,226)</u>	<u>-</u>

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代 碼		107年度		106年度	
		金 額	%	金 額	%
7900	稅前淨利	\$ 30,544,421	24	\$ 13,824,659	14
7950	所得稅費用(附註四及二五)	<u>7,900,350</u>	<u>6</u>	<u>3,501,859</u>	<u>3</u>
8200	本年度淨利	<u>22,644,071</u>	<u>18</u>	<u>10,322,800</u>	<u>11</u>
	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 二)	93,286	-	12,233	-
8316	透過其他綜合損益 按公允價值衡量 之權益工具投資 未實現評價損益 (附註二三)	1,420,706	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 三)	(168,150)	-	3,444	-
8349	與不重分類之項目 相關之所得稅 (附註二五)	(<u>26,091</u>)	<u>-</u>	(<u>2,080</u>)	<u>-</u>
8310		<u>1,319,751</u>	<u>1</u>	<u>13,597</u>	<u>-</u>
	後續可能重分類至損益 之項目				
8361	國外營運機構財務 報表換算之兌換 差額(附註二三)	(3,973,489)	(3)	1,357,564	1
8362	備供出售金融資產 未實現利益(損 失)(附註二三)	-	-	8,815,404	9
8363	現金流量避險(附 註二三)	-	-	(13,167)	-

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(承前頁)

代 碼		107年度		106年度	
		金 額	%	金 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(附註二三)	(\$ 284,799)	-	(\$ 194,765)	-
8399	與可能重分類之項 目相關之所得稅 (附註二三及二 五)	<u>1,861</u>	<u>-</u>	<u>(1,861)</u>	<u>-</u>
8360		<u>(4,256,427)</u>	<u>(3)</u>	<u>9,963,175</u>	<u>10</u>
8300	本年度其他綜合損 益淨額(稅後淨 額)	<u>(2,936,676)</u>	<u>(2)</u>	<u>9,976,772</u>	<u>10</u>
8500	本年度綜合損益總額	<u>\$ 19,707,395</u>	<u>16</u>	<u>\$ 20,299,572</u>	<u>21</u>
	淨利歸屬於				
8610	本公司業主	\$ 21,180,821	17	\$ 7,594,247	7
8620	非控制權益	<u>1,463,250</u>	<u>1</u>	<u>2,728,553</u>	<u>3</u>
8600		<u>\$ 22,644,071</u>	<u>18</u>	<u>\$ 10,322,800</u>	<u>10</u>
	綜合損益總額歸屬於				
8710	本公司業主	\$ 18,245,179	15	\$ 17,775,812	18
8720	非控制權益	<u>1,462,216</u>	<u>1</u>	<u>2,523,760</u>	<u>3</u>
8700		<u>\$ 19,707,395</u>	<u>16</u>	<u>\$ 20,299,572</u>	<u>21</u>
	每股盈餘(附註二六)				
9750	基 本	<u>\$ 4.37</u>		<u>\$ 1.82</u>	
9850	稀 釋	<u>\$ 4.37</u>		<u>\$ 1.82</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：李鍾培



會計主管：葉國宏



台灣水泥股份有限公司及子公司

合併現金流量表

民國 107 年及 106 年 1 月 1 日至 12 月 31 日

單位：新台幣仟元

代 碼		107年度	106年度
A10000	營業活動之現金流量		
	本年度稅前淨利	5,305,544,421	\$ 13,824,659
	不影響現金流量之收益費損項目		
A20100	折舊費用	6,129,527	6,080,554
A20200	攤銷費用	387,194	383,239
A20400	透過損益按公允價值衡量金融		
	資產及負債之淨損（益）	(19,306)	103,169
A20900	財務成本	2,460,302	1,923,309
A21200	利息收入	(584,482)	(244,041)
A21300	股利收入	(1,326,142)	(799,137)
A21900	員工認股權酬勞成本	45,448	-
A22300	採用權益法認列之關聯企業及		
	合資淨益之份額	(2,263,413)	(1,271,111)
A22500	處分不動產、廠房及設備淨損		
	失	78,190	191,033
A22700	處分投資性不動產損失	16,642	-
A23100	處分投資淨損失	-	303
A23500	金融資產減損損失	-	110,507
A23700	非金融資產減損損失	31,032	250,622
A23800	存貨跌價及呆滯損失（回升利		
	益）	82,954	(112,076)
A24100	未實現外幣兌換淨損	240,681	114,129
A29900	其 他	229,352	219,634
A30000	營業資產及負債之淨變動數		
A31110	持有供交易之金融資產	-	(105,184)
A31115	強制透過損益按公允價值衡量		
	之金融資產	(10,517)	-
A31130	應收票據	(10,376,722)	(8,569,848)
A31150	應收帳款	(1,147,369)	(334,841)
A31160	應收票據及帳款－關係人	(40,768)	295,570
A31180	其他應收款	(117,510)	(70,927)
A31190	其他應收款－關係人	(21,008)	68,842
A31200	存 貨	(1,298,491)	(70,534)
A31230	預付款項	(56,930)	(136,853)
A31240	其他流動資產	(90,635)	(73,761)

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代 碼		107年度	106年度
A31125	合約負債	\$ 598,875	\$ -
A32150	應付票據及帳款	88,650	254,865
A32180	其他應付款	2,970,433	1,759,499
A32210	預收款項	-	1,311,936
A32230	其他流動負債	(34,006)	74,443
A32240	淨確定福利負債	(9,907)	(30,420)
A33000	營運產生之淨現金流入	26,506,495	15,147,580
A33500	支付之所得稅	(4,355,775)	(2,837,020)
AAAA	營業活動之淨現金流入	<u>22,150,720</u>	<u>12,310,560</u>
投資活動之現金流量			
B00010	取得透過其他綜合損益按公允價值 衡量之金融資產	(292,469)	-
B00020	處分透過其他綜合損益按公允價值 衡量之金融資產	1,333	-
B00040	取得按攤銷後成本衡量之金融資產	(1,567,977)	-
B00300	取得備供出售金融資產	-	(245,128)
B00400	處分備供出售金融資產價款	-	57,597
B01400	以成本衡量之金融資產減資退回股 款	-	5,833
B01800	取得採用權益法之長期股權投資	(33,485,490)	-
B02400	採用權益法之被投資公司減資退回 股款	10,884	185,902
B02700	取得不動產、廠房及設備	(4,317,919)	(1,523,028)
B02800	處分不動產、廠房及設備價款	389,942	242,135
B04500	取得無形資產	(54,885)	(291,211)
B06100	長期應收租賃款減少	1,473,788	1,240,456
B06500	其他金融資產增加	-	(563,702)
B06700	其他非流動資產減少	292,444	688,785
B07300	預付租賃款增加	(158,408)	(190,211)
B07500	收取之利息	538,327	250,905
B07600	收取之股利	<u>1,598,131</u>	<u>1,197,271</u>
BBBB	投資活動之淨現金流入（出）	<u>(35,572,299)</u>	<u>1,055,604</u>
籌資活動之現金流量			
C00200	短期借款增加	5,760,814	374,531
C01200	發行公司債	24,223,847	-
C01600	舉借長期借款	16,244,617	9,412,885
C01700	償還長期借款	(48,536,395)	(10,020,076)
C09900	長期應付票券增加	22,476,880	-
C00500	應付短期票券增加（減少）	(589,203)	2,069,899

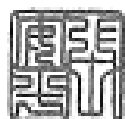
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代 碼		107年度	106年度
C04400	其他非流動負債增加(減少)	\$ 166,171	(\$ 134,533)
C04500	發放現金股利	(8,536,670)	(7,612,630)
C04600	現金增資	26,688,262	-
C04800	庫藏股轉讓員工	179,680	-
C04900	庫藏股票買回成本	(218,166)	-
C05400	取得子公司股權	(170,899)	(7,234,603)
C05500	處分子公司部分權益償款	788,539	16,917
C05600	支付之利息	(2,249,022)	(1,764,869)
CCCC	籌資活動之淨現金流入(出)	<u>36,228,455</u>	<u>(14,892,479)</u>
DDDD	匯率變動對現金及約當現金之影響	<u>(630,205)</u>	<u>(322,225)</u>
EEEE	本年度現金及約當現金增加(減少)	22,176,671	(1,848,540)
E00100	年初現金及約當現金餘額	<u>26,331,218</u>	<u>28,179,758</u>
E00200	年底現金及約當現金餘額	<u>\$ 48,507,889</u>	<u>\$ 26,331,218</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：李鍾培



會計主管：葉國宏



Attachment II. Audit Committee's Review Report

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2018 Business Report, Financial Statements, and proposal for earnings distribution. The CPA firm of Deloitte & Touch was retained to audit TCC's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and proposal for earnings distribution have been reviewed and determined to be correct and accurate by the Audit Committee members of Taiwan Cement Corporation. According to Article 14-4 of Security Exchange Act and Article 219 of Company Act, we hereby submit this report.

To

Taiwan Cement Corporation

2019 Annual General Meeting

Taiwan Cement Corporation

Audit Committee convener: Victor Wang

March 22, 2019

Annex 1: The Comparison Table of Amended Provisions of Ethical Corporate Management Best Practice Principles

TAIWAN CEMENT CORPORATION

The Comparison Table of Amended Provisions of Ethical Corporate Management Best Practice Principles

Article after Amendment	Article before Amendment	Reason for Amendment
<u>Article 18 (Prohibition of Discriminatory Behaviors)</u> <u>The Company and the Company's directors, managers, employees, mandataries, and substantial controllers shall not discriminate in recruitment or in the workplace on grounds of race, color, age, gender, sexual orientation, race, disability, pregnancy, beliefs, political affiliation, community members or marital status.</u>		Add this Article. Adopt prohibition of discriminatory behaviors.
<u>Article 19 (Prohibition of Engaging in Unfair Competition)</u> <u>The Company shall engage in business activities in accordance with applicable competition laws and regulations, and may not make concerted price increase, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.</u>		Add this Article. Adopt prohibition of engaging in unfair competition.
<u>Article 20 (Prohibition of Insider Trading)</u> <u>The Company and the Company's directors, managers, employees, mandataries, and substantial controllers shall observe Securities and Exchange Act, and may neither use non-public information he/she knows to conduct insider trading, nor disclose such information to other parties in order to prevent such other parties to use non-public information to conduct insider trading.</u>		Add this Article. Adopt prohibition of insider trading

<p>Article 21 (Accounting Systems and Internal Control Systems) The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results. The internal audit unit of the Company shall periodically examine the company's compliance with the foregoing systems and prepare audit reports and submit the same to the board of directors. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.</p>	<p>Article 18 (Accounting Systems and Internal Control Systems) The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results. The internal audit unit of the Company shall periodically examine the company's compliance with the foregoing systems and prepare audit reports and submit the same to the board of directors. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.</p>	<p>Change the numbering of Articles.</p>
<p>Article 22 (Operational Procedures and Guidelines) The Company shall establish operational procedures and guidelines for the plan of prevention from an unethical conduct to guide directors, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines contains the following matters: Standards for determining whether improper benefits have been offered or accepted. Procedures for offering legitimate political donations. Procedures and the standard rates for offering charitable donations or sponsorship. Rules for avoiding work-related conflicts of interests and how they should be reported and handled. Rules for keeping confidential trade</p>	<p>Article 19 (Operational Procedures and Guidelines) The Company shall establish operational procedures and guidelines for the plan of prevention from an unethical conduct to guide directors, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines contains the following matters: Standards for determining whether improper benefits have been offered or accepted. Procedures for offering legitimate political donations. Procedures and the standard rates for offering charitable donations or sponsorship. Rules for avoiding work-related conflicts of interests and how they should be reported and handled. Rules for keeping confidential trade</p>	<p>Change the numbering of Articles. Add the content contained in the operational procedures and guidelines.</p>

<p>secrets and sensitive business information obtained in the ordinary course of business.</p> <p>Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.</p> <p>Handling procedures for violations of these Principles.</p> <p>Disciplinary measures on offenders.</p> <p><u>Procedures for handling prohibition of employment discrimination.</u></p> <p><u>Procedures for investigating and handling prohibition of engaging in unfair competition.</u></p> <p><u>Procedures for investigating and handling prohibition of insider trading.</u></p>	<p>secrets and sensitive business information obtained in the ordinary course of business.</p> <p>Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.</p> <p>Handling procedures for violations of these Principles.</p> <p>Disciplinary measures on offenders.</p>	
<p><u>Article 23</u> (Training Program and Appraisal)</p> <p>The chairperson, general manager, or senior management of the Company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.</p> <p>The Company shall periodically organize training and awareness programs for directors, managers, employees, mandataries, and substantial controllers and invite the companies' commercial transaction counterparties so they understand the companies' resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.</p> <p>The Company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource</p>	<p>Article 20 (Training Program and Appraisal)</p> <p>The chairperson, general manager, or senior management of the Company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.</p> <p>The Company shall periodically organize training and awareness programs for directors, managers, employees, mandataries, and substantial controllers and invite the companies' commercial transaction counterparties so they understand the companies' resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.</p> <p>The Company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource</p>	<p>Change the numbering of Articles.</p>

<p>policies to establish a clear and effective reward and discipline system.</p>	<p>policies to establish a clear and effective reward and discipline system.</p>	
<p><u>Article 24</u> (Whistle-blowing System) The Company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following: An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow company insiders and outsiders to submit reports. Dedicated personnel or unit appointed to handle whistle-blowing system. Any tip involving a director or senior manager shall be reported to the independent directors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted. Documentation of case acceptance, investigation processes, investigation results, and relevant documents. Confidentiality of the identity of whistle-blowers and the content of reported cases. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing. Whistle-blowing incentive measures. When material misconduct or likelihood of material impairment</p>	<p>Article 21 (Whistle-blowing System) The Company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following: An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow company insiders and outsiders to submit reports. Dedicated personnel or unit appointed to handle whistle-blowing system. Any tip involving a director or senior manager shall be reported to the independent directors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted. Documentation of case acceptance, investigation processes, investigation results, and relevant documents. Confidentiality of the identity of whistle-blowers and the content of reported cases. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing. Whistle-blowing incentive measures. When material misconduct or likelihood of material impairment</p>	<p>Change the numbering of Articles.</p>

to the Company comes to its awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors in written form.	to the Company comes to its awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors in written form.	
<p><u>Article 25</u> (Disciplinary and Appeal System) The Company shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.</p>	<p>Article 22 (Disciplinary and Appeal System) The Company shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.</p>	Change the numbering of Articles.
<p><u>Article 26</u> (Disclosure of Information) The Company shall collect quantitative data about the promotion of ethical management and continuously analyze and assess the effectiveness of the promotion of ethical management policy. They shall also disclose the measures taken for implementing ethical corporate management, the status of implementation, the foregoing quantitative data, and the effectiveness of promotion on their company websites, annual reports, and prospectuses, and shall disclose their ethical corporate management best practice principles on the Market Observation Post System.</p>	<p>Article 23 (Disclosure of Information) The Company shall collect quantitative data about the promotion of ethical management and continuously analyze and assess the effectiveness of the promotion of ethical management policy. They shall also disclose the measures taken for implementing ethical corporate management, the status of implementation, the foregoing quantitative data, and the effectiveness of promotion on their company websites, annual reports, and prospectuses, and shall disclose their ethical corporate management best practice principles on the Market Observation Post System.</p>	Change the numbering of Articles.
<p><u>Article 27</u> (Review of Ethical Corporate Management Policies and Measures) The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, managers, and employees to make suggestions, based on which the</p>	<p>Article 24 (Review of Ethical Corporate Management Policies and Measures) The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, managers, and employees to make suggestions, based on which the</p>	Change the numbering of Articles.

adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.	adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.	
<p>Article 28 (Implementation)</p> <p>The Principles shall be implemented after the board of directors grants the approval, and shall be sent to each member of the audit committee and reported at a shareholders' meeting. The same procedure shall be followed when the Principles have been amended. When the ethical corporate management best practice principles are 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. An independent director that cannot attend the board meeting in person to express objection or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.</p>	<p>Article 25 (Implementation)</p> <p>The Principles shall be implemented after the board of directors grants the approval, and shall be sent to each member of the audit committee and reported at a shareholders' meeting. The same procedure shall be followed when the Principles have been amended. When the ethical corporate management best practice principles are 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. An independent director that cannot attend the board meeting in person to express objection or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.</p>	Change the numbering of Articles.

Annex 2: Earnings Distribution Proposal

Taiwan Cement Corporation Earnings Distribution Table for 2018

Unit: NTD

Unappropriated retained earnings for previous year	10,584,068,962
Effect of retrospective application of IFRS 9	654,004,583
Adjusted unappropriated retained earnings for previous year	11,238,073,545
Reverse from special capital reserve arising from first adoption of TIFRS	572,722
Changes in associates & joint ventures accounted for using the equity method	(89,370)
Remeasurement of defined benefit plan recognized in retained earnings	73,268,525
Disposal of equity instruments measured at fair value through other comprehensive income	1,321,032,126
Restructuring	(58,513,322)
Adjusted unappropriated retained earnings	12,574,344,226
Plus: net profit for 2018	21,180,820,773
Less: 10% legal reserve	(2,118,082,077)
Earnings for 2018 available for distribution	31,637,082,922
Less: Distribution Items	
Dividends for preferred shares (approx. NT\$0.09 per share)	(18,219,178)
Cash dividends for common shares (approx. NT\$3.3 per share)	(16,856,366,706)
Share dividends for common shares (approx. NT\$0.7 per share)	(3,575,592,930)
Unappropriated Retained Earnings	11,186,904,108

Note 1: The dividend shall be distributed based on the number of issued shares deducted by the number of shares having no shareholders' right pursuant to the Company Act.

Note 2: In the event the number of outstanding shares will be affected due to the transfer or cancellation of treasury shares, the Board is authorized with full power and authority to adjust the distribution percentage, if necessary.

Note 3: The calculation of each shareholder's amount of cash dividends shall be rounded down to the integer.

Note 4: According to the letter issued by the Ministry of Finance dated April 30, 1998 (Ref. No. Tai-Cai-Shui-Zi-871941343), distribution of earnings shall be identified individually; the earnings for the most recent year shall be distributed with priority.

Note 5: The Company issued preferred shares of 200,000,000 shares on December 13, 2018. The aggregate cash dividend distribution of the preferred shares is NT\$18,219,178 calculated based on the issue price of NT\$50 with a yield of 3.50% per annum.

Chairman: Chang, An-Ping President: Li, Jong-Peir Accounting Supervisor: Yeh, Kuo-Hung

Annex 3 : The Comparison Table of the Amended Articles of the Articles of Incorporation

Taiwan Cement Corporation

The Comparison Table of the Amended Articles of the Articles of Incorporation

After Amendment	Current Article	Notes
Article 1 The Company shall be incorporated under the provisions for company limited by shares of The Company Act of the Republic of China (the “Company Act”) and the relevant regulations, and its names shall be Taiwan Cement Corporation (the “Company”) <u>and its English name shall be Taiwan Cement Corporation.</u>	Article 1 The Company shall be incorporated under the provisions for company limited by shares of The Company Act of the Republic of China (the “ Company Act ”) and the relevant regulations, and its names shall be Taiwan Cement Corporation (the “ Company ”).	To meet the operation and development needs of the Corporation and add formal corporation name in English.
<u>Article 5-3</u> <u>Treasury stock purchased by the Company can be transferred to the employees of parents or subsidiaries of the Company or controlled by the Company.</u> <u>Stock warrants of the Company can be issued to the employees of parents or subsidiaries of the Company or controlled by the Company.</u> <u>Issuance of new shares by the Company can be subscribed by the employees of parents or subsidiaries of the Company or controlled by the Company.</u> <u>Issuance of new restricted employee shares by the Company can be subscribed by the employees of parents or subsidiaries of the Company or controlled by the Company.</u>	(newly added)	To meet the operation and development needs of the Corporation, and to stipulate the rules regarding employee remuneration.
Article 22 The Company shall have <u>one (1) Chief Executive Officer</u> and one (1) General Manager, whose appointment and discharge shall be made by the Board of Directors.	Article 22 The Company shall have one (1) General Manager, whose appointment and discharge shall be made by the Board of Directors.	The meet operation and development needs of the Corporation.
Article 25 When allocating profit for each fiscal year, the Company shall set aside: (1) As the Employees’	Article 25 When allocating profit for each fiscal year, the Company shall set aside: (1) As the Employees’	To meet the operation and development needs of the Corporation to add

<p>remuneration: 0.01% to 3% of the profit:</p> <p>(2) As the Directors' remuneration: no more than 1% of the profit. However, if the Company has accumulated losses, the Company shall first reserve an amount to make up the losses, and then set aside the Employees' and the Directors' remuneration as specified in items (1) & (2) above. The Employees' remuneration may be distributed in shares or in cash. Employees of the Company's subsidiaries <u>or subsidiaries controlled by the Company</u> who meet certain requirements may also receive such remuneration. The distribution of the Employees' and the Directors' remuneration shall be approved by a majority vote at a Board meeting attended by over two-thirds of the Directors. In addition, a report of such distribution shall be submitted to the shareholders' meeting.</p>	<p>remuneration: 0.01% to 3% of the profit:</p> <p>(2) As the Directors' remuneration: no more than 1% of the profit. However, if the Company has accumulated losses, the Company shall first reserve an amount to make up the losses, and then set aside the Employees' and the Directors' remuneration as specified in items (1) & (2) above. The Employees' remuneration may be distributed in shares or in cash. Employees of the Company's subsidiaries who meet certain requirements may also receive such remuneration. The distribution of the Employees' and the Directors' remuneration shall be approved by a majority vote at a Board meeting attended by over two-thirds of the Directors. In addition, a report of such distribution shall be submitted to the shareholders' meeting.</p> <p>Before the establishment of the Audit Committee, the Supervisors' remuneration shall be distributed pursuant to the percentage specified in items (2) above and in accordance with this Article.</p>	<p>eligible roles for employees' remuneration program and after the establishment of the Audit Committee, need to remove supervisor remuneration policies.</p>
<p>Article 31</p> <p>These Articles of Incorporation were established on November 1, 1950. The 1st amendment was made on September 30, 1951, (omitting the dates in the middle), June 22, 2016, June 22, 2018, <u>and the 54th amendment was made on June 12, 2019.</u></p>	<p>Article 31</p> <p>These Articles of Incorporation were established on November 1, 1950. The 1st amendment was made on September 30, 1951, (omitting the dates in the middle), June 22, 2016, and the 53rd amendment was made on June 22, 2018.</p>	<p>Adding the date of the 54th amendment.</p>

Annex 4: The Comparison Table of the Amended Provisions of the Procedures for the Acquisition and Disposal of Assets

TAIWAN CEMENT CORPORATION

The Comparison Table of Amended Provisions of the Procedures for the Acquisition and Disposal of Assets

Article after Amendment	Article before Amendment	Reason for Amendment
<p>Article 2 The term "assets" as used in these Procedures includes the following:</p> <ol style="list-style-type: none"> Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment. Memberships. Patents, copyrights, trademarks, franchise rights, and other intangible assets. <u>Right-of-use assets.</u> Derivatives. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law. Other major assets. 	<p>Article 2 The term "assets" as used in these Procedures includes the following:</p> <ol style="list-style-type: none"> Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities. Real property (including land, houses and buildings, investment property, land use rights, and construction enterprise inventory) and equipment. Memberships. Patents, copyrights, trademarks, franchise rights, and other intangible assets. Derivatives. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law. Other major assets. 	<ol style="list-style-type: none"> To comply with the provisions provided by IFRS 16, add Paragraph 5, expand the scope of right-of-use assets, and move land use rights of current Paragraph 2 to Paragraph 5. Move current Paragraphs 5 to 8 to Paragraphs 6 to 9.
<p>Article 3 Terms used in these Procedures are defined as follows:</p> <ol style="list-style-type: none"> Derivatives: Refers to forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a <u>specified</u> 	<p>Article 3 Terms used in these Procedures are defined as follows:</p> <ol style="list-style-type: none"> Derivatives: Refers to forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is 	<ol style="list-style-type: none"> To comply with the definition of financial instruments provided by IFRS 9, amend the words. To comply with the amended provisions of the Company Act promulgated on

<p><u>interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives.</u> The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) <u>contracts.</u></p> <p>2. Assets acquired or disposed of through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed of through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (the "transfer of shares") under Article 156-3 of the Company Act.</p> <p>3. Related party <u>or subsidiary:</u> Refers to <u>as defined</u> in the Procedures Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>4. Professional appraiser: Refers to a real property</p>	<p>derived from an asset, interest, foreign exchange rate, index or other interest products; and hybrid contracts combining the above products. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreement.</p> <p>2. Assets acquired or disposed of through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed of through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (the "transfer of shares") under Paragraph 8 of Article 156 of the Company Act.</p> <p>3. Related party: Refers to as the Procedures Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>4. Subsidiary: Refers to as the Procedures Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>5. Professional appraiser:</p>	<p>August 1, 2018, amend the number of the article.</p> <p>3. Incorporate original Paragraph 4 into Paragraph 3 and move current Paragraphs 5 to 7 to Paragraphs 4 to 6.</p> <p>4. Pursuant to the FSC letter (Jin-Guan-Zheng-Fa-Zi 1070341072), amend the words.</p>
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<p>appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.</p> <p>5. Date of occurrence: Refers to the date of contract signing of the transaction, date of payment, date of consignment trade, date of transfer, dates of board of directors' resolutions, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.</p> <p>6. Mainland China area investment: Refers to investments in the mainland China area conducted in accordance with the provisions of the Procedures Governing Permission for Investment or Technical Cooperation in the Mainland Area of the Ministry of Economic Affairs Investment Commission.</p> <p>7. <u>Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.</u></p> <p>8. <u>Over-the-counter venue ("OTC venue", "OTC"):</u></p>	<p>Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.</p> <p>6. Date of occurrence: Refers to the date of contract signing of the transaction, date of payment, date of consignment trade, date of transfer, dates of board of directors' resolutions, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.</p> <p>7. Mainland China area investment: Refers to investments in the mainland China area conducted in accordance with the provisions of the Procedures Governing Permission for Investment or Technical Cooperation in the Mainland Area of the Ministry of Economic Affairs Investment Commission.</p>	
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<p><u>"Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange;</u> <u>"foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.</u></p>		
<p>Article 4 Assessment and Operation Procedures for the Acquisition and Disposal of Assets</p> <ol style="list-style-type: none"> 1. (Omitted) 2. Acquisition or disposal of real estate, equipment <u>or right-of-use assets</u>: <ol style="list-style-type: none"> A. Procedures relating to the preparation of the budget, purchase request, purchase, inspection/acceptance and disposal shall be subject to the Company's Property Management Guidelines. B. In acquiring or disposing of real property or equipment, <u>or right-of-use assets thereof</u> where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a <u>domestic</u> government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment <u>or right-of-use assets thereof</u> held for business use, shall obtain an appraisal report, where the mandatory matters are subject to the 	<p>Article 4 Assessment and Operation Procedures for the Acquisition and Disposal of Assets</p> <ol style="list-style-type: none"> 1. (Omitted) 2. Acquisition or disposal of real estate, equipment: <ol style="list-style-type: none"> A. Procedures relating to the preparation of the budget, purchase request, purchase, inspection/acceptance and disposal shall be subject to the Company's Property Management Guidelines. B. In acquiring or disposing of real property or equipment, where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment held for business use, shall obtain an appraisal report, where the mandatory matters are subject to the provisions provided by the FSC, prior to the date of 	<ol style="list-style-type: none"> 1. To comply with the provisions provided by IFRS 16, add right-of-use assets. 2. Pursuant to the FSC letter (Jin-Guan-Zheng-Fa-Zi 1070341072), amend the words.

<p>provisions provided by the FSC, prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>a. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; the same procedure shall also be followed whenever there is <u>any subsequent</u> change to the terms and conditions of the transaction.</p> <p>b. (Omitted)</p> <p>c. (Omitted)</p> <p>d. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser. <u>In case of not obtaining the appraisal report immediately with the justifiable reasons, the Company shall obtain the appraisal report and a CPA's opinion in Subparagraph 3 of the preceding paragraph within 2 weeks</u></p>	<p>occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>a. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; the same procedure shall also be followed whenever there is future change to the terms and conditions of the transaction.</p> <p>b. (Omitted)</p> <p>c. (Omitted)</p> <p>d. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p> <p>3. Acquisition and Disposal of membership, intangible assets and other material assets:</p> <p>The general manager is authorized to approve any acquisition or disposal of membership, intangible assets and other material assets reaching the value of NT\$50 million or less; the chairperson of the</p>	
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<p><u>counting inclusively from the date of occurrence of the event.</u></p> <p>3. Acquisition and Disposal of membership, intangible assets <u>or the right-of-use thereof</u> and other material assets:</p> <p>The general manager is authorized to approve any acquisition or disposal of membership, intangible assets <u>or the right-of-use thereof</u> and other material assets reaching the value of NT\$50 million or less; the chairperson of the board of directors is authorized to approve such acquisition or disposal reaching the value of NT\$100 million or less; any acquisition or disposal exceeding the above-mentioned thresholds shall be submitted to the board of directors for approval. Such acquisition or disposal where the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a <u>domestic government agency</u>, the Company shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p> <p>4. (Omitted)</p> <p>5. (Omitted)</p> <p>6. Related Party Transactions:</p> <p>A. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to</p>	<p>board of directors is authorized to approve such acquisition or disposal reaching the value of NT\$100 million or less; any acquisition or disposal exceeding the above-mentioned thresholds shall be submitted to the board of directors for approval. Such acquisition or disposal where the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a government mechanism, the Company shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p> <p>4. (Omitted)</p> <p>5. (Omitted)</p> <p>6. Related Party Transactions:</p> <p>A. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised in accordance with Paragraphs 1 to 3 and this Paragraph, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a</p>	
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<p>ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised in accordance with Paragraphs 1 to 3 and this Paragraph, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion.</p> <p>a. When judging whether a counterparty of a transaction is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>b. When the Company intends to acquire or dispose of real property <u>or right-of-use assets thereof</u> from or to a related party, or when it intends to acquire or dispose of assets other than real property <u>or right-of-use assets thereof</u> from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of <u>domestic</u> government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not</p>	<p>CPA's opinion.</p> <p>a. When judging whether a counterparty of a transaction is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>b. When the Company 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 paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the audit committee and recognized by the Board of Directors:</p> <p>i. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>ii. The reason for choosing the related party as a transaction</p>	
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<p>proceed to enter into a transaction contract or make a payment until the following matters have been approved by the audit committee and recognized by the Board of Directors:</p> <ul style="list-style-type: none"> i. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. ii. The reason for choosing the related party as a transaction counterparty. iii. With respect to the acquisition of real property <u>or right-of-use assets thereof</u> from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Subparagraphs D to F. iv. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party. v. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. vi. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance 	<ul style="list-style-type: none"> counterparty. iii. 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 Subparagraphs D to F. iv. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party. v. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. vi. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article. vii. Restrictive covenants and other important stipulations associated with the transaction. <p>B. The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Paragraph</p>	
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<p>with the preceding article.</p> <p>vii. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>B. 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 the board of directors pursuant to the Procedures need not be counted toward the transaction amount. With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, <u>or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital</u>, the Company's board of directors may, pursuant to Subparagraph A, Paragraph 1 of Article 4, authorize the chairperson of the board to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the board of directors in the upcoming meeting.</p> <p>a. <u>Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</u></p> <p>b. <u>Acquisition or disposal of real property right-of-use assets held for</u></p>	<p>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 the board of directors pursuant to the Procedures need not be counted toward the transaction amount. With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, the Company's board of directors may, pursuant to Subparagraph A, Paragraph 1 of Article 4, authorize the chairperson of the board to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the board of directors in the upcoming meeting.</p> <p>C. Where the position of independent director has been created, when a matter is 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 meeting of the board. Where the matters that require to be submitted and approval in accordance with Subparagraph A, such matters shall first be approved by more than half of all members of the audit</p>	
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<p><u>business use.</u></p> <p>C. Where the position of independent director has been created, when a matter is 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 meeting of the board. Where the matters that require to be submitted and approval in accordance with Subparagraph A, such matters shall first be approved by more than half of all members of the audit committee and then submitted to the board of directors for a resolution. If approval of half of all members of the audit committee or more as required has not been obtained, such matters may still be implemented if approved by two-thirds of all directors or more, provided that the resolution of the audit committee shall be recorded in the minutes of the board of directors. The terms "all members of the audit committee " and "all directors" referred to in this Paragraph shall be counted as the actual number of persons currently holding those positions.</p> <p>D. In obtaining real property from the related party, the Company shall evaluate the reasonableness of the transaction costs by the following means and shall</p>	<p>committee and then submitted to the board of directors for a resolution. If approval of half of all members of the audit committee or more as required has not been obtained, such matters may still be implemented if approved by two-thirds of all directors or more, provided that the resolution of the audit committee shall be recorded in the minutes of the board of directors. The terms "all members of the audit committee " and "all directors" referred to in this Paragraph shall be counted as the actual number of persons currently holding those positions.</p> <p>D. In obtaining real property from the related party, the Company 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>a. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.</p>	
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<p>also engage a CPA to check the appraisal and render a specific opinion:</p> <p>a. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.</p> <p>b. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply to where the financial institution is a related party of one of the transaction counterparties.</p> <p>c. Where land and structures thereupon are combined as a single property purchased <u>or leased</u> in one transaction, the transaction costs for the</p>	<p>b. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply to where the financial institution is a related party of one of the transaction counterparties.</p> <p>c. 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 of the means listed in Items a and b above.</p> <p>E. Where one of the following circumstances exists, the acquisition shall be conducted in accordance with the Subparagraphs A to C above, and the preceding subparagraph do not apply:</p> <p>a. The related party acquired the real property through inheritance or as a gift.</p> <p>b. More than 5 years will have elapsed from the</p>	
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<p>land and the structures may be separately appraised in accordance with either of the means listed in Items a and b above.</p> <p>E. Where one of the following circumstances exists, the acquisition shall be conducted in accordance with the Subparagraphs A to C above, and the preceding subparagraph do not apply:</p> <p>a. The related party acquired the real property <u>or right-of-use assets thereof</u> through inheritance or as a gift.</p> <p>b. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property <u>or right-of-use assets thereof</u> to the signing date for the current transaction.</p> <p>c. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or on rented land.</p> <p>F. When the results of the appraisal conducted in accordance with Subparagraph D are uniformly lower than the transaction price, the matter shall be handled in compliance with Subparagraph G. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a</p>	<p>time the related party signed the contract to obtain the real property to the signing date for the current transaction.</p> <p>c. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or on rented land.</p> <p>F. When the results of the appraisal conducted in accordance with Subparagraph D are uniformly lower than the transaction price, the matter shall be handled in compliance with Subparagraph G. 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>a. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:</p> <p>i. 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</p>	
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<p>professional real property appraiser and a CPA, this restriction shall not apply:</p> <p>a. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:</p> <p>i. 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 3 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>ii. Completed transactions by unrelated parties within the</p>	<p>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 3 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>ii. 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 sale practices.</p> <p>iii. <u>Lease by unrelated parties within the preceding year involving other floors of the same property, where transaction terms are similar after calculation of reasonable price discrepancies in floor prices in accordance with standard property market leasing practices.</u></p> <p>b. Where the Company</p>	
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<p>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 sale practices.</p> <p>b. Where the Company acquiring real property, <u>or obtaining real property right-of-use assets through leasing</u>, from a related party provides evidence that the terms of the transaction are similar to the terms of <u>transactions</u> involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. <u>Transactions</u> involving neighboring or closely valued parcels of land, 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; transactions involving similarly sized parcels in principle refers to <u>transactions made</u> by unrelated parties for parcels with a</p>	<p>acquiring real property, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions involving neighboring or closely valued parcels of land, 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; transactions involving 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>G. Where the results of appraisals conducted in accordance with the Subparagraphs D to F are uniformly lower than the transaction price, the following steps shall be taken:</p> <p>a. A special reserve shall be set aside in accordance with Paragraph 1 of Article</p>	
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<p>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 <u>or obtainment of the right-of-use assets</u> thereof.</p> <p>G. Where the results of appraisals conducted in accordance with the Subparagraphs D to F are uniformly lower than the transaction price, the following steps shall be taken:</p> <p>a. A special reserve shall be set aside in accordance with Paragraph 1 of Article 41 of the Securities and Exchange Act against the difference between the transaction price of the real property <u>or the right-or-use asset thereof</u> and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under Paragraph 1 of Article 41 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of the Company's equity stake in the other company.</p> <p>b. The supervisors shall comply with Article 218</p>	<p>41 of the Securities and Exchange Act against the difference between the transaction price of the real property and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under Paragraph 1 of Article 41 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of the Company's equity stake in the other company.</p> <p>b. The supervisors shall comply with Article 218 of the Company Act.</p> <p>c. Actions taken pursuant to Items a and b shall be reported to a shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p>d. If the Company has set aside a special reserve under Item a, it may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased at a premium, or they have been disposed of, or adequate compensation has been made, or the status quo ante has</p>	
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<p>of the Company Act. <u>Where an audit committee has been established in accordance with the provisions of the Act, the preceding part of this subparagraph shall apply mutatis mutandis to the independent director members of the audit committee.</u></p> <p>c. Actions taken pursuant to Items a and b shall be reported to a shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p>d. If the Company has set aside a special reserve under Item a, it may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased <u>or leased</u> at a premium, or they have been disposed of, <u>or the leasing contract has been terminated</u>, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.</p> <p>H. When the Company obtains real property <u>or right-of-use assets thereof</u> from a related party, it shall also comply with Subparagraph G, if there is other evidence indicating that the acquisition was not an arm's</p>	<p>been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.</p> <p>H. When the Company obtains real property from a related party, it shall also comply with Subparagraph G, if there is other evidence indicating that the acquisition was not an arm's length transaction.</p> <p>7. Engaging in Derivatives Trading:</p> <p>A. When engaging in derivatives trading, the Company shall pay strict attention to control of risk management and auditing matters, and the Procedures includes:</p> <p>a. Trading principles and strategies:</p> <p>i. Derivatives referred to in these Procedures shall mean forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from an asset, interest, foreign exchange rate, index or other interest products. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreement. The term "forward contracts" does not include insurance</p>	
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<p>length transaction.</p> <p>7. Engaging in Derivatives Trading:</p> <p>A. When engaging in derivatives trading, the Company shall pay strict attention to control of risk management and auditing matters, and the Procedures includes:</p> <p>a. Trading principles and strategies:</p> <p>i. Derivatives referred to in these Procedures shall mean forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from <u>a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable</u>; or <u>hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives</u>. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) <u>contracts</u>.</p> <p>ii. The derivatives that the Company is trading shall be marketable and safe, including forward contracts,</p>	<p>contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) agreement.</p> <p>ii. The derivatives that the Company is trading shall be marketable and safe, including forward contracts, options contracts, or swap contracts, or hybrid contracts combining the above products.</p> <p>iii. (Omitted)</p> <p>iv. (Omitted)</p> <p>v. (Omitted)</p> <p>vi. (Omitted)</p> <p>vii. (Omitted)</p> <p>b. Risk management measures.</p> <p>When engaging in derivatives trading, the Company shall adopt the following risk management measures:</p> <p>i. Risk management shall address credit, market, liquidity, cash flow risks.</p> <p>ii. (Omitted)</p> <p>iii. (Omitted)</p> <p>iv. (Omitted)</p> <p>v. (Omitted)</p> <p>8. Mergers and Consolidations, Splits, Acquisitions, and Assignment of Shares (Omitted)</p> <p>9. Professional appraisers, CPAs, attorneys, and securities underwriters that provide the Company with appraisal reports, CPA's opinions, attorney's opinions, or underwriter's opinions shall not be the related party to the transaction counterparty.</p> <p>(omitted)</p>	
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<p>options contracts, or swap contracts, or <u>hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives.</u></p> <p>iii. (Omitted)</p> <p>iv. (Omitted)</p> <p>v. (Omitted)</p> <p>vi. (Omitted)</p> <p>vii. (Omitted)</p> <p>b. Risk management measures.</p> <p>When engaging in derivatives trading, the Company shall adopt the following risk management measures:</p> <p>i. Risk management shall address credit, market, liquidity, cash flow, <u>operation, and legal</u> risks.</p> <p>ii. (Omitted)</p> <p>iii. (Omitted)</p> <p>iv. (Omitted)</p> <p>v. (Omitted)</p> <p>8. Mergers and Consolidations, Splits, Acquisitions, and Assignment of Shares (Omitted)</p> <p>9. Professional appraisers, CPAs, attorneys, and securities underwriters that provide the Company with appraisal reports, CPA's opinions, attorney's opinions, or underwriter's opinions <u>shall meet the following requirements:</u></p> <p>A. <u>May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act of The</u></p>		
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<p><u>Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</u></p> <p>B. <u>May not be a related party or de facto related party of any party to the transaction.</u></p> <p>C. <u>If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</u></p> <p>D. <u>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</u></p> <p>a. <u>Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</u></p> <p>b. <u>When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a</u></p>		
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<p><u>conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</u></p> <p>c. <u>They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</u></p> <p>d. <u>They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.</u></p> <p>(omitted)</p>		
<p>Article 5 Procedures for Public Announcement and Filing</p> <p>1. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations</p>	<p>Article 5 Procedures for Public Announcement and Filing</p> <p>1. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as</p>	<p>1. To comply with the provisions provided by IFRS 16, add right-of-use assets.</p> <p>2. Pursuant to the FSC letter (Jin-Guan-Zheng-Fa-Zi 1070341072), amend the words.</p>

<p>within 2 days counting inclusively from the date of occurrence of the event:</p> <p>A. Acquisition or disposal of real property <u>or right-of-use assets thereof</u> from or to a related party, or acquisition or disposal of assets other than real property <u>or right-of-use assets thereof</u> from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of <u>domestic</u> government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>B. Merger, demerger, acquisition, or transfer of shares.</p> <p>C. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.</p> <p>D. 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 paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <ol style="list-style-type: none"> Trading of <u>domestic</u> government bonds. Where done by professional investors—securities trading on 	<p>prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>A. Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>B. Merger, demerger, acquisition, or transfer of shares.</p> <p>C. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.</p> <p>D. 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 paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <ol style="list-style-type: none"> Trading of government bonds. Where done by professional investors—securities 	
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<p>securities exchanges or OTC markets in or outside Taiwan, or subscription by a securities firm of securities that are offered and issued in the primary market in accordance with the rules of the Taipei Exchange.</p> <p>c. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>d. Where the assets, the type of which is <u>equipment or right-of-use assets thereof</u> for business use, are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount is less than NT\$500 million.</p> <p>e. Where land is acquired under an arrangement on engaging others to build on the Company'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, <u>and furthermore the transaction counterparty is not a related party</u>, and the amount the Company expects to invest in the transaction is less than</p>	<p>trading on securities exchanges or OTC markets in or outside Taiwan, or subscription by a securities firm of securities that are offered and issued in the primary market in accordance with the rules of the Taipei Exchange.</p> <p>c. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>d. Where the assets, the type of which is equipment for business use, are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount is less than NT\$500 million.</p> <p>e. Where land is acquired under an arrangement on engaging others to build on the Company'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 Company expects to invest in the transaction is less than NT\$500 million.</p> <p>2. The amount of transactions</p>	
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<p>NT\$500 million.</p> <p>2. The amount of transactions above shall be calculated as follows:</p> <p>A. The amount of any individual transaction.</p> <p>B. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.</p> <p>C. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property within the same development project within the preceding year.</p> <p>D. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>"Within the preceding year" as used in the preceding subparagraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Procedures need not be counted toward the transaction amount.</p> <p>3. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company 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>above shall be calculated as follows:</p> <p>A. The amount of any individual transaction.</p> <p>B. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.</p> <p>C. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property within the same development project within the preceding year.</p> <p>D. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>"Within the preceding year" as used in the preceding subparagraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Procedures need not be counted toward the transaction amount.</p> <p>3. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company 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>4. If the Company, at the time</p>	
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<p>4. If the Company, at the time of public announcement, makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.</p> <p>5. When acquiring or disposing of assets, the Company shall keep all relevant contracts, meeting minutes, recordation books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for 5 years except where another act provides otherwise.</p> <p>6. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with Paragraphs 1 and 2, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:</p> <p>A. Change, termination, or rescission of a contract signed in regard to the original transaction.</p> <p>B. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p>C. Change to the originally publicly announced and reported information.</p> <p>7. When the Company and its</p>	<p>of public announcement, makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.</p> <p>5. When acquiring or disposing of assets, the Company shall keep all relevant contracts, meeting minutes, recordation books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for 5 years except where another act provides otherwise.</p> <p>6. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with Paragraphs 1 and 2, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:</p> <p>A. Change, termination, or rescission of a contract signed in regard to the original transaction.</p> <p>B. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p>C. Change to the originally publicly announced and</p>	
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<p>subsidiaries acquire or dispose of any assets, the relevant information shall be made public and filed with the relevant authorities in accordance with the provisions of the Taiwan Stock Exchange Corporation Rules Governing Information Filing by Companies with TWSE Listed Securities and the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities.</p> <p>8. The mandatory announcement items are subject to the format of such public announcement on the website designated by the FSC.</p>	<p>reported information.</p> <p>7. When the Company and its subsidiaries acquire or dispose of any assets, the relevant information shall be made public and filed with the relevant authorities in accordance with the provisions of the Taiwan Stock Exchange Corporation Rules Governing Information Filing by Companies with TWSE Listed Securities and the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities.</p> <p>8. The mandatory announcement items are subject to the format of such public announcement on the website designated by the FSC.</p>	
<p>Article 6 Upper limits on the total amounts of real property or <u>right-of-use assets thereof</u> or securities acquired by the Company and its subsidiaries for non-business use and the limits on individual securities:</p> <p>1. The total amount of securities purchased by the Company shall not exceed 100 percent of the shareholders' equity specified on the Company's most recent financial statements; the limit of the investment in individual securities shall not exceed 30 percent of shareholders' equity specified on the Company's most recent financial statements.</p> <p>2. The total amounts of real property <u>or right-of-use assets thereof</u> acquired by the Company for non-</p>	<p>Article 6 Upper limits on the total amounts of real property or securities acquired by the Company and its subsidiaries for non-business use and the limits on individual securities:</p> <p>1. The total amount of securities purchased by the Company shall not exceed 100 percent of the shareholders' equity specified on the Company's most recent financial statements; the limit of the investment in individual securities shall not exceed 30 percent of shareholders' equity specified on the Company's most recent financial statements.</p> <p>2. The total amounts of real property acquired by the Company for non-business use shall not exceed 20 percent of shareholders'</p>	<p>To comply with the provisions provided by IFRS 16, incorporate the real property right-of-use assets for non-business use into the limit calculation in the Procedures formulated by the Company.</p>

<p>business use shall not exceed 20 percent of shareholders' equity specified on the Company's most recent financial statements.</p> <p>3. Upper limits on the total amounts of real property <u>or right-of-use assets thereof</u> or securities acquired by a subsidiary of the Company for non-business use and the limits on individual securities shall be subject to such subsidiary's "Procedures for the Acquisition and Disposal of Assets"; provided that the aggregate amount of each aforesaid asset acquired by each subsidiary shall not exceed the limits set out below:</p> <p>A. The total amount of investment in securities may not exceed 50 percent of the shareholders' equity specified on the Company's most recent financial statements.</p> <p>B. The amount of investment in individual securities may not exceed 30 percent of the shareholders' equity specified on the Company's most recent financial statements.</p> <p>C. Purchase of real property <u>or right-of-use assets thereof</u> for non-business uses may not exceed 20 percent of the shareholders' equity specified on the Company's most recent financial statements.</p> <p>4. The number of shares held by the Company and its subsidiaries in the reinvestment business are calculated as those held by the directors, supervisors or the participating investors at</p>	<p>equity specified on the Company's most recent financial statements.</p> <p>3. Upper limits on the total amounts of real property or securities acquired by a subsidiary of the Company for non-business use and the limits on individual securities shall be subject to such subsidiary's "Procedures for the Acquisition and Disposal of Assets"; provided that the aggregate amount of each aforesaid asset acquired by each subsidiary shall not exceed the limits set out below:</p> <p>A. The total amount of investment in securities may not exceed 50 percent of the shareholders' equity specified on the Company's most recent financial statements.</p> <p>B. The amount of investment in individual securities may not exceed 30 percent of the shareholders' equity specified on the Company's most recent financial statements.</p> <p>C. Purchase of real property and <u>right-of-use assets thereof</u> for non-business uses may not exceed 20 percent of the shareholders' equity specified on the Company's most recent financial statements.</p> <p>4. The number of shares held by the Company and its subsidiaries in the reinvestment business are calculated as those held by the directors, supervisors or the participating investors at the time of establishment of such reinvestment business, which are not included in</p>	
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the time of establishment of such reinvestment business, which are not included in the total amount of investment in securities and the amount of individual securities invested (except for where the reinvestment business is a professional investment company).	the total amount of investment in securities and the amount of individual securities invested (except for where the reinvestment business is a professional investment company).	
<p>Article 7 Control and management procedures for the acquisition and disposal of assets by subsidiaries.</p> <ol style="list-style-type: none"> 1. Subsidiaries of the Company shall formulate or amend their "Procedures for the Acquisition and Disposal of Assets" in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies; such procedures shall become effective upon approval of the board of directors of such subsidiaries and shall be submitted to the Company (finance department) for recordation. 2. Subsidiaries of the Company shall solely verify whether their procedures for the acquisition and disposal of assets are in compliance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies and whether their acquisitions and dispositions of assets are compliant with such procedures. 3. The audit office shall periodically review the inspection reports solely produced by each subsidiary of the Company pursuant to the preceding paragraph. 4. Where the Company's 	<p>Article 7 Control and management procedures for the acquisition and disposal of assets by subsidiaries.</p> <ol style="list-style-type: none"> 1. Subsidiaries of the Company shall formulate or amend their "Procedures for the Acquisition and Disposal of Assets" in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies; such procedures shall become effective upon approval of the board of directors of such subsidiaries and shall be submitted to the Company (finance department) for recordation. 2. Subsidiaries of the Company shall solely verify whether their procedures for the acquisition and disposal of assets are in compliance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies and whether their acquisitions and dispositions of assets are compliant with such procedures. 3. The audit office shall periodically review the inspection reports solely produced by each subsidiary of the Company 	<p>Pursuant to the FSC letter (Jin-Guan-Zheng-Fa-Zi 1070341072), amend the words.</p>

<p>reinvestment business is not a public company in Taiwan, if such business' acquisition or disposition of assets meets the threshold of public announcement and filing specified in Article 5, such business shall, by noon of the date of occurrence (or by 4:00 PM under special circumstances; provided that the finance department shall be notified in advance), deliver the filing information to the Company via fax or email and verify the delivery of such information with the finance department, for the Company to make the public announcement on behalf of such business. For a foreign subsidiary, if there is a time limit for making public announcement through the Company under these Procedures, the Company may make such public announcement in accordance with the timeframe to which such foreign subsidiary must adhere.</p> <p>5. The paid-in capital or total assets of the Company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to reaching 20% paid-in capital or 10% total assets, it reaches a threshold requiring public announcement and regulatory filing under Paragraph 1 of Article 5.</p> <p>6. When a subsidiary violates the provisions of this article, the Company will issue a notice to the subsidiary for the subsidiary to impose penalties on the relevant</p>	<p>pursuant to the preceding paragraph.</p> <p>4. Where the Company's reinvestment business is not a public company in Taiwan, if such business' acquisition or disposition of assets meets the threshold of public announcement and filing specified in Article 5, such business shall, by noon of the date of occurrence (or by 4:00 PM under special circumstances; provided that the finance department shall be notified in advance), deliver the filing information to the Company via fax or email and verify the delivery of such information with the finance department, for the Company to make the public announcement on behalf of such business. For a foreign subsidiary, if there is a time limit for making public announcement through the Company under these Procedures, the Company may make such public announcement in accordance with the timeframe to which such foreign subsidiary must adhere.</p> <p>5. The paid-in capital or total assets of the Company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to reaching 20% paid-in capital or 10% total assets, it reaches a threshold requiring public announcement and regulatory filing under Paragraph 1 of Article 5.</p>	
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<p>personnel for their violations and report the same to the Company for recordation.</p> <p>7. For the calculation of 10 percent of total assets under these Procedures, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Procedures Governing the Preparation of Financial Reports by Securities Issuers shall be used; in the case of a company whose shares have no par value or a par value other than NT\$10, Articles 4, 5, and 7, and the calculation of transaction amounts of 20 percent of paid-in capital under these Procedures, 10 percent of equity attributable to owners of the parent company shall be substituted; <u>for the calculation of transaction amounts achieving NT\$10 billion of paid-in capital under these Procedures, NT\$ 20 billion of equity attributable to owners of the parent company shall be substituted.</u></p>	<p>6. When a subsidiary violates the provisions of this article, the Company will issue a notice to the subsidiary for the subsidiary to impose penalties on the relevant personnel for their violations and report the same to the Company for recordation.</p> <p>7. For the calculation of 10 percent of total assets under these Procedures, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Procedures Governing the Preparation of Financial Reports by Securities Issuers shall be used; in the case of a company whose shares have no par value or a par value other than NT\$10, Articles 4, 5, and 7, and the calculation of transaction amounts of 20 percent of paid-in capital under these Procedures, 10 percent of equity attributable to owners of the parent company shall be substituted.</p>	
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Annex 5: The Comparison Table of Amended Provisions of the Operation Procedures for Loaning of Funds to Others

TAIWAN CEMENT CORPORATION

The Comparison Table of Amended Provisions of the Operation Procedures for Loaning of Funds to Others

Article after Amendment	Article before Amendment	Reason for Amendment
<p>Article 3 Under Article 15 of the Company Act, funds of the Company shall not be loaned to any of its shareholders or any other person except under the following circumstances:</p> <ol style="list-style-type: none"> 1. Where a company or firm business transaction with the Company calls for a loan arrangement; or 2. Where a short-term financing facility of a subsidiary of the Company is necessary, provided that such financing amount shall not exceed 40% of the lender's net worth. <p>The term "short-term" as used in the preceding paragraph means one year. The aggregate amount of inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, <u>or the aggregate amount of loans extended by an overseas company in which the Company holds, directly or indirectly, 100% of the voting shares to the Company,</u> shall not exceed 200% of the <u>net</u> worth on the most current financial statements of the Company, and the maximum amount permitted to a single borrower shall not exceed 100% of the <u>net</u> worth on the most current financial statements of the Company; the duration of loans will be limited to ten years.</p>	<p>Article 3 Under Article 15 of the Company Act, funds of the Company shall not be loaned to any of its shareholders or any other person except under the following circumstances:</p> <ol style="list-style-type: none"> 1. Where a company or firm business transaction with the Company calls for a loan arrangement; or 2. Where a short-term financing facility of a subsidiary of the Company is necessary, provided that such financing amount shall not exceed 40% of the lender's net worth. <p>The term "short-term" as used in the preceding paragraph means one year. The aggregate amount of inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, shall not exceed 200% of the <u>net</u> worth on the most current financial statements of the Company, and the maximum amount permitted to a single borrower shall not exceed 100% of the <u>net</u> worth on the most current financial statements of the Company; the duration of loans will be limited to ten years.</p>	<p>In response to Article 3 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies allowing an overseas company in which the company holds, directly or indirectly, 100% of the voting shares to extend loans to the company in order to increase the flexibility of the use of internal funds in the business groups, amend the relevant words.</p>

<p>Article 5 The term "announce and report" as used in the Procedures means the process of entering data to the information reporting website designated by the Financial Supervisory Commission (FSC).</p> <p>The term "date of occurrence" in the Procedures means <u>the date of contract signing</u>, date of payment, dates of boards of directors resolutions, or other date that can confirm <u>the counterparty and monetary amount of loaning of funds</u>, whichever date is earlier.</p>	<p>Article 5 The term "announce and report" as used in the Procedures means the process of entering data to the information reporting website designated by the Financial Supervisory Commission (FSC).</p> <p>The term "date of occurrence" in the Procedures means <u>the date of contract signing of the transaction</u>, date of payment, dates of boards of directors resolutions, or other date that can confirm <u>the counterparty and monetary amount of the transaction</u>, whichever date is earlier.</p>	<p>In response to Article 7 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies taking into account that the nature of loaning of funds is not the transaction, amend the relevant words.</p>
<p>Article 6 The Company intending to loan funds to others shall formulate the Operation Procedures for Loaning of Funds to Others in accordance with the regulations promulgated by the competent authority. The amendment to these Procedures shall be subject to the consent of <u>one-half or more of all</u> audit committee members and, after passage by the board of directors, be submitted to the shareholders' meeting for approval.</p> <p><u>The preceding paragraph that has not been approved with the consent of one-half or more of all audit committee members may be undertaken upon the consent of two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the directors' meeting;</u> where any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the dissenting opinion to the shareholders' meeting for discussion.</p>	<p>Article 6 The Company intending to loan funds to others shall formulate the Operation Procedures for Loaning of Funds to Others in accordance with the regulations promulgated by the competent authority. The amendment to these Procedures shall be subject to the consent of audit committee members and, after passage by the board of directors, be submitted to the shareholders' meeting for approval; where any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the dissenting opinion to the shareholders' meeting for discussion. Where the Company has established the position of independent director, when it submits its Operation Procedures for Loaning of Funds to Others to the board of directors for discussion under the preceding paragraph, the board of directors shall take into full consideration each independent director's opinion; <u>the independent directors' opinions specifically</u></p>	<p>In response to the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies amending the words under Paragraph 2 of Article 8 and adding the authority of the audit committee under Paragraph 4 and/to Paragraph 6, amend the relevant words.</p>

<p><u>The terms "all audit committee members" and "all directors" as used in the preceding two paragraphs shall mean the actual number of persons currently holding those positions.</u></p> <p>Where the Company has established the position of independent director, when it submits its Operation Procedures for Loaning of Funds to Others to the board of directors for discussion under the preceding paragraph, the board of directors shall take into full consideration each independent director's opinion; <u>when an independent director has a dissenting opinion or qualified opinion, it shall be recorded in the minutes of the directors' meeting.</u></p>	<p><u>expressing assent or dissent and the reasons for dissent shall be included in the minutes of the board of directors' meeting.</u></p>	
<p>Article 9 Each relevant unit shall prepare a memorandum book for the Company's fund-lending activities and truthfully record the following information: borrower, amount, date of approval by the board of directors, lending/borrowing date, and matters to be carefully evaluated under the preceding Article. The Company's internal auditors shall audit the Operational Procedures for Loaning Funds to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the audit committee <u>and independent directors</u> in writing of any material violation found.</p>	<p>Article 9 Each relevant unit shall prepare a memorandum book for the Company's fund-lending activities and truthfully record the following information: borrower, amount, date of approval by the board of directors, lending/borrowing date, and matters to be carefully evaluated under the preceding Article. The Company's internal auditors shall audit the Operational Procedures for Loaning Funds to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the audit committee in writing of any material violation found.</p>	<p>In response to the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies adding Article 26-2 to improve corporate governance, any material violation of loaning of funds shall be notified to independent directors in writing; the rectification plans as a result of such violation shall also be submitted to independent directors.</p>
<p>Article 10 Where as a result of changes of condition the borrowing counterparty no longer meets the requirements of these Procedures, or the loan</p>	<p>Article 10 Where as a result of changes of condition the borrowing counterparty no longer meets the requirements of these Procedures, or the loan</p>	<p>Please refer to the above.</p>

balance exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to the audit committee <u>and</u> <u>independent directors</u> , and shall complete the rectification according to the timeframe set out in the plan.	balance exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to the audit committee, and shall complete the rectification according to the timeframe set out in the plan.	
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Annex 6: The Comparison Table of Amended Provisions for Endorsements/ Guarantees

TAIWAN CEMENT CORPORATION

The Comparison Table of Amended Provisions for Endorsements/Guarantees

Article after Amendment	Article before Amendment	Reason for Amendment
<p>Article 6 The term "announce and report" as used in the Procedures means the process of entering data to the information reporting website designated by the Financial Supervisory Commission (FSC).</p> <p>The term "date of occurrence" in the Procedures means the date of contract signing, date of payment, dates of boards of directors resolutions, or other date that can confirm <u>the counterparty and monetary amount of endorsements/guarantees</u>, whichever date is earlier.</p>	<p>Article 6 The term "announce and report" as used in the Procedures means the process of entering data to the information reporting website designated by the Financial Supervisory Commission (FSC).</p> <p>The term "date of occurrence" in the Procedures means <u>the date of contract signing of the transaction</u>, date of payment, dates of boards of directors resolutions, or other date that can confirm <u>the counterparty and monetary amount of the transaction</u>, whichever date is earlier.</p>	<p>In response to Article 7 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies taking into account that the nature of endorsements/guarantees is not the transaction, amend the relevant wordings.</p>
<p>Article 7 The Company formulates its Operational Procedures for Endorsements and Guarantees in accordance with the regulations promulgated by the competent authority. The amendment to these Procedures shall be subject to the consent of <u>one-half or more of all</u> audit committee members and, after passage by the board of directors, be submitted to the shareholders' meeting for approval.</p> <p><u>The preceding paragraph that has not been approved with the consent of one-half or more of all audit committee members may be undertaken upon the consent of two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the directors' meeting;</u> where</p>	<p>Article 7 The Company formulates its Operational Procedures for Endorsements and Guarantees in accordance with the regulations promulgated by the competent authority. The amendment to these Procedures shall be subject to the consent of audit committee members and, after passage by the board of directors, be submitted to the shareholders' meeting for approval; where any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the dissenting opinion to the shareholders' meeting for discussion. Where the Company has established the position of independent director, when it submits its Operational Procedures for Endorsements and Guarantees to the board of</p>	<p>In response to the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies amending the wordings under Paragraph 2 of Article 8 and adding the authority of the audit committee under Paragraph 4 and/to Paragraph 6, amend the relevant wordings.</p>

<p>any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the dissenting opinion to the shareholders' meeting for discussion.</p> <p><u>The terms "all audit committee members" and "all directors" as used in the preceding two paragraphs shall mean the actual number of persons currently holding those positions.</u></p> <p>Where the Company has established the position of independent director, when it submits its Operational Procedures for Endorsements and Guarantees to the board of directors for discussion under the preceding paragraph, the board of directors shall take into full consideration each independent director's opinion; <u>when an independent director has a dissenting opinion or qualified opinion, it shall be recorded in the minutes of the directors' meeting.</u></p>	<p>directors for discussion under the preceding paragraph, the board of directors shall take into full consideration each independent director's opinion; <u>the independent directors' opinions specifically expressing assent or dissent and the reasons for dissent shall be included in the minutes of the board of directors' meeting.</u></p>	
<p>Article 10 The Company shall prepare a memorandum book for its endorsement/guarantee activities and record in detail the following information for the record: the entity for which the endorsement/guarantee is made, the amount, the date of passage by the board of directors or of authorization by the chairman of the board, the date the endorsement/guarantee is made, and the matters to be carefully evaluated under Paragraph 1 of the preceding Article.</p> <p>The Company's internal auditors shall audit the implementation of the Operation Procedures for Endorsements and Guarantees</p>	<p>Article 10 The Company shall prepare a memorandum book for its endorsement/guarantee activities and record in detail the following information for the record: the entity for which the endorsement/guarantee is made, the amount, the date of passage by the board of directors or of authorization by the chairman of the board, the date the endorsement/guarantee is made, and the matters to be carefully evaluated under Paragraph 1 of the preceding Article.</p> <p>The Company's internal auditors shall audit the implementation of the Operation Procedures for Endorsements and Guarantees</p>	<p>In response to the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies adding Article 26-2 to improve corporate governance, any material violation of endorsements/guarantees shall be notified to independent directors in writing; the rectification plans as a result of such violation shall also be submitted to independent directors.</p>

no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the audit committee <u>and independent directors</u> in writing of any material violation found.	no less frequently than quarterly and prepare written records accordingly. They shall promptly notify the audit committee in writing of any material violation found.	
Article 12 Where as a result of changes of condition the entity for which an endorsement/guarantee is made no longer meets the requirements of these Procedures, or the amount of endorsement/guarantee exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to the audit committee <u>and independent directors</u> , and shall complete the rectification according to the timeframe set out in the plan.	Article 12 Where as a result of changes of condition the entity for which an endorsement/guarantee is made no longer meets the requirements of these Procedures, or the amount of endorsement/guarantee exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to the audit committee, and shall complete the rectification according to the timeframe set out in the plan.	Please refer to the above.
Article 14 The Company whose balance of endorsements/guarantees reaches one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence: 1. The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50% or more of the Company's net worth as stated in its latest financial statement. 2. The balance of endorsements/guarantees by the Company and its subsidiaries for a single entity reaches 20% or more of the public company's net worth as stated in its latest financial statement. 3. The balance of endorsements/guarantees by the Company and its subsidiaries for a single entity reaches NT\$10,000,000 or more	Article 14 The Company whose balance of endorsements/guarantees reaches one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence: 1. The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50% or more of the Company's net worth as stated in its latest financial statement. 2. The balance of endorsements/guarantees by the Company and its subsidiaries for a single entity reaches 20% or more of the public company's net worth as stated in its latest financial statement. 3. The balance of endorsements/guarantees by the Company and its subsidiaries for a single entity reaches NT\$10,000,000 or more	In response to the amendment to Article 25 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, in order to specify the definition of investment of a long-term nature, we reference Subparagraph 1, Paragraph 4 of Article 9 of Regulations Governing the Preparation of Financial Reports by Securities Issuers and amend the relevant wordings.

<p>and the aggregate amount of all endorsements/guarantees for, <u>carrying amount of investments accounted for using the equity method of</u>, and balance of loans to, such entity reaches 30% or more of the Company's net worth as stated in its latest financial statement.</p> <p>4. The amount of new endorsements/guarantees made by the Company or its subsidiaries reaches NT\$30,000,000 or more, and reaches 5% or more of the Company's net worth as stated in its latest financial statement.</p> <p>The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to Subparagraph 4 of the preceding paragraph.</p>	<p>and the aggregate amount of all endorsements/guarantees for, <u>investment of a long-term nature in</u>, and balance of loans to, such entity reaches 30% or more of the Company's net worth as stated in its latest financial statement.</p> <p>4. The amount of new endorsements/guarantees made by the Company or its subsidiaries reaches NT\$30,000,000 or more, and reaches 5% or more of the Company's net worth as stated in its latest financial statement.</p> <p>The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to Subparagraph 4 of the preceding paragraph.</p>	
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