

Recorder: Tsai Kuo Yu

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 2021 profits. Descriptions:
 - 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.
 - The proposal was approved by the 9th meeting of the 24th term Board of Directors. For 2021, the Company distributed of NT\$106,914,137 in cash as employees' compensation and NT\$210,452,677 in cash as directors' compensation.
- (II) Reported the Business of 2021 (see Attachment I)
- (III) Audit Committee's Review Report (see Attachment II)

(IV) The Company's issuance status of domestic and overseas corporate bonds report.

Descriptions:

1. The Company issued the domestic unsecured corporate bonds for loan repayment, of which the issuance status is as follows:

Unit: NT\$ (thousands)

Phase / Type	2021 First Unsecured Corporate Bond
Date of Resolution	August 20, 2021
Date of Issuance	August 31, 2021
Total Issuance Amount	16,600,000 Bond A: 5,800,000 / Bond B: 3,100,000 / Bond C: 1,200,000 / Bond D: 6,500,000
Face Value	1,000
Issue Price	NT\$100 (Issued at full face value of the bond)
	Bond A: 5-year termMaturity Date: August 31, 2026Bond B: 7-year termMaturity Date: August 31, 2028
Issue Period	Bond C: 10-year term Maturity Date: August 31, 2031 Bond D: 15-year term Maturity Date: August 31, 2036
Issue Interest Rate	Fixed interest rate per annum Bond A 0.59% / Bond B 0.68% / Bond C 0.78% / Bond D 0.95%

Interest Payment Method	Upon the date of issuance, based on the coupon rate, interest accrued and paid once per annum.
Redemption	On maturity date, the bonds will be redeemed in whole.
Trustee	CTBC Bank Co., Ltd.
Principal Paying Agent and Transfer Agent	CTBC Bank Co., Ltd., Transfer Agency Department
Use of Proceeds	The funds raised have been used to repay the loan in the third quarter of 2021.

2. The Company issued the overseas unsecured convertible bonds for business needs, including reinvesting overseas subsidiaries, repaying the bank loan borrowed by overseas subsidiaries, and/or purchasing materials in the local currency, of which the issuance status is as follows:

Phase / Type	First Overseas Unsecured Convertible Bond for 2021
Date of Resolution	November 26, 2021
Date of Issuance	December 7, 2021
Maturity Date	December 7, 2026
Total Issuance Amount	800,000,000
Face Value	200,000
Issue Price	100
Listing/Issuing Place	Singapore Exchange Limited
Conversion Price Upon Issuance	NT\$59.80
Issue Interest Rate	0%
Redemption	On maturity date, the bonds will be redeemed in whole.
Trustee	Citicorp International Limited
Paying Agent and Conversion Agent	Citibank, N.A., London Branch
Use of Proceeds	 Before February 8, the Company has reinvested all 740 million in its overseas subsidiary. As of February 11, the Company has paid \$10,796,170 out of 60 million for purchasing materials in the local currency, and the remaining

Unit: USD

III. Approval Items

(I) Business Report and Financial Statements of 2021. (Proposed by the Board of Directors)

Descriptions:

- 1. It was conducted according to Article 228 of the Company Act.
- 2. The 2021 Annual Business Report, Individual Financial Statements and Consolidated Financial Statements have been approved by the 8th meeting of the 24th term Board of Directors. The Individual Financial Statements and Consolidated Financial Statements were audited by independent auditors, Hui-Min Huang and Cheng-Hung Kuo of Deloitte & Touche.
- 3. The above Annual Business Report and Financial Statements were audited by the Auditor Committee. please refer to Attachments I and III.
- 4. Please review and ratify.

Voting Results:

Shares represented at the time of voting: 4,891,338,929

Voting Results including votes casted electronically (numbers in brackets)	% of the total represented share present	
Votes in favor: 4,583,649,469 Votes	93.70%	
Votes against: 30,966,556 Votes	0.63%	
Votes invalid: 0 Votes	0.00%	
Votes abstained: 276,722,904 Votes	5.65%	

*including votes casted electronically (numbers in brackets)

RESOLVED, that the 2021 Business Report and Financial Statements be and hereby were accepted as submitted.

(II) To approve the distribution proposal for 2021 profits. (Proposed by the Board of Directors)

Descriptions:

- 1. The distribution proposal for 2021 profits is prepared pursuant to Article 228 of the Company Act and Article 26 of the Company's amended Articles of Incorporation.
- 2. The Company's unappropriated retained earnings as of the beginning of 2021 are NT\$18,333,309,248. After adding (i) the 2021 after-tax net profit of NT\$20,256,366,275, (ii) the disposal of investments in equity instruments measured at fair value through other comprehensive income of NT\$1,029,880,170, and (iii) the remeasurement of defined benefit plan recognized in retained earnings of NT\$222,050,116, and deducting the adjustment of investments accounted for using the equity method recognized in retained earnings of NT\$823,528,260, and setting aside the legal reserve of NT\$2,068,476,830, the total amount of earnings available for distribution is NT\$36,949,600,719. It is proposed that (i) NT\$350,000,000 be distributed as dividends on preferred shares; and (ii) cash dividends at approximately NT\$1 per share and share dividends at approximately NT\$1 per share be distributed on common shares, and the total sum distributed would be NT\$12,232,346,802. After the proposed distribution, the unappropriated earnings at the end of 2021 is NT\$24,367,253,917.
- 3. It is proposed that the Chairperson of the Board of Directors be authorized with full power and authority to adjust distribution percentage if the number of outstanding shares is affected by overseas unsecured convertible bonds converted to ordinary shares and the Company's transfer or cancellation of treasury stocks.
- 4. It is proposed that upon the approval of the Annual Shareholders'

Meeting, the Chairperson of the Board of Directors be authorized to determine the ex-dividend date and distribute the dividends to each share based on the number of shareholding on the record date for dividends, and the cash dividends to each and every shareholder be paid with rounding down to the nearest whole number (NT\$). Fractional dividend less than NT\$1 shall be recorded as other income of the Company.

- 5. For the Company's earnings distribution proposal for 2021, please refer to Annex 1.
- 6. This proposal has been adopted by the 9th meeting of the 24th term Board of Directors, and submitted to the Audit Committee for approval.
- 7. Please review and ratify.

Voting Results:

Shares represented at the time of voting: 4,891,338,929

Voting Results including votes casted electronically (numbers in brackets)	% of the total represented share present
Votes in favor: 4,620,496,622 Votes	94.46%
Votes against: 927,057 Votes	0.01%
Votes invalid: 0 Votes	0.00%
Votes abstained: 269,915,250 Votes	5.51%

*including votes casted electronically (numbers in brackets)

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

IV. Discussion Items

(I) To approve the proposal for the issuance of new shares through capitalization of 2021 earnings. (Proposed by the Board of Directors)

Descriptions:

- 1. To replenish capital and further development of business, it is proposed that the Company issue new shares through capitalization of earnings, i.e., 611,617,340 new shares to be issued as stock dividends from distributable earnings of 2021 in amount of NT\$6,116,173,400 (par value at NT\$10 per share).
- 2. Terms of the issuance of new shares:
 - A. It is proposed that stock dividends be calculated on the basis of outstanding shares, i.e., 100 shares for each 1,000 shares held. Regarding any amount less than one share, the dividends will be distributed in cash with minimum calculation unit of one NT dollar. The Chairperson of the Board of Directors will be authorized to approach specific persons of the purchase of these shares based on the face value. Actual amounts of stock dividends shall be determined by the number of shares held by shareholders on the record date of dividends.
 - B. The rights and obligations of new shares issued through the capital increase are identical to those of the existing shares.
 - C. Upon the approval of 2022 Annual General Shareholders' Meeting and the effective filing with the competent authority, the Board of Directors is authorized to determine the distribution record date.
 - D. The Chairperson of the Board of Directors is authorized with full power and authority to adjust distribution percentage if the number of outstanding shares is affected by overseas unsecured convertible bonds converted to ordinary shares and the Company's transfer or cancellation of treasury stocks.
- 3. This proposal has been approved by the 9th meeting of the 24th term Board of Directors.
- 4. Please discuss and resolve.

Voting Results:

Shares represented at the time of voting: 4,891,338,929

Voting Results including votes casted electronically (numbers in brackets)	% of the total represented share present
Votes in favor: 4,528,550,710 Votes	92.58%
Votes against: 965,354 Votes	0.01%
Votes invalid: 0 Votes	0.00%
Votes abstained: 361,822,865 Votes	7.39%

*including votes casted electronically (numbers in brackets)

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

 (II) To approve the Company's proposed offering of global depositary shares by issuing common shares for cash. (Proposed by the Board of Directors)

Descriptions:

- 1. For the purpose of meeting the Company's capital needs for the long-term strategic development and operational growth (including but not limited to the augmentation of working capital, procurement of raw materials from abroad, repayment of bank loans, acquisition of machinery and equipment, reinvestment or other capital needs in response to the Company's future development), as well as internationalizing and diversifying the funding channels, the Company proposes to request the shareholders' meeting to authorize the board of directors to raise long-term capital under appropriate timing by offering of global depositary shares ("GDSs") by issuing common shares for cash, in accordance with the Company's articles of incorporation and relevant laws or regulations.
- 2. The total number of common shares to be issued as underlying shares of GDSs shall not exceed 420,000,000 shares.
- 3. It is proposed that the shareholders' meeting authorize the board of directors to, based on market condition and in compliance with

relevant law, modify, formulate and handle major matters regarding this project of GDS offering by issuing common shares for cash (including but not limited to the issue price, issuance conditions, project items, amount of the funds raised, scheduled progress and possible benefits, and other related matters) and other matters related to said issuance and offering. It is also proposed that, in the event of any need to modify the same due to any instruction by the competent authority or based on operational evaluations or objective circumstances, the shareholders' meeting authorize the chairperson of the board of directors to conduct the above matters at the sole discretion thereof pursuant to law.

- 4. In order to cooperate with this issuance and offering project, it is proposed that the shareholders' meeting authorize the chairperson of the board of directors and/or the person designated thereby to approve as well as execute and negotiate on behalf of the Company all relevant documentation regarding such project and handle all matters relating thereto.
- 5. The method and content of the issuance are set forth in Annex 2.
- 6. The Proposal has been approved by the 9th meeting of the 24th term Board of Directors.
- 7. Please discuss and resolve.

Voting Results:

Shares represented at the time of voting: 4,891,338,929

Voting Results including votes casted electronically (numbers in brackets)	% of the total represented share present
Votes in favor: 4,521,821,216 Votes	92.44%
Votes against: 7,715,852 Votes	0.15%
Votes invalid: 0 Votes	0.00%
Votes abstained: 361,801,861 Votes	7.39%

*including votes casted electronically (numbers in brackets)

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

(III) To approve the amendments of certain provisions of the Company's Articles of Incorporation. (Proposed by the Board of Directors)

Descriptions:

- In order to meet the Company's operation needs, address the amendments of regulations by competent authorities, and enhance corporate governance, it is proposed to amend the Company's Articles of Incorporation.
- This proposal has been approved by the 8th and 9th meetings of 24th term Board of Directors. For the Comparison Table for the Amended Provisions of the Articles of Incorporation, please refer to Annex 3.
- 3. Please discuss and resolve.

Voting Results:

Shares represented at the time of voting: 4,891,338,929

Voting Results including votes casted electronically (numbers in brackets)	% of the total represented share present		
Votes in favor: 4,447,846,558 Votes	90.93%		
Votes against: 77,209,984 Votes	1.57%		
Votes invalid: 0 Votes	0.00%		
Votes abstained: 366,282,387 Votes	7.48%		

*including votes casted electronically (numbers in brackets)

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

(IV) To approve the amendments of certain provisions of the Company's Procedures for the Acquisition and Disposal of

Assets. (Proposed by the Board of Directors)

Descriptions:

- In order to meet the Company's operation needs and address the amendments of regulations by competent authorities, it is proposed to amend the Company's Procedures for the Acquisition and Disposal of Assets.
- 2. This proposal has been approved by the 8th and 9th meetings of 24th term Board of Directors. For the Comparison Table for the Amended Provisions of the Procedures for the Acquisition and Disposal of Assets, please refer to Annex 4.
- 3. Please discuss and resolve.

Voting Results:

Shares represented at the time of voting: 4,891,338,929

Voting Results including votes casted electronically (numbers in brackets)	% of the total represented share present
Votes in favor: 4,529,090,467 Votes	92.59%
Votes against: 433,502 Votes	0.00%
Votes invalid: 0 Votes	0.00%
Votes abstained: 361,814,960 Votes	7.39%

*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: 10:30 AM, May 26th, 2022

Attachment I : Business Report of 2021

Business Report

TCC's consolidated net revenue totaled NT\$107.0 billion in 2021, up 1.1% on 2020, while consolidated net profit was NT\$20.26 billion for the year, down 19.3% on the previous year. The budget achievement rate was 108%, and the basic earnings per share (EPS) was NT\$3.30.

Total production of cement and clinkers in Taiwan and Mainland China decreased by 11.9% from 57.32 million tonnes in 2020 to 50.48 million tonnes in 2021. Sales of cement and clinkers in Taiwan grew by 9% from 4.69 million tonnes in 2020 to 5.11 million tonnes in 2021, while sales of cement and clinkers in Mainland China fell by 12.6% from 50.95 million tonnes in 2020 to 44.55 million tonnes in 2021. The overall sales of cement products in Taiwan and Mainland China declined by 2.9% from 5.55 million cubic meters in 2020 to 5.39 million cubic meters in 2021.

In response to the circular economy, TCC developed technologies for energy saving, carbon reduction and various resource reuse, successfully completing the utilization of recycled pellets, incinerated waste and coal ash from power plants, and industrial waste, as well as the application of biofuel and solid recovered fuel. Based on the carbon footprint rules for cement products, the Suao and Ho-Ping plants both received the Type I Carbon Reduction Label for Cement. Also, TCC collaborated with research institutions to develop new generation calcium looping carbon capture techniques, a microalgae carbon fixation system, low carbon emission 3D printing techniques and materials, UHPC(Ultra High Pressure Concrete), and production techniques for cladding panels.

In summary, the COVID-19 pandemic, inflation, and the global geopolitical and economic situation will be the key variables for subsequent economic development. With the circular economy as its mission, TCC will continue to face and conquer all types of challenges, strive to achieve a sales target of 46.14 million tonnes of cement and clinkers and 5.28 million cubic meters of ready-mixed concrete, and continue to transition to a green enterprise.

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

Attachment II : Business report of 2021

Audit Committee's Review Report

The Board of Directors of Taiwan Cement Corporation has prepared the Company's 2020 Business Report, Consolidated and Standalone Financial Statements, and the proposal for the allocation of earnings. The CPA firm Deloitte & Touche was retained to audit the Company's Financial Statements and it has issued an audit report on the Financial Statements. The Business Report, Financial Statements, and the earnings allocation proposal 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 the Securities Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To Taiwan Cement Corporation 2022 Annual General Shareholders' Meeting

> Taiwan Cement Corporation Audit Committee convener: Victor Wang

DutoWang

April 11, 2022

Attachment III :Financial statement





動業聚信聯合會計師事務所 11073 台北市信義區松仁路100號20樓

Deloitte & Touche 20F, Taipei Nan Shan Plaza No. 10D, Songren Rd., Xinyi Dist., Taipei 11073, Taiwan

Tel :+886 (2) 2725-9988 Fax:+886 (2) 4051-6888 www.deloitte.com.tw

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders Taiwan Cement Corporation

Opinion

We have audited the accompanying financial statements of Taiwan Cernent Corporation (the "Corporation"), which comprise the balance sheets as of December 31, 2021 and 2020, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The description of the key audit matter of the Corporation's financial statements for the year ended December 31, 2021 is as follows:

Revenue Recognition of Cement Sales

The Corporation is mainly engaged in the production and sale of various cement and cement products. Revenue from the sale of cement fluctuates frequently due to changes in raw material prices, market supply and demand and the economic environment; in addition, related revenue is recognized at the point in time when the customer collects the cement and the performance obligations are satisfied. Therefore, the validity of revenue recognition of cement sales is considered a key audit matter for the year ended December 31, 2021. Our main audit procedures performed in respect of the aforesaid key audit matter include understanding and testing the design and operating effectiveness of the internal controls related to the revenue from cement sales, and random inspection of the contracts, factory orders and delivery documents from the sales details and testing the

collection information of the samples before the end of the reporting period in order to verify the validity of revenue recognition of cement sales.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Hui-Min Huang and Cheng-Hung Kuo.

Hui-Min Huang

Deloitte & Touche Taipei, Taiwan Republic of China

February 25, 2022

Ching-Hung Kuo

Notice to Readers

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

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

BALANCE SHEETS

DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021		2020	2020	
ASSETS	Amount	%	Amount	%	
CURRENT ASSETS					
Cash and cash equivalents (Notes 4 and 6)	\$ 26,919,655	8	\$ 12,008,414	4	
Financial assets at fair value through profit or loss (Notes 4, 7 and 27)	306,075	-	290,636	-	
Financial assets at fair value through other comprehensive income (Notes 4, 8, 27 and 28)	3,832,706	1	3,404,597	1	
Financial assets at amortized cost (Notes 4 and 6)	-	-	4,900,000	2	
Accounts and notes receivable (Notes 4 and 9)	5,165,862	1	4,784,095	2	
Accounts and notes receivable from related parties (Notes 4 and 28)	646,808	-	506,081	-	
Inventories (Notes 4 and 11)	1,640,537	1	1,229,744	-	
Other current assets (Notes 22 and 28)	218,871		179,653		
Total current assets	38,730,514	11	27,303,220	9	
NON-CURRENT ASSETS					
Financial assets at fair value through other comprehensive income (Notes 4, 8, 27 and 28)	8,459,255	2	5,653,008	2	
Investments accounted for using the equity method (Notes 4, 5 and 12)	267,535,378	75	248,463,221	78	
Property, plant and equipment (Notes 4, 13, 21, 28 and 29)	33,820,654	9	30,590,559	10	
Right-of-use assets (Notes 4, 14, 21 and 28)	2,092,105	1	1,314,191	-	
Investment properties (Notes 4, 15 and 21)	2,495,151	1	2,503,349	1	
Intangible assets (Notes 4 and 21)	10,709	-	10,710	-	
Prepayments for property, plant and equipment (Note 13)	374,127	-	738,580	-	
Net defined benefit asset (Notes 4 and 19)	1,823,268	1	1,549,048	-	
Other non-current assets (Notes 4, 6, 22 and 29)	937,185		768,947		
Total non-current assets	317,547,832	89	291,591,613	91	
TOTAL	<u>\$_356,278,346</u>	100	<u>\$ 318,894,833</u>	100	
LIABILITIES AND EQUITY					
CURRENT LIABILITIES	¢ 25 426 775	7	¢ 22 251 720	7	
Short-term loans (Notes 16 and 25)	\$ 25,426,775	7	\$ 23,351,729	7	
Short-term bills payable (Note 16) Einancial lightlifting at fair value through profit or loss (Notes 4, 7 and 27)	1,897,708 213,062	1	-	-	
Financial liabilities at fair value through profit or loss (Notes 4, 7 and 27) Accounts payable	1,162,329	-	- 773,399	-	
Accounts payable to related parties (Note 28)	1,326,965	-	793,211	-	
Other payables (Notes 13 and 18)	2,553,645	- 1	2,199,950	1	
Current income tax liabilities (Notes 4 and 22)	423,152	-	197,468	-	
Lease liabilities (Notes 4, 14 and 28)	314,565	-	259,111	-	
Long-term loans - current portion (Notes 16 and 25)	6,450,000	2	4,300,000	2	
Other current liabilities (Note 28)	196,598		138,189		
Total current liabilities	39,964,799	11	32,013,057	10	
NON-CURRENT LIABILITIES					
Bonds payable (Notes 4 and 17)	81,526,445	23	53,897,370	17	
Long-term loans (Notes 16 and 25)	10,724,917	3	17,153,417	5	
Lease liabilities (Notes 4, 14 and 28)	1,806,283	1	1,071,273	-	
Notes payable (Note 16)	11,982,079	3	4,991,327	2	
Deferred income tax liabilities (Notes 4 and 22)	5,434,006	2	5,368,524	$\frac{1}{2}$	
Other non-current liabilities (Note 12)	362,484		328,048		
Total non-current liabilities	111,836,214	32	82,809,959	26	
Total liabilities	151,801,013	43	114,823,016	36	

EQUITY (Notes 4, 20 and 23) Share capital Certificate of entitlement to new shares from convertible bonds Capital surplus Retained earnings Other equity Treasury shares	63,252,340 56,757,470 73,939,852 10,920,014 (392,343)	18 16 20 3	$59,414,007 \\ 688,542 \\ 49,122,450 \\ 74,199,518 \\ 21,146,991 \\ (499,691)$	19 15 23 7
Total equity	204,477,333	_57	204,071,817	64
TOTAL	<u>\$ 356,278,346</u>	100	<u>\$ 318,894,833</u>	100

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

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 28)	\$ 23,878,294	100	\$ 21,578,428	100
LESS: SALES RETURNS AND ALLOWANCES	78,789		82,998	
OPERATING REVENUE, NET	23,799,505	100	21,495,430	100
OPERATING COSTS (Notes 11, 21 and 28)	18,867,285	79	17,671,017	82
GROSS PROFIT	4,932,220	21	3,824,413	18
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	1,228		1,228	
REALIZED GROSS PROFIT	4,933,448	21	3,825,641	18
OPERATING EXPENSES (Notes 21 and 28) Marketing General and administrative	273,441	1 7	282,027 1,367,403	1
Total operating expenses	2,007,866	8	1,649,430	8
INCOME FROM OPERATIONS	2,925,582	13	2,176,211	10
NON-OPERATING INCOME AND EXPENSES Share of profit of subsidiaries and associates				
(Notes 4 and 12)	17,819,863	75	24,468,349	114
Dividend income (Note 4)	418,689	2	348,138	2
Other income (Note 21)	168,476	1	190,283	1
Finance costs (Notes 4, 21 and 28)	(1, 351, 009)	(6)	(1, 508, 446)	(7)
Other expenses (Note 21)	(327,639)	(2)	(162,495)	<u>(1</u>)
Total non-operating income and expenses	16,728,380	70	23,335,829	109
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	19,653,962	83	25,512,040	119
INCOME TAX EXPENSE (Notes 4 and 22)	471,535	2	232,244	1
NET INCOME FROM CONTINUING OPERATIONS	19,182,427	81	25,279,796	118
PROFIT (LOSS) FROM DISCONTINUED OPERATIONS (Notes 10 and 28)	1,073,939	4_	(180,487)	<u>(1</u>)
NET INCOME	20,256,366	85	<u>25,099,309</u> (Cor	<u>117</u> ntinued)

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Note 4)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plan (Note 19) Unrealized gain on investments in equity instruments at fair value through other	\$ 270,496	1	\$ 123,920	1
comprehensive income (Note 20) Share of other comprehensive loss of subsidiaries	1,723,801	7	111,999	-
and associates (Note 20) Income tax expense related to items that will not be reclassified subsequently to profit or loss	(4,369,926)	(18)	(4,738,521)	(22)
(Note 22)	(54,099) (2,429,728)	<u> </u>	(24,784) (4,527,386)	<u> </u>
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income (loss) of				
subsidiaries and associates (Note 20)	$\frac{(6,545,319)}{(6,545,319)}$	<u>(28</u>) <u>(28</u>)	2,136,685	$\frac{10}{10}$
Other comprehensive loss for the year, net of income tax	(8,975,047)	(38)	(2,390,701)	(11)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 11,281,319</u>	<u> 47 </u>	<u>\$ 22,708,608</u>	106
EARNINGS PER SHARE (Note 23)				
From continuing and discontinued operations				
Basic earnings per share	<u>\$ 3.30</u>		<u>\$ 4.32</u>	
Diluted earnings per share	<u>\$ 3.27</u>		<u>\$ 4.09</u>	
From continuing operations	¢ 2.12		¢ 4.25	
Basic earnings per share Diluted earnings per share	<u>\$ 3.12</u> <u>\$ 3.09</u>		$\frac{\$ 4.35}{\$ 4.12}$	

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

(Concluded)

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

-		Share Capital	Certificate of							Unrealized Gain/Loss on Financial Assets at			
			Entitlement to New Shares from			Retained	Earnings Unappropriated		Exchange Difference on Translating Foreign	Fair Value Through Other Comprehensive	Gain (Loss) on Hedges		
	Ordinary Shares	Preferred Shares	Convertible Bonds	Capital Surplus	Legal Reserve	Special Reserve	Earnings	Total	Operations	Income	Instruments	Treasury Shares	Total Equity
BALANCE AT JANUARY 1, 2020	\$ 54,656,192	\$ 2,000,000	\$ -	\$ 48,015,947	\$ 16,902,616	\$ 13,049,062	\$ 35,674,355	\$ 65,626,033	\$ (11,660,261)	\$ 35,395,116	\$ -	\$ (348,959)	\$ 193,684,068
Appropriation of 2019 earnings Legal reserve					2,448,745		(2,448,745)						
Cash dividends distributed by the Corporation	-	-	-	-	2,448,745	-	(13,644,048)	(13,644,048)	-	-	-	-	(13,644,048)
Preferred share dividends distributed by the Corporation Share dividends distributed by the Corporation	2,728,810	-	-	-	-	-	(350,000) (2,728,810)	(350,000) (2,728,810)	-	-	-	-	(350,000)
Net income for the year ended December 31, 2020	-	-	-	-	-	-	25,099,309	25,099,309	-	-	-	-	25,099,309
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	-	95,736	95,736	2,136,685	(4,623,001)	(121)	-	(2,390,701)
Total comprehensive income (loss) for the year ended December 31, 2020							25,195,045	25,195,045	2,136,685	(4,623,001)	(121)		22,708,608
Difference between consideration and the carrying amount of subsidiaries' net assets											,		
during actual acquisitions or disposals	-	-	-	(444,384)	-	-	-	-	-	-	-	-	(444,384)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	-	136,699	-	-	-	-	-	-	-	-	136,699
Dividends from subsidiaries over claims extinguished by prescription	-	-	-	349	-	-	-	-	-	-	-	-	349
Basis adjustment for loss on hedging instruments	-	-	-	-	-	-	-	-	-	-	(129)	-	(129)
Compensation costs of treasury shares transferred to employees	-	-	-	4,808	-	-	-	-	-	-	-	-	4,808
Treasury shares transfer to employees	-	-	-	(1,397)	-	-	-	-	-	-	-	20,868	19,471
Buy-back of treasury shares	-	-	-	-	-	-	-	-	-	-	-	(171,600)	(171,600)
Disposals of investments in equity instruments at fair value through other comprehensive income	-	-	-	-		-	101,298	101,298	-	(101,298)		-	-
Convertible bonds converted to ordinary shares	29,005	-	688,542	1,410,428	-	-	-	-	-	-	-	-	2,127,975
Reversal of special reserve recognized from asset disposals	<u>-</u>	<u>-</u>	<u> </u>		<u> </u>	(9,202)	9,202		<u> </u>	<u>-</u>	<u> </u>	<u> </u>	
BALANCE AT DECEMBER 31, 2020	57,414,007	2,000,000	688,542	49,122,450	19,351,361	13,039,860	41,808,297	74,199,518	(9,523,576)	30,670,817	(250)	(499,691)	204,071,817
Appropriation of 2020 earnings					2 520 554		(2,520,554)						
Legal reserve Cash dividends distributed by the Corporation	-	-	-	-	2,530,554	-	(2,530,554) (20,594,434)	(20,594,434)	-	-	-	-	(20,594,434)
Preferred share dividends distributed by the Corporation	-	-	-	-	-	-	(350,000)	(350,000)	-	-	-	-	(350,000)
Net income for the year ended December 31, 2021	-	-	-	-	-	-	20,256,366	20,256,366	-	-	-	-	20,256,366
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	<u>-</u>		<u>-</u>		<u>-</u>		222,050	222,050	(6,545,319)	(2,652,028)	250	<u>-</u>	(8,975,047)
Total comprehensive income (loss) for the year ended December 31, 2021	<u>-</u>	<u> </u>	<u>-</u> _	<u> </u>	<u>-</u>	<u>-</u>	20,478,416	20,478,416	(6,545,319)	(2,652,028)	250	<u>-</u>	11,281,319
Difference between consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals				(22,400)			(732,293)	(732,293)					(754,693)
Changes in ownership interests of subsidiaries	-	_	_	(1,404)	-	_	(91,235)	(91,235)	_	_	-	-	(92,639)
Changes in capital surplus from investments in associates and joint ventures				(1,101)			()1,233)	()1,233)					()2,037)
accounted for using the equity method	-	-	-	9,304	-	-	-	-	-	-	-	-	9,304
Compensation costs of treasury shares transferred to employees	-	-	-	24,325	-	-	-	-	-	-	-	-	24,325
Treasury shares transfer to employees	-	-	-	(14,323)	-	-	-	-	-	-	-	107,348	93,025
Disposals of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	1,029,880	1,029,880	-	(1,029,880)	-	-	-
Convertible bonds converted to ordinary shares	3,838,333	-	(688,542)	6,301,695	-	-	-	-	-	-	-	-	9,451,486
Equity component of issuance of convertible bonds			<u>-</u>	1,337,823									1,337,823
BALANCE AT DECEMBER 31, 2021	<u>\$ 61,252,340</u>	<u>\$ 2,000,000</u>	<u>\$</u>	<u>\$ 56,757,470</u>	<u>\$ 21,881,915</u>	<u>\$ 13,039,860</u>	<u>\$ 39,018,077</u>	<u>\$ 73,939,852</u>	<u>\$ (16,068,895</u>)	<u>\$ 26,988,909</u>	<u>\$</u>	<u>\$ (392,343</u>)	<u>\$ 204,477,333</u>

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

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax from continuing operations	\$ 19,653,962	\$ 25,512,040
Profit (loss) before income tax from discontinued operations	1,073,939	(180,487)
Income before income tax	20,727,901	25,331,553
Adjustments for:		
Depreciation expense	989,349	927,476
A mortization expense	1	1
Net gain on fair value changes of financial assets and liabilities at		
fair value through profit or loss	(24,637)	(35,879)
Finance costs	1,351,009	1,508,446
Interest income	(36,258)	(74,136)
Dividend income	(418,689)	(348,138)
Share-based compensation	24,325	4,808
Share of profit of subsidiaries and associates	(17, 757, 136)	(24, 287, 862)
Loss (gain) on disposal of property, plant and equipment, net	11,670	(1,656)
Loss on disposal of investment properties	4,298	-
Gain on disposal of investments, net	(1,092,894)	-
Reversal of write-downs of inventory	(26,213)	-
Unrealized loss (gain) on foreign exchange, net	3,425	(7,914)
Changes in operating assets and liabilities:		
Notes receivable and accounts receivable	(381,956)	(189,192)
Notes receivable and accounts receivable from related parties	(141,088)	8,897
Inventories	(384, 580)	185,478
Other current assets	(65,073)	387,933
Net defined benefit asset	(3,724)	(6,438)
Accounts payable	389,241	(51,448)
Accounts payable to related parties	533,757	83,740
Other payables	116,511	(205,753)
Other current liabilities	74,965	1,710
Cash generated from operations	3,894,204	3,231,626
Income tax received (paid)	(228,906)	31,639
Net cash generated from operating activities	3,665,298	3,263,265
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(1,510,555)	(19,621)
Disposal of financial assets at fair value through other comprehensive	(1,510,555)	(1),021)
income	_	53,969
Purchase of financial assets at amortized cost	_	(5,078,712)
Disposal of financial assets at amortized cost	4,892,170	(3,070,712)
Net cash out flow on acquisition of subsidiaries	(17,628,894)	(966, 648)
Disposal of subsidiary	2,400,208	
Payments for property, plant and equipment	(3,368,582)	(3,044,906)
Proceeds from disposal of property, plant and equipment	12,128	21,304
······································	12,120	(Continued)

(Continued)

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
Increase in other non-current assets	\$ (194,235)	\$ (19,808)
Interest received	62,311	59,806
Dividends received	4,355,448	5,285,226
Net cash used in investing activities	(10,980,001)	(3,709,390)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	2,071,411	7,025,551
Increase in short-term bills payable	1,897,708	-
Issuance of bonds	38,567,539	19,960,000
Repayment of long-term loans	(4, 300, 000)	-
Increase in long-term bills payable	33,905,553	35,828,000
Decrease in long-term bills payable	(26, 914, 800)	(41, 656, 000)
Repayment of the principal portion of lease liabilities	(363,467)	(328,713)
Increase in other non-current liabilities	36,741	55,717
Cash dividends paid	(20, 944, 434)	(13, 994, 048)
Treasury shares transferred to employees	93,025	19,471
Payment for buy-back of treasury shares	-	(171,600)
Acquisitions of subsidiaries	(685,985)	-
Interest paid	(1,137,347)	(950,086)
Net cash generated from financing activities	22,225,944	5,788,292
NET INCREASE IN CASH AND CASH EQUIVALENTS	14,911,241	5,342,167
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE		
Y E A R	12,008,414	6,666,247
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 26,919,655</u>	<u>\$ 12,008,414</u>

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

Deloitte.



勤業常信聯合會計師事務所 11073 台北市信義區松仁路100號20樓

Deloitte & Touche 20F, Taipei Nan Shan Plaza No. 100, Songren Rd., Xinyi Dist., Taipei 11073, Taiwan

Tel :+886 (2) 2725-9988 Fax:+886 (2) 4051-6888 www.deloitte.com.tw

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders Taiwan Cement Corporation

Opinion

We have audited the accompanying consolidated financial statements of Taiwan Cement Corporation and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The description of the key audit matter of the Group's consolidated financial statements for the year ended December 31, 2021 is as follows:

Revenue Recognition of Cement Sales

The Group is mainly engaged in the production and sale of various cement and cement products. Revenue from the sale of cement fluctuates frequently due to changes in raw material prices, market supply and demand and the economic environment; in addition, related revenue is recognized at the point in time when the customer collects the cement and the performance obligations are satisfied. Therefore, the validity of revenue recognition of cement sales is considered a key audit matter for the year ended December 31, 2021. Our main audit procedures performed in respect of the aforesaid key audit matter include understanding and testing the design and operating effectiveness of the internal controls related to the revenue from cement sales, and random inspection of the contracts, factory orders and delivery documents from the sales details and testing the collection information of the samples before the end of the reporting period in order to verify the validity of revenue recognition of cement sales.

Other Matter

We have also audited the parent company only financial statements of Taiwan Cement Corporation as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Hui-Min Huang and Cheng-Hung Kuo.

Hui-Min Huang

Deloitte & Touche Taipei, Taiwan Republic of China

February 25, 2022

Cheng-Hung Kun

Notice to Readers

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

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

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021		2020	
ASSETS	Amount	%	Amount	%
CURRENT ASSETS Cash and cash equivalents (Notes 4 and 6)	\$ 91,121,942	21	\$ 51,433,522	13
Financial assets at fair value through profit or loss (Notes 4, 7 and 32)	363,813	-	353,986	-
Financial assets at fair value through other comprehensive income (Notes 4, 8, 32, 33 and 34)	6,38/,543	1	5,596,4/1	1
Financial assets at amortized cost (Notes 4, 6, 32 and 34)	15,508,688	4	15,/69,277	4
Notes receivable (Notes 4 and 9)	25,639,724	6	29,518,80/	4 8 3
Accounts recervable (Notes 4, 9 and 10) Notes and accounts recervable from related parties (Notes 4 and 33)	9,844,002 457,203	2	9,522,642 2/3,866	3
Other receivables (Notes 4 and 25)	1,499,322	-	1,0/3,289	_
Other receivables from related parties (Notes 4 and 33)	388,968	_	3,785	_
Inventories (Notes 4 and 12)	13,412,511	3	7,941,755	2
Prepayments	3,935,575	1	2,135,702	1
Other current assets	/94,144		686,069	
'L'ital a report	14172572 1725	20	1/2/1/2010-1/71	·21
Total current assets	169,353,435	<u> </u>	124,309,171	32
NONCURRENTASSEIS		-	,	
Financial assets at fair value through other comprehensive income (Notes 4, 8, 32, 33 and 34)	2/,835,864	6	31,903,28/	8
Financial assets at amortized cost (Notes 4, 6, 32 and 34)	15,468,80/	4	16,475,021 50,133,844	4
Investments accounted for using the equity method (Notes 4, 14 and 34) Property, plant and equipment (Notes 4, 15, 24 and 34)	46,781,575 98,196,032	$\frac{11}{77}$	92,108,972	13 24
Right-of-use assets (Notes 4, 16, 24 and 33)	14,992,784	$\frac{22}{3}$	13,451,125	4
Investment properties (Notes 4, 17, 24 and 34)	5,425,680	1	5,451,434	i
Intangible assets (Notes 4, 18 and 24)	2/,650,861	6	19,563,960	5
Prepayments for property, plant and equipment (Notes 15 and 33)	7,762,010	6 2 6	5,426,869	1
Long-term finance lease receivables (Notes 4 and 10)	24,334,423	6	26,9/5,117	1
Net defined benefit asset (Notes 4 and 22)	1,850,315	-	1,5/2,025	-
Other non-current assets (Notes 4, 25, 33 and 34)	2,032,773	<u> </u>	2,135,411	
Total non-current assets	2/2,331,124	<u> 62</u>	265,197,065	<u>_68</u>
IOIAL	<u>\$ 441,684,559</u>	100	<u>\$ 389,506,236</u>	100
LIABILITIES AND EQUITY				
CURRENTLIABILITIES				
Short-term loans (Notes 19, 30 and 34)	\$ 48,440,514	11	\$ 34,675,454	9
Short-term bills payable (Note 19)	6,769,046	2	6,247,029	2
Financial liabilities at fair value through profit or loss (Notes 4, 7 and 32)	213,062	-	-	-
Contract liabilities Notes and accounts payable (Note 33)	1,439,222	-	5,226,637	$\frac{1}{2}$
Other payables (Note 21)	10,023,071 10,238,196	2 2	6,137,904 10,661,629	23
Other payables to related parties (Note 33)	1,391,057	-	8,284	-
Current incorre tax habilities (Notes 4 and 25)	2,490,823	1	3,914,955	1
Lease habilities (Notes 4, 16 and 33)	407,652	-	315,451	-
Long-term bans - current portion (Notes 19, 30 and 34)	7,091,417	2	4,805,000	1
Other current habilities	183,908		111,365	
Total current liabilities	88,687,968	20	72,103,708	19
NONCURRENTLIABILITIES				
Bonds payable (Notes 4 and 20)	81,526,445	18	53,897,370	14
Long-term loans (Notes 19, 30 and 34)	16,695,836	4	24,998,481	6
Lease habilities (Notes 4 and 16)	3,261,791	1	1,978,361	1
Detenred income tax liabilities (Notes 4 and 25) Long-term bills payable (Note 19)	11,922,865	3	11,754,270	3
Net defined benefit liabilities (Notes 4 and 22)	12,680,086 143,201	3	4,991,327 72,845	-
Other non-current liabilities (Notes 14 and 15)	1,111,694		879,821	
lotal non-current liabilities	127,341,918	29	98,572,475	25

Total liabilities	216,029,886	49	170,676,183	44
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE CORFORATION (Notes 4, 23 and 29)				
Share capital	63,252,340	14	59,414,007	15
Certificate of entitlement to new shares from convertible bonds	-	-	688,542	-
Capital surplus	56,757,470	13	49,122,450	13
Retained earnings	73,939,852	17	74,199,518	19
Other equity	10,920,014	2	21,146,991	5
Tieasurýshares	(392,343)		(499,691)	
Equity attributable to shareholders of the Corporation	204,477,333	46	204,071,817	52
NONCONTROLLING INTERESTS (Notes 23 and 29)	21,177,340	5	14,758,236	4
Iotal equity	225,654,673	51	218,830,053	56
TOTAL	<u>\$ 441,684,559</u>	100	<u>\$ 389,506,236</u>	100

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 33)	\$ 107,041,452	100	\$ 105,911,223	100
OPERATING COSTS (Notes 4, 12, 24 and 33)	80,391,353	75	68,507,746	65
GROSS PROFIT	26,650,099	25	37,403,477	35
OPERATING EXPENSES (Notes 24 and 33)				
M arketing	709,024	1	710,030	-
General and administrative	5,797,048	6	5,056,237	5
Research and development	357,552			<u> </u>
Total operating expenses	6,863,624	7_	5,766,267	5_
INCOME FROM OPERATIONS	19,786,475	18_	31,637,210	30
NON-OPERATING INCOME AND EXPENSES				
Share of profit of associates and joint ventures				
(Notes 4 and 14)	4,149,749	4	3,200,243	3
Interest income (Note 24)	1,535,980	1	1,356,337	1
Dividend income (Note 4)	1,747,166	2	1,567,644	2
Other income (Note 24)	1,067,849	1	432,541	-
Net gain (loss) on disposal of property, plant and				
equipment	327,659	-	(100,296)	-
Finance costs (Notes 4 and 24)	(1,670,463)	(1)	(1,892,850)	(2)
Other expenses (Note 24)	(791,017)	(1)	(379,562)	-
Foreign exchange gains (losses), net	(87,583)	-	15,289	-
Net gain on financial assets and liabilities at fair				
value through profit or loss	19,025	-	32,170	-
Non-financial assets impairment loss (Note 15)	(6,756)		(49,643)	
Total non-operating income and expenses	6,291,609	6	4,181,873	4_
INCOME BEFORE INCOME TAX FROM				
CONTINUING OPERATIONS	26,078,084	24	35,819,083	34
INCOME TAX EXPENSE (Notes 4 and 25)	5,930,387	5_	7,344,231	7_
NET INCOME FROM CONTINUING OPERATIONS	20,147,697	19	28,474,852	27
PROFIT (LOSS) FROM DISCONTINUED				
OPERATIONS (Notes 11 and 28)	1,053,559	1	(483,459)	<u>(1</u>)
NET INCOME	21,201,256	20	<u>27,991,393</u> (Cor	<u>26</u> ntinued)
			(00)	

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021			2020		
		Amount	%	Amount	%	
OTHER COMPREHENSIVE INCOME (LOSS) (Note 4)						
Items that will not be reclassified subsequently to profit or loss:						
Remeasurement of defined benefit plan (Note 22) Unrealized loss on investments in equity instruments at fair value through other	\$	266,289	-	\$ 125,997	-	
comprehensive income (Note 23)		(2,810,397)	(3)	(4,703,206) (4)	
Gain on hedging instruments Share of other comprehensive income (loss) of		-	-	216	-	
associates and joint ventures (Note 23) Income tax expense related to items that will not be reclassified subsequently to profit or loss		177,820	-	(11,998) -	
(Note 25)		(53,780)		(25,212) <u> </u>	
		(2,420,068)	(3)	(4,614,203) <u>(4</u>)	
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translating foreign operations (Note 23) Share of other comprehensive loss of associates and joint ventures accounted for using the		(1,414,314)	(1)	2,219,191	2	
equity method (Note 23)		(5,231,751)	<u>(5</u>)	(100,486) <u> </u>	
		(6,646,065)	<u>(6</u>)	2,118,705	2	
Other comprehensive income (loss) for the year, net of income tax		(9,066,133)	(9)	(2,495,498) (2)	
TOTAL COMPREHENSIVE INCOME FOR THE						
Y E A R	<u>\$</u>	12,135,123	<u>11</u>	<u>\$ 25,495,895</u>	24	
NET INCOME ATTRIBUTABLE TO:						
Shareholders of the Corporation Non-controlling interests	\$	20,256,366 944,890	19 1	\$ 25,099,309 2,892,084	23	
		944,890		2,892,084		
	<u>\$</u>	21,201,256	20	<u>\$ 27,991,393</u>	26	
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Shareholders of the Corporation	\$	11,281,319	10	\$ 22,708,608	21	
Non-controlling interests		853,804	1	2,787,287	3	
	<u>\$</u>	12,135,123	<u>11</u>	<u>\$ 25,495,895</u> (C	24_ ontinued)	

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
EARNINGS PER SHARE (Note 26)				
From continuing and discontinued operations				
Basic earnings per share	<u>\$ 3.30</u>		<u>\$ 4.32</u>	
Diluted earnings per share	<u>\$ 3.27</u>		<u>\$ 4.09</u>	
From continuing operations				
Basic earnings per share	<u>\$ 3.12</u>		<u>\$ 4.35</u>	
Diluted earnings per share	<u>\$ 3.09</u>		<u>\$ 4.12</u>	

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Corporation										
		Share Capital	Certificate of Entitlement to New Shares from			Retained			Exchange Difference on Translating	Others Unrealized Gain/Loss on Financial Assets at Fair Value Through Other Comprehensive	Gain (loss) on Hedging
	Ordinary Shares	Preferred Shares	Convertible Bonds	Capital Surplus	Legal Reserve	Special Reserve	Earnings	Total	Foreign Operations	Income	Instruments
BALANCE AT JANUARY 1, 2020	\$ 54,656,192	\$ 2,000,000	\$ -	\$ 48,015,947	\$ 16,902,616	\$ 13,049,062	\$ 35,674,355	\$ 65,626,033	\$ (11,660,261)	\$ 35,395,116	\$ -
Appropriation of 2019 earnings											
Legal reserve Cash dividends distributed by the Corporation	-	-	-	-	2,448,745	-	(2,448,745) (13,644,048)	(13,644,048)	-	-	-
Preferred share dividends distributed by the Corporation Share dividends distributed by the Corporation	2,728,810	-	-	-	-	-	(350,000) (2,728,810)	(350,000) (2,728,810)	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Net income for the year ended December 31, 2020	-	-	-	-	-	-	25,099,309	25,099,309	-	-	-
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	<u>-</u>			<u>-</u>	<u>-</u>	<u>-</u>	95,736	95,736	2,136,685	(4,623,001)	(121)
Total comprehensive income (loss) for the year ended December 31, 2020	<u>-</u>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	25,195,045	25,195,045	2,136,685	(4,623,001)	(121)
Difference between consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	-	-	-	(444,384)	-	-	-	-	-	-	-
Changes in ownership interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	-	136,699	-	-	-	-	-	-	-
Dividends from subsidiaries over claims extinguished by prescription	-	-	-	349	-	-	-	-	-	-	-
Basis adjustment for loss on hedging instruments	-	-	-	-	-	-	-	-	-	-	(129)
Compensation costs of treasury shares transferred to employees	-	-	-	4,808	-	-	-	-	-	-	-
Treasury shares transfer to employees	-	-	-	(1,397)	-	-	-	-	-	-	-
Buy-back of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Disposals of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	101,298	101,298	-	(101,298)	-
Convertible bonds converted to ordinary shares	29,005	-	688,542	1,410,428	-	-	-	-	-	-	-
Reversal of special reserve recognized from asset disposals	<u> </u>	=		<u>-</u>		(9,202)	9,202		<u>-</u>		
BALANCE AT DECEMBER 31, 2020	57,414,007	2,000,000	688,542	49,122,450	19,351,361	13,039,860	41,808,297	74,199,518	(9,523,576)	30,670,817	(250)
Appropriation of 2020 earnings Legal reserve					2,530,554		(2,530,554)	-			
Cash dividends distributed by the Corporation	-	-	-	-	-	-	(20,594,434)	(20,594,434)	-	-	-
Preferred share dividends distributed by the Corporation	-	-	-	-	-	-	(350,000)	(350,000)	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Net income for the year ended December 31, 2021	-	-	-	-	-	-	20,256,366	20,256,366	-	-	-
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax				<u> </u>		<u>-</u>	222,050	222,050	(6,545,319)	(2,652,028)	250
Total comprehensive income (loss) for the year ended December 31, 2021	<u>-</u>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	20,478,416	20,478,416	(6,545,319)	(2,652,028)	250
Difference between consideration and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	-	-	-	(22,400)	-	-	(732,293)	(732,293)	-	-	-
Changes in ownership interests of subsidiaries	-	-	-	(1,404)	-	-	(91,235)	(91,235)	-	-	-
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	-	9,304	-	-	-	-	-	-	-
Compensation costs of treasury shares transferred to employees	-	-	-	24,325	-	-	-	-	-	-	-
Treasury shares transfer to employees	-	-	-	(14,323)	-	-	-	-	-	-	-
Disposals of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	1,029,880	1,029,880	-	(1,029,880)	-
Convertible bonds converted to ordinary shares	3,838,333	-	(688,542)	6,301,695	-	-	-	-	-	-	-
Equity component of issuance of convertible bonds		<u> </u>		1,337,823		_					
BALANCE AT DECEMBER 31, 2021	<u>\$ 61,252,340</u>	<u>\$ 2,000,000</u>	<u>\$</u>	<u>\$ 56,757,470</u>	<u>\$ 21,881,915</u>	<u>\$ 13,039,860</u>	<u>\$ 39,018,077</u>	<u>\$ 73,939,852</u>	<u>\$ (16,068,895</u>)	<u>\$ 26,988,909</u>	<u>\$</u>

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

Trea	sury Shares	Total	Non-controlling Interests	Total Equity
\$	(348,959)	\$ 193,684,068	\$ 14,777,799	\$ 208,461,867
	-	(13,644,048)	-	(13,644,048)
	-	(350,000)	-	(350,000)
	-	-	(2,485,089)	(2,485,089)
	-	25,099,309	2,892,084	27,991,393
	<u> </u>	(2,390,701)	(104,797)	(2,495,498)
		22,708,608	2,787,287	25,495,895
	-	(444,384)	(295,506)	(739,890)
	-	-	(26,225)	(26,225)
	-	136,699	-	136,699
		349	57	406
	-		57	406
	-	(129)	(87)	(216)
	-	4,808	-	4,808
	20,868	19,471	-	19,471
	(171,600)	(171,600)	-	(171,600)
	-	-	-	-
	-	2,127,975	-	2,127,975
	(499,691)	204,071,817	14,758,236	218,830,053
	-	(20,594,434)	-	(20,594,434)
	-	(350,000)	-	(350,000)
	-	-	(2,069,608)	(2,069,608)
	-	20,256,366	944,890	21,201,256
	<u> </u>	(8,975,047)	(91,086)	(9,066,133)
	-	11,281,319	853,804	12,135,123
	-	(754,693)	6,182,760	5,428,067
	-	(92,639)	1,452,148	1,359,509
		0.204		0.204
	-	9,304	-	9,304
	-	24,325	-	24,325
	107,348	93,025	-	93,025
	-	-	-	-
	-	9,451,486	-	9,451,486
		1,337,823		1,337,823
\$	(392,343)	<u>\$ 204,477,333</u>	<u>\$ 21,177,340</u>	<u>\$ 225,654,673</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
ASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax from continuing operations	\$ 26,078,084	\$ 35,819,083
Profit (loss) before income tax from discontinued operations	1,051,097	(465,777)
Income before income tax	27,129,181	35,353,306
Adjustments for:		
Depreciation expense	6,603,392	6,844,158
A mortization expense	460,289	420,925
Net gain on fair value changes of financial assets and liabilities at		
fair value through profit or loss	(19,025)	(32,170)
Finance costs	1,732,162	1,986,208
Interest income	(1,539,799)	(1,363,489)
Dividend income	(1,747,166)	(1,567,644)
Share-based compensation	24,325	4,808
Share of profit of associates and joint ventures	(4, 149, 749)	(3,200,243)
Loss (gain) on disposal of property, plant and equipment, net	(327,659)	101,742
Loss on disposal of investment properties	4,298	-
Loss on disposal of intangible assets	46	-
Gain on disposal of investments, net	(755, 170)	-
Non-financial asset impairment loss	6,756	101,299
Reversal of write-downs of inventories	(11, 949)	(72,989)
Unrealized loss (gain) on foreign exchange, net	51,499	(135,851)
Gain on lease modification	-	5,939
Changes in operating assets and liabilities:		
Financial assets mandatorily classified as at fair value through profit		
or loss	-	175,844
Notes receivable	3,688,015	2,284,125
Accounts receivable	(1,842,995)	(679,413)
Notes and accounts receivable from related parties	(244,940)	21,721
Other receivables	(833,954)	(50, 258)
Other receivables from related parties	(3,668)	385,021
Inventories	(4,996,513)	320,090
Prepayments	(1,735,035)	(418,327)
Other current assets	(31,241)	(186,551)
Contract liabilities	(387,900)	137,727
Notes and accounts payable	3,785,009	(1,308,160)
Other payables	(194,313)	258,701
Other payables to related parties	1,843,557	(389,063)
Other current liabilities	(312,001)	76,969
Net defined benefit liabilities	285,985	(36,242
Cash generated from operations	26,481,437	39,038,183
Income tax paid	(7,509,067)	(7,758,907
Net cash generated from operating activities	18,972,370	31,279,276
		(Continued)

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive		
income	\$ (1,510,555)	\$ (34,101)
Disposal of financial assets at fair value through other comprehensive		
income	2,182,067	1,057,782
Purchase of financial assets at amortized cost	-	(26, 198, 078)
Disposal of financial assets at amortized cost	969,204	-
Acquisition of long-term equity investments accounted for using the		
equity method	(762, 498)	(233, 942)
Acquisition of subsidiaries	(1, 645, 144)	-
Disposal of subsidiary	(126,538)	-
Payments for property, plant and equipment	(16, 552, 788)	(9, 572, 441)
Proceeds from disposal of property, plant and equipment	173,692	64,452
Payments for intangible assets	(2, 178, 073)	(46,651)
Payments for right-of-use assets	(669, 869)	(1,085,531)
Payments for investment properties	(3,334)	-
Decrease in finance lease receivables	1,782,651	2,278,219
Decrease (increase) in other non-current assets	(71,547)	181,983
Interest received	1,973,325	1,174,062
Dividends received	3,148,657	2,466,331
Net cash used in investing activities	(13,290,750)	(29,947,915)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	17,043,656	4,533,158
Increase in short-term bills payable	522,017	371,631
Issuance of bonds	38,567,539	19,960,000
Increase in long-term loans	8,934,525	4,351,860
Repayments of long-term loans	(13,301,379)	(6,533,621)
Increase in long-term bills payable	34,700,000	35,828,000
Decrease in long-term bills payable	(27,000,000)	(42,656,000)
Repayment of the principal portion of lease liabilities	(399, 972)	(417,687)
Increase (decrease) in other non-current liabilities	(129,667)	48,249
Cash dividends paid	(23,014,042)	(16,479,137)
Issuance of subsidiary's ordinary shares for cash	1,392,274	-
Treasury shares transferred to employees	93,025	19,471
Payment for buy-back of treasury shares	-	(171,600)
Acquisitions of subsidiaries	(957,841)	(739,890)
Interest paid	(2,054,380)	(1,896,447)
Payments for buy-back of ordinary shares	(900)	
Net cash generated from (used in) financing activities	34,394,855	(3,782,013)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH		
EQUIVALENTS	(388,055)	311,554
		(Continued)

33

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 39,688,420	\$ (2,139,098)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	51,433,522	53,572,620
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 91,121,942</u>	\$ 51,433,522

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

Annex 1: 2021 Earnings Distribution Proposal

TAIWAN CEMENT CORPORATION 2021 Earnings Distribution Proposal

	Unite: NT\$
Unappropriated retained earnings for previous years	18,333,309,248
Plus: Net profit for 2021	20,256,366,275
disposals of investments in equity instruments measured at FVOCI	1,029,880,170
remeasurement of defined benefit plan recognized in the retained earnings	222,050,116
Less: The adjustment of investments accounted for using the equity method recognized in retained earnings	(823,528,260)
Adjusted unappropriated retained earnings after net profit plus other items calculated into	20,684,768,301
Less: 10% legal reserve	(2,068,476,830)
Earnings available for distribution for 2021	36,949,600,719
Less: Distribution Items	
Preferred share dividends (NT\$ 1.75 /per share)	(350,000,000)
Common share dividends—Cash (approx. NT\$1.0 /per share)	(6,116,173,402)
Common share dividends—Share (approx. NT\$1.0/per share)	(6,116,173,400)
Unappropriated retained earnings	24,367,253,917

Note 1 : The dividends 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 : The Chairperson of the Board of Directors is authorized with full power and authority to adjust distribution percentage if the number of outstanding shares is affected by overseas unsecured convertible bonds converted to ordinary shares and the Company's transfer or cancellation of treasury stocks.
- Note 3 : The amount of cash dividends distributed to each shareholder shall be rounded down to and integer of New Taiwan Dollar.
- Note 4 : According to an interpretation issued by the Ministry of Finance dated April 30, 1998, (Ref. No. Tai-Chai-Sui-Zi-871941343), the distribution of profits shall be separately identified, and the most recent year's profits shall be distributed with priority in the current year.
- Note 5 : The Company has 200,000,000 shares of preferred shares issued and outstanding as of December 13, 2018. The aggregate cash dividends to be distributed for the preferred shares are NT\$350,000,000 calculated based on the issue price of NT\$50 with a yield of 3.50% per annum.

Chairperson of the Board of Directors: Chang, An-Ping President: Li, Chung-Pei Accounting Supervisor: Yeh, Guo-Hung
Annex 2: Description of Proposed Offering of GDSs by Issuing Common Shares for Cash.

- 1. The fund-raising manners and principles for the offering GDSs by issuance of common shares are as follow:
 - (1) Except that 10% to 15% of the newly issued common shares shall be reserved for subscription by employees of this Company in accordance with Article 267 of the Company Act, the remaining part of the newly issued shares shall be offered to the public pursuant to Article 28-1 of the Securities and Exchange Act as underlying securities of the GDSs with the approval at the shareholders' meeting where original shareholders waive their pre-emptive right to subscribe the newly issued shares. In case any employees waive their rights to subscribe or any shares remain unsubscribed, it is further proposed that shareholders at the shareholders' meeting resolve to authorize the chairperson of the board of directors (the "Chairperson") to allot the remaining shares for subscription by designated person(s) at the issue price, or, based on market condition, to allot the remaining shares as the underlying shares of the GDSs.
 - (2) The actual issue price of the commons shares represented by GDSs will be determined based on the Disciplinary Rules for Securities Underwriters Assisting Issuing Company in the Offering and Issuance of Securities (the "Disciplinary Rules"), which will not be lower than 90% of the closing price of the Company's common shares on the pricing day, or the simple arithmetic average of the closing prices of the common shares for one, three or five business days prior to the pricing date, after deducting bonus shares from dividends (or capital reduction) and cash dividends (in case of any change to the relevant laws or regulations, the pricing mechanism may be changed in line with any changes to such laws or regulations).

In view of severe fluctuations in domestic share prices and frequent shortterm price swings, it is proposed to authorize the Chairperson or his/her designated person to coordinate with the lead underwriter(s) to determine the actual issuance price according to the range of aforementioned pricing principle by reference to the international practice, international capital market conditions and book-building status within the aforementioned scope. The pricing mechanism is set in accordance with the Disciplinary Rules and relevant regulations and general market practice, and thus it shall be deemed reasonable.

(3) The par value of the newly issued common shares will be NT\$10.00 per share. The rights and obligations of the new shares are the same as those

of the existing outstanding shares. In respect of the rights and interests of the original shareholders, assuming that the maximum 420,000,000 new common shares are to be issued to sponsor the GDSs offering, the maximum dilution ratio of their shareholding would be 5.9%, which shall not be deemed material shareholding dilution. In addition, the Company's competitiveness will be enhanced to benefit the shareholders after the benefit of this capital increase emerges. Furthermore, the pricing of the GDSs will be determined by relevant regulations, and the original shareholders may acquire common shares in domestic securities market at a price close to the issue price at this GDSs offering without bearing the foreign exchange risk and liquidity risk. Therefore, the offering of GDSs will not have a material impact on the shareholders' rights and interests.

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

TAIWAN CEMENT CORPORATION Articles of Incorporation Comparison Table for the Amended Provisions

Proposed Amendments	Existing Provisions	Remarks
Article 5	Article 5	Increased the total
The Corporation's total capital is	The Corporation's total capital is	capital amount in
established at NT\$85 billion, which has	established at NT\$70 billion, which	order to meet the
been divided into 8.5 billion shares.	has been divided into 7 billion shares.	Corporation's
Each share is NT\$10, and shares are	Each share is NT\$10, and shares are	operation needs.
issued in installments; part of the	issued in installments; part of the	_
shares may be preferred shares.	shares may be preferred shares.	
The Corporation may issue employee	The Corporation may issue employee	
stock options to the employees of the	stock options to the employees of the	
Corporation or its domestic or foreign	Corporation or its domestic or foreign	
subsidiaries. 60 million shares out of	subsidiaries. 60 million shares out of	
the aforementioned total share capital	the aforementioned total share capital	
shall be reserved for the issuance of	shall be reserved for the issuance of	
employee stock options, which may be	employee stock options, which may	
issued in installments by the	be issued in installments by the	
resolutions of the board of directors.	resolutions of the board of directors.	
The board of directors is authorized to	The board of directors is authorized to	
buy back the employee stock options of	buy back the employee stock options	
the Corporation in accordance with law	of the Corporation in accordance with	
when it is legally permitted to do so.	law when it is legally permitted to do	
	so.	
Article 10	Article 10	Amended in
The Corporation's Shareholders'	The Corporation's Shareholders'	compliance with
meeting shall be divided into two	meeting shall be divided into two	the amendment of
kinds: Annual General meeting of	kinds: Annual General meeting of	the Company Act
shareholders and Extraordinary	shareholders and Extraordinary	and to enhance
General meeting of shareholders.	General meeting of shareholders.	corporate
Annual General meeting of	Annual General meeting of	governance.
shareholders will be held once every	shareholders will be held once every	
year within six months after close of	year within six months after close of	
each fiscal year, while the Extraordinary General meeting of	each fiscal year, while the Extraordinary General meeting of	
shareholders will be held when	shareholders will be held when	
necessary.	necessary.	
Unless otherwise provided for in the	Unless otherwise provided for in the	
Company Act, the Shareholders'	Company Act, the Shareholders'	
Meetings in the preceding paragraph	Meetings in the preceding paragraph	
shall be convened by the board of	shall be convened by the board of	
directors.	directors.	
Meeting of the preferred shareholders	Meeting of the preferred shareholders	
can be convened in accordance with	can be convened in accordance with	

applicable laws and regulations when necessary. <u>The Corporation's Shareholders'</u> <u>meeting may be held by video</u> <u>conference or other methods</u> <u>announced by central competent</u> <u>authorities.</u>	applicable laws and regulations when necessary.	
Article 26 When the Corporation makes the final accounting to obtain a net income, after all taxes and dues have been paid and losses have been covered and at the time of allocating surplus profits, it shall first set aside 10% of such profits as a legal reserve; provided that no legal reserve may be set aside when such legal reserve has reached the Corporation's total paid-in capital. If necessary, it may set aside or reverse a special reserve or retain surplus earnings with discretion in accordance with the relevant laws from the balance plus undistributed earnings. After that, it may distribute preferred stock dividends in accordance with Article 5- 1 of the Articles, and after that it may distribute common stock dividends from the balance, and the board of directors shall draw up a surplus earnings distribution proposal containing the distribution ratio calculated in accordance with the dividends policies under Paragraph 2 of this Article to be resolved by the Annual General Shareholders' Meeting. When the Corporation sets aside special reserve according to applicable laws, for the insufficient amount set aside for the "cumulative amount of other equity net deductions in the preceding period",	Article 26 When the Corporation makes the final accounting to obtain a net income, after all taxes and dues have been paid and losses have been covered and at the time of allocating surplus profits, it shall first set aside 10% of such profits as a legal reserve; provided that no legal reserve may be set aside when such legal reserve has reached the Corporation's total paid-in capital. If necessary, it may set aside or reverse a special reserve or retain surplus earnings with discretion in accordance with the relevant laws from the balance plus undistributed earnings. After that, it may distribute preferred stock dividends in accordance with Article 5-1 of the Articles, and after that it may distribute common stock dividends from the balance, and the board of directors shall draw up a surplus earnings distribution proposal containing the distribution ratio calculated in accordance with the dividends policies under Paragraph 2 of this Article to be resolved by the Annual General Shareholders' Meeting. The Corporation not only engages in manufacturing and marketing of cement and cement products that are capital intensive and more mature and steady, it also endeavors to diversify its business. For the purpose of	Amended the provisions of setting aside special reserve in compliance with FSC Letter No. Financial- Supervisory- Securities- Corporate- 1090150022

before distributing surplus profits, the Corporation shall set aside corresponding amount of special reserve from the past undistributed retained earnings; and if the amount still remains insufficient, the Corporation shall further set aside the special reserve from the current undistributed retained earnings, which should include the current net income after all taxes and items other than the current net income after all taxes.The Corporation not only engages in manufacturing and marketing of cement and cement products that are capital intensive and more mature and steady, it also endeavors to diversify its business. For the purpose of accommodating to demands for diverse development and investment or planning of major capital budgets, the ratio of dividends paid in cash is set at 20% or more of common stock dividends, while the balance shall be distributed by means of stock dividends.	accommodating to demands for diverse development and investment or planning of major capital budgets, the ratio of dividends paid in cash is set at 20% or more of common stock dividends, while the balance shall be distributed by means of stock dividends.	
Article 31 These Articles of Incorporation were established on November 1, 1950. The 1st amendment was made on September 30, 1951, (omitted), <u>and</u> <u>the 56th amendment was made on</u> <u>May 26, 2022.</u>	Article 31 These Articles of Incorporation were established on November 1, 1950. The 1st amendment was made on September 30, 1951, (omitted), and the 55 th amendment was made on June 9, 2020.	Added the date when the 56 th amendment was made.

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

TAIWAN CEMENT CORPORATION Procedures for the Acquisition and Disposal of Assets Comparison Table for the Amended Provisions

Proposed Amendment	Existing Provisions	Remarks	
Article 4 Assessment and	Article 4 Assessment and	1. Amended in	
Operation Procedures for the	Operation Procedures for the	compliance	
Acquisition and Disposal of Assets	-	with FSC	
1. Investment and Disposal of	1. Investment and Disposal of	Letter No.	
Securities	Securities	Financial-	
A. The general manager or the	A. The general manager or the	Supervisory-	
supervising vice general	supervising vice general	Securities-	
manager is authorized to	manager is authorized to	Corporate-	
approve any investment or	approve any investment or	1110380465.	
disposal of securities	disposal of securities	2. Part of	
classified as current assets on	classified as current assets on	existing	
the financial statements as	the financial statements as	Subparagraph	
well as any investment or	well as any investment or	B, Paragraph	
disposal reaching the value of	disposal reaching the value of	9 was moved	
NT\$50 million or less of	NT\$50 million or less of	to	
securities and classified as	securities and classified as	subparagraph	
non-current assets on the	non-current assets on the	C.	
financial statements; the	financial statements; the	3. Part of	
Chairperson of the board of	Chairperson of the board of	existing	
directors is authorized to	directors is authorized to	Subparagraph	
approve any investment or	approve any investment or	C, Paragraph	
disposal of securities reaching	-	9 was moved	
the value of NT\$100 million	the value of NT\$100 million	to	
or less of securities and	or less of securities and	Subparagraph	
classified as non-current	classified as non-current	B, and new	
assets on the financial	assets on the financial	provision	
statements; any investment or	statements; any investment or	was added.	
disposal of securities	disposal of securities		
exceeding the above-	exceeding the above-		
mentioned thresholds shall be	mentioned thresholds shall be		
submitted to the board of	submitted to the board of		
directors for resolution.	directors for resolution.		
B. In acquiring or disposing of	B. In acquiring or disposing of		
securities, the Company shall,	securities, the Company shall,		
prior to the date of occurrence	-		
of the event, obtain financial	of the event, obtain financial		
statements of the issuing	statements of the issuing		
company for the most recent	company for the most recent		
period, certified or reviewed	period, certified or reviewed		
by a certified public	by a certified public		
accountant (CPA), for	accountant (CPA), for		
reference in appraising the	reference in appraising the		
transaction price, and if the	transaction price, and if the		

monetary amount of the transaction reaches 20 percent or more of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price; however, this requirement does not apply if such securities have a publicly quoted prices of securities from an active market, or if otherwise provided by the regulations of the Financial Supervisory Commission (FSC).

- 2. Acquisition or disposal of real estate, equipment or right-of-use assets:
- 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, or right-of-use assets thereof where the transaction amount reaches 20 percent or more of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or

monetary amount of the transaction reaches 20 percent or more of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to adopt a report of an expert as evidence, the CPA shall do so in accordance with the provisions of the Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation (ARDF). However, this requirement does not apply if such securities have a publicly quoted prices of securities from an active market, or if otherwise provided by the regulations of the Financial Supervisory Commission (FSC). Acquisition or disposal of real estate, equipment or right-ofuse assets: Procedures relating to the preparation of the budget, purchase request, purchase,

- 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, or right-of-use assets thereof where the transaction amount reaches 20 percent or more of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build

2.

A.

right-of-use assets thereof 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 occurrence of the event from a professional appraiser and shall further comply with the following provisions: Where due to special

a.

b.

c.

- 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 any subsequent change to the terms and conditions of the transaction.
- b. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- Where any one of the c. following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a CPA shall be engaged to issue a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: i. The discrepancy between the
- 1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.

on rented land, or acquiring or disposing of equipment or right-of-use assets thereof 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 occurrence of the event from a professional appraiser and shall further comply with the following provisions: 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 any subsequent change to the terms and conditions of the transaction. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a CPA shall be engaged to **perform the** appraisal in accordance with the provisions of the Statement of Auditing Standards No. 20 published by the ARDF and issue a specific opinion regarding the reason for the discrepancy and

ii.	The discrepancy between the		the appropriateness of the	
	appraisal results of two or		transaction price:	
	more professional appraisers	i.	The discrepancy between	
	is 10 percent or more of the		the appraisal result and the	
	transaction amount.		transaction amount is 20	
d.	No more than 3 months may		percent or more of the	
	elapse between the date of the		transaction amount.	
	appraisal report issued by a	ii.	The discrepancy between	
	professional appraiser and the		the appraisal results of two or	
	contract execution date;		more professional appraisers	
	provided, where the publicly		is 10 percent or more of the	
	announced current value for		transaction amount.	
	the same period is used and	d.	No more than 3 months may	
	not more than 6 months have		elapse between the date of the	
	elapsed, an opinion may still		appraisal report issued by a	
	be issued by the original		professional appraiser and the	
	professional appraiser.		contract execution date;	
	In case of not obtaining the		provided, where the publicly	
	appraisal report immediately		announced current value for	
	with the justifiable reasons,		the same period is used and	
	the Company shall obtain the		not more than 6 months have	
	appraisal report within 2		elapsed, an opinion may still	
	weeks counting inclusively		be issued by the original	
	from the date of occurrence of		professional appraiser.	
	the event <u>, and obtain</u> a CPA's		In case of not obtaining the	
	opinion in Subparagraph 3 of		appraisal report immediately	
	the preceding paragraph_		with the justifiable reasons,	
	within 2 weeks counting		the Company shall obtain the	
	inclusively from the date of		appraisal report <u>and</u> a CPA's	
	<u>obtaining of said appraisal</u>		opinion in Subparagraph 3 of	
	<u>report.</u>		the preceding paragraph	
			within 2 weeks counting	
			inclusively from the date of	
			occurrence of the event.	
		3.	Acquisition and Disposal of	
		5.	membership, intangible assets	
3.	Acquisition and Disposal of		or the right-of-use thereof and	
	membership, intangible assets		other material assets:	
	or the right-of-use thereof and		The general manager is	
	other material assets:		authorized to approve any	
	The general manager is		acquisition or disposal of	
	authorized to approve any		membership, intangible assets	
	acquisition or disposal of		or the right-of-use thereof and	
	membership, intangible assets		other material assets reaching	
	or the right-of-use thereof and		the value of NT\$50 million or	
	other material assets reaching		less; the Chairperson of the	
	the value of NT\$50 million or		board of directors is	
	less; the Chairperson of the		authorized to approve such	
	board of directors is		acquisition or disposal	
	authorized to approve such		reaching the value of NT\$100	
	acquisition or disposal		million or less; any acquisition	

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 domestic government agency, the Company shall engage a CPA prior to the date of occurrence of the event to issue an opinion on the reasonableness of the transaction price.

- 4~5. (Omitted)
- 6. Related Party Transactions:
- A. (Omitted)
- Β. Where of the types transactions listed below are conducted between the Company and its subsidiaries, or between its subsidiaries whose issued shares or authorized capitals are 100 percent owned, directly or indirectly, by the Company, the Company's board of directors authorize may, the Chairperson of the board of directors to decide such matters when the transaction is within 1 percent of its paid-in capital and have the decisions subsequently submitted to the board of directors for ratification in the upcoming meeting • a. Acquisition or disposal of equipment or right
 - of equipment or rightof-use assets thereof held for business use. b. Acquisition or disposal
 - b. Acquisition or disposal of real property right-

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 domestic government agency, the Company shall engage a CPA prior to the date of occurrence of the event to issue an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of the Statement of Auditing Standards No. 20 published by the ARDF.

4~5. (Omitted)

- 6. Related Party Transactions: A. (Omitted)
 - 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 the term "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 this Procedures need not be counted toward the transaction amount. Where the types of transactions listed below are conducted between the Company and its subsidiaries, or between its subsidiaries whose issued shares or authorized capitals are 100 percent owned, directly or indirectly, by the Company,

of-use assets held for business use. 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. C. If the Company or any of its subsidiaries that is not a domestic public company engages in the transaction

prescribed in Subparagraph

A, and the amount of such

transaction exceeds 10

percent or above of the

the Company's board of directors may, **pursuant to** Subparagraph A, Paragraph 1 of Article 4. authorize the Chairperson of the board of directors to decide such matters when the transaction is within **a** certain amount and have the decisions subsequently submitted to the board of directors for ratification in the upcoming meeting. a. Acquisition or disposal of equipment or rightof-use assets thereof held for business use. b. Acquisition or disposal of real property rightof-use assets held for business use. 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

Company's total assets, the	still be implemented if	
Company shall submit the	approved by two-thirds of	
documents which are listed	all directors or more,	
in respective items of	provided that the resolution	
Paragraph A to the	of the audit committee shall	
shareholders' meeting and	be recorded in the minutes	
be approved thereby before	of the board of directors.	
entering into the transaction	The terms "all members of	
agreements and making the	the audit committee" and	
payment. However, the	"all directors" referred to in	
transactions between the	this Paragraph shall be	
Company and its	counted as the actual	
<u>subsidiaries, or the</u> transactions between the	number of persons currently holding those positions.	
	notanig mose positions.	
<u>subsidiaries are exempted.</u>		
The calculation of transaction		
amounts referred to in		
Subparagraph A and this		
Subparagraph A and this Subparagraph shall be		
handled in accordance with		
paragraph 2 of Article 5		
herein, and said "within one		
year" as used herein refers to a		
year calculated retrospectively		
based on the date of		
occurrence of the current		
transaction. The part of		
transaction which has been		
submitted and ratified by the		
audit committee, the board of		
directors and the		
shareholders' meeting in		
accordance with the		
Procedures need not be further		
counted toward the transaction		
amount.		
<u>amount.</u>		
D~H. (Omitted)		
7.~8. (Omitted)		
/· · · (Onnuou)		
9. Professional appraisers,		
CPAs, attorneys, and		
securities underwriters that		
provide the Company with		
appraisal reports, CPA's	D~H. (Omitted)	
opinions, attorney's opinions,		
or underwriter's opinions shall	7.~8. (Omitted)	
meet the following	7. 0. (Ommud)	
requirements:	9. Professional appraisers, CPAs,	
requirements.	attorneys, and securities	
	, -,	l

A.	May not have previously		underwriters that provide the	
	received a final and		Company with appraisal	
	unappealable sentence to		reports, CPA's opinions,	
	imprisonment for 1 year or		attorney's opinions, or	
	longer for a violation of the		underwriter's opinions shall	
	Securities and Exchange Act,		meet the following	
	the Company Act, the		requirements:	
	Banking Act of The Republic	A.	May not have previously	
	of China, the Insurance Act,	Π.	received a final and	
	the Financial Holding		unappealable sentence to	
	Company Act, or the Business		imprisonment for 1 year or	
	Entity Accounting Act, or for		longer for a violation of the	
			-	
	fraud, breach of trust,		Securities and Exchange Act,	
	embezzlement, forgery of		the Company Act, the	
	documents, or occupational		Banking Act of The Republic	
	crime. However, this		of China, the Insurance Act,	
	provision does not apply if 3		the Financial Holding	
	years have already passed		Company Act, or the Business	
	since completion of service of		Entity Accounting Act, or for	
	the sentence, since expiration		fraud, breach of trust,	
	of the period of a suspended		embezzlement, forgery of	
	sentence, or since a pardon		documents, or occupational	
п	was received.		crime. However, this	
В.	May not be a related party or		provision does not apply if 3	
	de facto related party of any		years have already passed	
C	party to the transaction.		since completion of service of	
C.	If the Company is required to		the sentence, since expiration	
	obtain appraisal reports from		of the period of a suspended	
	two or more professional		sentence, or since a pardon was received.	
	appraisers, the different	D		
	professional appraisers or	В.	May not be a related party or de facto related party of any	
	appraisal officers may not be related parties or de facto		party to the transaction.	
	related parties of each other.	C.	If the Company is required to	
	When issuing an appraisal	C.	obtain appraisal reports from	
	report or opinion, the		two or more professional	
	personnel referred to in the		appraisers, the different	
	preceding Paragraph shall		professional appraisers or	
	comply with <u>the self-</u>		appraisal officers may not be	
	regulatory rules of the		related parties or de facto	
	respective industry		related parties of each other.	
	associations and the		When issuing an appraisal	
	following:		report or opinion, the	
A.	Prior to accepting a case, they		personnel referred to in the	
	shall prudently assess their		preceding Paragraph shall	
	own professional capabilities,		comply with the following:	
	practical experience, and	A.	Prior to accepting a case, they	
	independence.		shall prudently assess their	
B.	When executing a case, they		own professional capabilities,	
	shall appropriately plan and		practical experience, and	
	execute adequate working		independence.	
	procedures, in order to			

G. Where an asset transaction	G. Where an asset transaction	
other than any of those	other than any of those	
referred to in the preceding six	referred to in the preceding six	
Subparagraphs, or an	Subparagraphs, or an	
investment in the mainland	investment in the mainland	
China area reaches 20 percent	China area reaches 20 percent	
or more of paid-in capital or	or more of paid-in capital or	
NT\$300 million or more;	NT\$300 million or more;	
provided that the foregoing	provided that the foregoing	
requirements shall not apply	requirements shall not apply	
to the following	to the following	
circumstances:	circumstances:	
a. Trading of domestic	a. Trading of domestic	
government bonds <u>or</u>	government bonds.	
foreign government	b. Where done by	
bonds with credit	professional investors—	
rating not lower than	securities trading on	
sovereign rating of	securities exchanges or	
Taiwan.	OTC markets, or	
b. Where done by	subscription of ordinary	
professional investors—	corporate bonds or	
securities trading on	general bank debentures	
securities exchanges or	without equity	
OTC markets, or	characteristics	
subscription of <u>foreign</u>	(excluding subordinated	
<u>corporate bonds or</u>	debt) that are offered	
ordinary corporate	and issued in the	
bonds or general bank	primary market, or	
debentures without	subscription or	
equity characteristics	redemption of securities	
(excluding subordinated	investment trust funds	
debt) that are offered	or futures trust funds, or	
and issued in the	subscription by a	
	subscription by a securities firm of	
primary market, or	securities as	
subscription or redemption of securities	necessitated by its	
investment trust funds	undertaking business or	
or futures trust funds, <u>or</u>	as an advisory	
subscription or	recommending	
redemption of	securities firm for an	
exchange traded notes	emerging stock	
(ETNs), or subscription	00	
by a securities firm of	company, in accordance with the rules of the	
securities as		
necessitated by its	Taipei Exchange	
undertaking business or	c. Trading of bonds under repurchase and resale	
-	-	
as an advisory	agreements, or subscription or	
recommending securities firm for an	subscription or	
	redemption of money	
emerging stock	market funds issued by	
company, in accordance	domestic securities	

с.	with the rules of the Taipei Exchange. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.	investment trust enterprises. (Omitted)	
(Omitted)			