

TCC Group Holdings CO., LTD.
Minutes Of 2024 Annual General Shareholders' Meeting
(Translation)

Time and date: 9:00 A.M., Tuesday, May 21, 2024

Place: Cement Hall, 3F, No. 113, Sec. 2, Chung Shan N. Road, Taipei, Taiwan, R.O.C.

Meeting type:

Physical shareholders meeting. The process of the shareholders' meeting is available via live streaming.

Total outstanding shares of the Company:

7,551,181,742 shares (deducting nonvoting stock 20,000,000 shares)

Total shares represented by shareholders present in person or by proxy:

5,520,700,961 shares

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

73.30%

Present Directors:

An-Ping Chang, Kenneth C.M. Lo, Jason Kang-Lung Chang, Chi-Chia Hsieh, Kung-Yi Koo, Chien Wen, Yu-Cheng Chiao (Independent Director), Victor Wang (Chair of Audit Committee & Independent Director), Lynette Ling-Tai Chou (Independent Director), Sherry S. L. Lin (Independent Director)

Present Directors (Video participation):

Chi-Te Chen, Mei-Hwa Lin (Independent Director)

Attendance:

Min-Chiang Chen, Attorneys-at-Law, Lee and Li
Ya-Ling Wong, CPA, Deloitte Taiwan

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

Recorder: Kuo-Yu Tsai

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 2023 profits.**

Notes:

1. According to Article 25 of the Company's Article of Incorporation, if the Company has a surplus, it shall (i) set aside 0.01-3% for employees' compensation; and (ii) set aside no more than 1% as directors' compensation.
2. This proposal was approved by the 30th meeting of the 24th term Board of Directors. For 2023, the Company distributed NT\$73,954,817 in cash as employees' compensation and NT\$88,018,454 in cash as directors' compensation.

(II) 2023 Business Report (see Appendix I)**(III) Audit Committee's Review Report (see Appendix II)****(IV) Implementation of 1st Unsecured Euro-Convertible Bonds in 2023.**

Notes:

The Company issued unsecured euro-convertible bonds (the "ECBs") for the purpose of repaying the principal amount of its 2021 first unsecured ECBs. These are some details of the implementation:

Unit: USD/ dollars

Phase / Type	The First Unsecured ECBs In 2023
Date of Resolution	Oct. 2, 2023
Date of Issuance	Oct. 24, 2023
Maturity Date	Oct. 24, 2028
Total Issuance Amount	420,000,000
Face value per bond	200,000
Issue Price	100
Place of issuance and transaction	Singapore Exchange Limited
Conversion Price	NTD 37.27
Coupon Rate	0%
Repayment Method	Lump-sum repayment of principal at maturity
Trustee	Citicorp International Limited
Agency for Principal and Interest Payment	Citibank, N.A., London Branch
The Implementation of Capital Utilization Plan	Repayment of the 1st unsecured ECBs issued by TCC in 2021.

(V) Proposal on the Company's 2023 directors' remuneration report.

Notes:

1. In order to enhance governance, the Company has disclosed the remuneration paid to directors in 2023 in accordance with regulations. The Company's policy for director remuneration, the content and

amount of individual remuneration, the procedures for setting remuneration, and the correlation with performance evaluation results are as follows:

(1) Remuneration Policy

In accordance with the resolution of the board of directors and the provisions of the Company's articles of association, the Company's directors receive a fixed monthly remuneration and annual remuneration as stipulated. However, independent directors do not participate in the distribution of annual directors' remuneration, as resolved by the board of directors.

(2) Content and Amount of Individual Remuneration

The director's remuneration for 2023 includes compensation, director's remuneration, business execution expenses, etc. The disclosure is done individually by name and remuneration details.

(3) Procedures for Setting Remuneration and Correlation with Performance Evaluation

The remuneration for directors has been determined by considering the Company's operational goals, financial performance, directors' duties, and the achievement of performance targets. According to regulations, compensation and remuneration must be regularly evaluated and set by the Company's Compensation and Remuneration Committee, and submitted to the board of directors for approval.

2. Please refer to Annex I for the breakdown of individual remuneration of the Company's directors in 2023.

III. Approval Items

(I) Acceptance of the 2023 Business Report and Financial Statements. (Proposed by the Board of Directors)

Notes:

1. In accordance with Article 228 of the Companies Act:
2. The 2023 business report, individual financial statements and consolidated

financial statements were approved at the 29th and 30th meetings of the 24th session of the Board of Directors of the Company, and the individual financial statements and consolidated financial statements were audited by independent auditors, Ms. Ya-Ling Wong and Mrs. Hui-Min Huang, of Deloitte & Touche.

3. The foregoing financial statements have been reviewed and approved by the Audit Committee referred to Appendix I and Appendix III.
4. Please review and ratify.

Voting Results:

Shares represented at the time of voting: 5,520,164,432 Votes

Voting Results including votes casted electronically (numbers in brackets)	% of the total represented share present
Votes in favor: 5,154,213,881 Votes	93.37%
Votes against: 19,949,673 Votes	0.36%
Votes invalid: 0 Votes	0.00%
Votes abstained: 346,000,878 Votes	6.26%

***including votes casted electronically (numbers in brackets)**
RESOLVED, that the 2023 Business Report and Financial Statements
be and hereby were accepted as submitted.

(II) Proposal for Distribution of 2023 Profits. (Proposed by the Board of Directors)

Notes:

1. The proposed distribution of earnings for 2023 was made in accordance with Article 228 of the *Company Act* and Article 26 of the Articles of Incorporation of the Company.
 - (1) The beginning unappropriated earnings amounted to NT\$25,136,155,437.
 - (2) 2023 net income: NT\$7,997,813,524.

- (3) Adjustments to unappropriated earnings for the year:
- a. Reversal of special reserve recognized from first adoption of TIFRS: NT\$5,369,000.
 - b. Share of the adjustment of retained earnings of associates and joint ventures accounted for using the equity method: NT\$5,901,538.
 - c. Recognition of defined benefit plan remeasurements in retained earnings: NT\$26,634,129.

(4) Allocation of 10% statutory reserve: NT\$797,064,686.

(5) Total distributable earnings: NT\$32,309,737,608.

(6) Preferred stock dividends:

TCC issued 200 million shares of its second series preferred stock, each at an issue price of NT\$50. The preferred shares carried an annual dividend rate of 3.50% for the period from January 1 to December 13, 2023, spanning 347 days. Starting December 14, 2023, the dividend rate was revised to 4.0525%, covering the remaining 18 days of the year. In total, dividends amounting to NT\$352,724,658 are expected to be distributed following this meeting.

(7) Common stock dividends:

TCC has 7,551,181,742 shares of common stock. After deducting 20,000,000 treasury shares, the distributable common shares amount to 7,531,181,742 shares. It is proposed to distribute a cash dividend of NT\$1 per share, totaling NT\$7,531,181,742.

(8) The ending unappropriated earnings are expected to be NT\$24,425,831,208.

2. The Chairman of the Board of Directors is hereby authorized to exercise his full authority to revise the dividend distribution rate in the event that the number of outstanding shares is affected by the conversion of unsecured ECBs into ordinary shares, the transfer or cancellation of treasury shares, etc., which may result in a change in the dividend distribution rate for shareholders.
3. Upon approval of the resolution by the shareholders at the Annual General Meeting, the Chairman of the Board of Directors is hereby

authorized to set a separate ex-dividend date for the distribution of cash dividends in proportion to the shareholders and their shareholdings as recorded in the shareholders' register on such date, with the total cash dividends to be distributed to each shareholder being up to the amount of NT\$ (rounded down to the nearest NT\$) and the excess amount being included in the Company's other income.

4. Please refer to Annex II for the statement on the distribution of profits for 2023.
5. The resolution was approved at the 30th meeting of the 24th Board of Directors of the Company and submitted to the Audit Committee for review and approval.
6. Please review and ratify.

Voting Results:

Shares represented at the time of voting: 5,520,164,432 Votes

Voting Results including votes casted electronically (numbers in brackets)	% of the total represented share present
Votes in favor: 5,179,729,204 Votes	93.83%
Votes against: 2,002,930 Votes	0.03%
Votes invalid: 0 Votes	0.00%
Votes abstained: 338,432,298 Votes	6.13%

***including votes casted electronically (numbers in brackets)
RESOLVED, that the above proposal be and hereby was approved
as proposed.**

IV. Directors Election

Election of 15 directors (including 5 independent directors) for the 25th term Board of Directors. (Proposed by the Board of Directors)

Notes:

1. The term of all directors of the 24th Board will end on July 4, 2024. In accordance with Article 199-1 of the Company Act and to align with the

convening of the 2024 Annual Shareholders' Meeting for the election of the 25th term directors, it is proposed that all directors of the 24th Board resign early after the election of new directors at the Annual Shareholders' Meeting scheduled for May 21, 2024.

2. As stipulated in Article 14 and 15 of the Company's Articles of Incorporation, the board shall consist of eleven to fifteen directors, including independent directors, serving a term of three years and may be re-elected.
3. Fifteen directors (including five independent directors) elected at the Annual Shareholders' Meeting on May 21, 2024, will assume their positions immediately, with their term lasting from May 21, 2024, until May 20, 2027.
4. Reasons for the candidate being nominated again for the independent director who has already served for three consecutive terms:
Mr. Victor Wang has a professional background in accounting, auditing, and taxation, and serves as the convener of functional committees. He meticulously evaluates various proposals such as remuneration, risk management, auditing, and finance as well as the company's internal control. Having served as an independent director of the Company for three terms, his expertise will be increasingly vital as the Company aims for international development. The Company will continue to rely on his professional advice and supervision to guide the board's operations.
5. This proposal has been approved by the resolution of the 4th meeting of the 1st Nominating Committee and 30th meeting of the 24th Board of Directors.
6. Your attention and vote are respectfully requested.

Election Result:

Title	Account(Name)	Elected Votes
Director	Chia Hsin R.M.C. Corporation Representative: An-Ping Chang	5,773,676,590
Director	Tai Ho Farming Co., Ltd. Representative: Yao-Hui Cheng	4,865,053,085
Director	International CSRC Investment Holdings Co., Ltd. Representative: Kenneth C.M. Lo	4,230,253,843

Director	Hsing Cheng Investment Co., Ltd. Representative: Yu-Cheng Chiao	4,223,446,318
Director	C.F.Koo Foundation Representative: Sun-Te Chen	4,215,306,327
Director	Chia Hsin Cement Corporation Representative: Jason Kang-Lung Chang	4,210,537,011
Director	Heng Qiang Investment Co., Ltd. Representative: Por-Yuan Wang	4,205,873,778
Director	CS Development & Investment Co. Representative: Kung-Yi Koo	4,203,594,201
Director	Fu Pin Investment Co., Ltd. Representative: Chien Wen	4,200,450,104
Director	Chia Hsin Cement Corporation Representative: Li-Hsin Wang	4,197,698,245
Independent Director	Victor Wang	4,601,876,981
Independent Director	Lynette Ling-Tai Chou	4,600,808,390
Independent Director	Sherry S. L. Lin	4,598,239,033
Independent Director	Nigel N. T. Li	4,596,321,253
Independent Director	Ruu-Tian Chang	4,595,762,203

V. Discussion Items

(I) Plans to undertake a long-term capital fundraising project and we would like to put it to a vote. (Proposed by the Board of Directors)

Notes:

1. In view of the internationalization and diversification of the methods of raising capital, and in view of the Company's future long-term capital requirements for strategic development and operational growth

(including, but not limited to), replenishment of working capital, purchase of materials from overseas, repayment of bank loans or purchase of machinery and equipment, it is hereby proposed to the general meeting of shareholders:

To authorize the Board of Directors, in accordance with the Articles of Incorporation of the Company or the relevant laws and regulations, to adopt the methods of raising capital in one or a combination of the following ways and to periodically raise the Company's shareholders' equity in accordance with the Articles of Incorporation of the Company or the relevant laws and regulations.

To conduct cash capital increase and issuance of ordinary shares to participate in the issuance of global depositary receipts (the “GDRs”), and/or domestic unsecured convertible bonds, and/or unsecured ECBs in a single transaction or in separate transactions.

2. For the authorized long-term financing, for the issuance of ordinary shares by cash capital increase to issue GDRs and/or domestic unsecured convertible bonds and/or overseas unsecured convertible bonds, the total amount to be raised shall not exceed NT\$30 billion.

The total number of ordinary shares to be issued (including ordinary shares to be registered under GDRs and/or domestic unsecured convertible bonds and/or ECBs) shall not exceed one billion shares.

3. Funding Methods and Principles in the Issuance of GDRs through a Cash Capital Increase by Issuing Ordinary Shares, Domestic Unsecured Convertible Bonds and Unsecured ECBs:

- (1). Issuance of GDRs through a Cash Capital Increase by issuing Ordinary Shares

- a. In accordance with the current provisions of the Rules Governing the Solicitation and Issuance of Marketable Securities by Underwriters' Counseling Services for Issuing Companies (the Self-Regulatory Rules) of the Securities Dealers Association of the R.O.C.:

The issue price of the new shares through a cash capital increase due to the issuance of the GDRs shall not, on the date of the price

determination, be less than the closing price of the ordinary shares of the Company on the Taiwan Stock Exchange.

Moreover, it should not be less than the closing price of the ordinary shares of the Company on the date of the price determination and the simple closing price of the ordinary shares of the Company on the date of the price determination.

Additionally, it should not go below the closing price of the Company's common shares on the Taiwan Stock Exchange on date the price is fixed. Neither should it be below the average of the closing prices of the Company's common shares on the first, third and fifth business days.

However, in the event of changes in relevant domestic laws and regulations, the pricing method may be adjusted in accordance with such laws and regulations. Given the frequent drastic short-term fluctuations in domestic stock prices, we propose that the shareholders' meeting authorize the chairman of the board of directors and/or his designee to negotiate with the host underwriter to determine the actual issue price in accordance with international practices.

This could be done after taking into account the international capital market, domestic market prices and the aggregated purchases within the above range, in order to enhance the acceptance of the shares by overseas investors.

The pricing of the Offering was conducted in accordance with relevant laws and regulations, such as the Self-Regulation Rules and the practices of the IPO market, and therefore the pricing of the Offering was determined in a reasonable manner.

- b. Within the limit of one billion ordinary shares, the Board of Directors is authorized to issue new shares by cash contribution and to issue GDRs. The Board of Directors is authorized to adjust the issuance quota and issue the shares in one lump sum according to market conditions.

This will result in a maximum dilution of 11.7% for the original shareholders. However, the advantages of this capital increase will ultimately enhance the Company's competitiveness and benefit the shareholders.

Moreover, the issue price of the GDRs will be determined based on the market price of the ordinary shares in the central domestic trading market.

The original shareholders could thus still purchase ordinary shares in the domestic stock market at a price close to the issue price of the GDRs. Their rights and interests will not be affected since they will not have to bear the foreign exchange risk and liquidity risk.

- c. For this capital increase, in addition to preserving 10% to 15% of the total number of shares to be issued for subscription by the Company's employees in accordance with the law, the Company will request the shareholders to approve the waiver of the original shareholders' preferential subscription rights for the entire amount.

This amount is to be allocated for the issuance of GDRs as public offering in accordance with the provisions of Article 28-1 of the Securities and Exchange Act.

In cases where the employee subscription is insufficient or not all shares are subscribed, it is proposed to the shareholders' meeting to authorize the Chairman of the Board to negotiate with specific individuals for subscription at the issuance price, or, depending on market needs, to include the unsubscribed shares for issuance as GDRs.

- d. The fund raised is expected to be utilized within three years. This increase plan is expected to strengthen the Company's competitiveness, expand the scale of operations and improve operating efficiency. It will also have a positive impact on shareholders' equity.

- (2). The important details of the domestic unsecured convertible bonds or connected to the issuance of unsecured ECBs, include the total amount issued, the issuance price, denomination, issuance terms, planned projects, fund utilization, potential benefits, conversion methods of the domestic/overseas unsecured convertible bonds, conversion price, and place of listing, among others.

We propose that the Chairman of the Board and/or his designee be authorized to negotiate with the host underwriter(s), depending on market conditions, on all matters related to the offering and to issue the Bonds after submitting them to the securities authorities for approval.

In the future, if the competent authorities were to make changes or revised laws and regulations called for some revisions, we propose that the Chairman and/or his designee be authorized to handle these matters on behalf of the Company.

4. The rights and obligations attached to the newly issued shares are the same as those of the originally issued shares.
5. This proposal was approved by the resolutions of the 31st meeting of the 3rd Audit Committee and the 30th meeting of the 24th Board of Directors of the Company.
6. Please review and ratify.

Voting Results:

Shares represented at the time of voting: 5,520,432,615 Votes

Voting Results including votes casted electronically (numbers in brackets)	% of the total represented share present
Votes in favor: 4,944,010,221 Votes	89.55%
Votes against: 37,694,015 Votes	0.68%
Votes invalid: 0 Votes	0.00%
Votes abstained: 538,728,379 Votes	9.75%

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

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

**(II) To approve the amendments to the Articles of Incorporation.
(Proposed by the Board of Directors)**

Notes:

1. In order to move towards internationalization and transformation, the Company will change its English name from "Taiwan Cement Corporation" to "TCC Group Holdings CO., LTD." and will amend certain provisions of the Company's Articles of Incorporation.
2. This resolution was approved at the 29th meeting of the 24th session of the Board of Directors of the Company. Please refer to Annex III for a comparative table of the relevant provisions to be amended.
3. Please discuss and resolve.

Voting Results:

Shares represented at the time of voting: 5,520,432,615 Votes

Voting Results including votes casted electronically (numbers in brackets)	% of the total represented share present
Votes in favor: 5,077,176,546 Votes	91.97%
Votes against: 3,501,833 Votes	0.06%
Votes invalid: 0 Votes	0.00%
Votes abstained: 439,754,236 Votes	7.96%

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

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

**(III) Removal of non-compete restrictions for new directors.
(Proposed by the Board of Directors)**

Notes:

1. Pursuant to Article 209 of the Companies Act, a director shall explain to

the shareholders' meeting and obtain its approval to perform any act for himself or another other person within the scope of the company's business, and the important contents of his act shall be disclosed to the shareholders' meeting.

2. Due to the fact that newly elected directors of the 25th term of the Company (including representatives appointed by corporate shareholders, if such corporate shareholders are elected as directors) may invest in or manage other companies with business scopes similar or identical to that of the Company and may serve as directors or managers in such companies, it is proposed for the shareholders' meeting to legally approve the lifting of the non-competition restrictions for these directors. Should the aforementioned circumstances apply to the newly elected directors (including the corporate shareholders and their appointed representatives), consent will be given to waive the non-competition restrictions.
3. The resolution was adopted at the 30th meeting, 24th Session of the Board of Directors of the Company. For details of the proposed lifting of the non-compete obligation of the Directors, please refer to Annex IV.
4. Please discuss and resolve.

Voting Results:

Shares represented at the time of voting: 5,520,432,615 Votes

Voting Results including votes casted electronically (numbers in brackets)	% of the total represented share present
Votes in favor: 4,555,734,500 Votes	82.52%
Votes against: 264,352,206 Votes	4.78%
Votes invalid: 0 Votes	0.00%
Votes abstained: 700,345,909 Votes	12.68%

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

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

Questions from Shareholders and Responses from the Company

Due to the numerous questions from shareholders before and on the day of the meeting, the chairman or the designated supervisor provided detailed responses on the spot. These responses are summarized below, with questions categorized broadly to highlight key points and the corresponding responses from the chairman or designated supervisors.

Shareholders raised questions about the Company's cement business, energy storage, the European subsidiary NHOA, green energy, batteries, electricity, and raising long-term funds. Key responses from the chairman or designated supervisors are summarized as follows:

Impact of the 403 Hualien Earthquake:

Taiwan Cement's Hoping Cement Plant, Ho-Ping Power, and Ho-Ping Industrial Port were partially damaged by the 403 Hualien earthquake but have since resumed operations. Despite this, the Company remained profitable in April. The specific performance for the second quarter will be disclosed in the financial statements after the CPA review.

Ho-Ping Power and Taipower Contract:

Ho-Ping Electric Power has a contract with Taipower valid until 2027. Future directions for Ho-Ping Electric Power will depend on national policies.

Cement Business:

The cement industry in mainland China remains sluggish this year. Capacity rationalization will be considered within the next 12-18 months. Although the carbon fee system has not yet been implemented, once it is, Taiwan Cement's low-carbon products are expected to become more competitive.

The market outlook for the cement business in Turkey and Portugal is positive for this year.

Green Energy Business:

From 2022 to 2023, the renewable energy business has made profits. As of the end of last year, grid-connected capacity reached 81.13 MW, supplying 122 million kWh of power.

Energy Storage Business:

The energy storage capacity in Taiwan has reached 367Mhw, and an additional 161Mhw will be added by the end of the year. The energy storage business in Taiwan is already profitable.

On the other hand, NHOA's energy storage business continues to grow, with 2023 revenue reaching EUR 273 million, a 65% increase. The Atlante charging station business has expanded to 4,111 charging points and received an EU subsidy of EUR 73 million.

Global energy transformation has created strong demand for electric vehicles and fast charging. Taiwan Cement plans to integrate its UHPC ultra-high performance concrete Energy Ark energy storage product and its energy storage team's power trading experience in Taiwan with NHOA and Atlante to develop the European market.

Battery Business:

The battery business continues to invest in new product development, maintaining stable product prices. The Canadian factory is currently being planned.

Raising Long-term Funds:

Long-term funds are raised through diversified financing tools. The discount of GDRs is much lower than that of domestic cash capital increases. The Company recently received an international investment-grade rating from a global credit rating agency. Taiwan Cement will carefully evaluate the timing and tools for international market financing this year, and will submit these plans to the board of directors for approval before making an announcement.

VI. Ad Hoc Motions: None.

VII. Meeting Adjourned: 11:35 AM, May 21, 2024

Appendix I : 2023 Business Report

In 2023, Taiwan Cement Corporation's (TCC) consolidated revenue reached NT\$109.3 billion, a decrease of 4.1% from the previous year. Its consolidated operating gross profit margin was 18.8%, an increase of 9.9% from the previous year. Net profit after tax for TCC's owners reached NT\$7.998 billion, an increase of 47.9% from the previous year. The annual budget achievement rate was 156%, and earnings per share was NT\$1.06.

In 2023, the global economy faced many challenges: high interest rates and high inflation. Mainland China's post-pandemic economic recovery fell below expectations. However, the Taiwan Cement Corporation actively implemented green transformation through carbon reduction and increased green measures.

We developed and launched Portland limestone low-carbon cement and in 2024, we expanded our investment in low-carbon cement in Turkey, Portugal, and Africa. These measures diversified our revenue structure and demonstrated that TCC Group had reduced its dependence on a single cement market, and officially entered new low-carbon cement markets in Europe, Asia, and Africa.

In addition, we did not limit our efforts to the cement business, but also extended to new energy fields such as green electricity, energy storage, batteries, charging stations and power trading. We will implement practical systems to raise our competitiveness in this new era of low carbon and green electricity. We will thus meet the challenges of the global economy and bring new opportunities and vision for TCC's development.

Cross-border Synergy, Waste and Carbon Reduction

The TCC group actively assists enterprises in the semiconductor, steel, power, water purification, and building materials industries, as well as

government agencies to implement safe treatment and resource reuse of industrial and domestic waste.

These processes convert waste into alternative raw materials in the cement production process, reduce dependence on natural resources such as limestone, clay, silicon, and iron slag. Moreover, the calorific value generated by some waste treatment processes can be used as a substitute fuel, reducing the need for coal and significantly lessening carbon emissions from the cement production process.

From 2019 to 2023, statistics showed that two cement plants in Taiwan have made significant progress in using alternative raw materials, with their proportion of alternative raw materials increasing from 19.07% to 22.66%.

In terms of alternative fuels, since 2020, the calorific value replacement rate has increased from 0.21% to 10.2%. Over the past five years, TCC factories in Mainland China have also made significant progress in the use of alternative raw materials and since 2021, their calorific value replacement rate increased from 1.25% to 13.7%. The proportion of cement utilization per ton has increased from 17.0% to 26.78%.

These achievements demonstrate that TCC Group effectively utilizes resources, and also makes important contributions to environmental protection.

Resilient Low Carbon Building Materials

The TCC Group welcomed the advent of the carbon price era by launching a series of low-carbon building materials products and strengthening its commitment to providing carbon reduction solutions for the construction and construction industry. Its innovative low-carbon building materials include low-carbon cement, low-carbon concrete, and ultra-high-performance concrete (UHPC).

TCC's low-carbon cement series includes Portland I type, Portland II (MH) type, and the newly developed Portland limestone cement. Among them, Portland limestone cement has become the most commonly used cement type in Europe, accounting for 34%. The Portland limestone cement developed by Taiwan Cement can not only completely replace Portland I cement, but also has stronger early strength, further achieving carbon reduction goals.

For 2024, after taking into account the market demand and plans for factory capacity, TCC set its sales volume targets for Taiwan and mainland China at 40.09 million tons of cement and clinker and 4.74 million cubic meters of ready-mixed concrete, respectively.

TCC provides 210~420 kgf/cm² series of low-carbon concrete and Portland limestone cement concrete. Compared to traditional low-carbon concrete, the newly developed limestone cement concrete has better workability, higher early-stage strength and constructability, and is more favorable for carbon reduction. The Fubon Property and Casualty Insurance Building has begun to use Taiwan Cement's Portland limestone cement concrete, becoming the first building project in Taiwan to use this lowest carbon concrete.

TCC's UHPC pioneering high-value, low-carbon building materials break through the design limitations of traditional building materials and bring new appearance and artistic charm to buildings. Compared to traditional concrete, UHPC has three major traits: it is lighter and thinner (thickness can be reduced to 75%), has a longer lifespan (up to 120 years), and reduces carbon emissions by 40~60%.

TCC's Hoping Plant in Hualien is the largest UHPC process center in Taiwan, and the exterior façade of the Hoping Recycling Center (RRRC) uses UHPC materials. The design even won the 2021 A&D International Design Award and the LCBA Low Carbon Building BCFd Diamond Certification.

Combined with new energy technology, TCC created the Energy Ark, a UHPC energy storage cabinet, which has the three vital features of fire prevention, heat resistance and fire extinguishing, thus completely solving the problem of energy storage safety.

Energy Ark uses UHPC as its shell material and is equipped with TCC's self-developed energy management system. When the battery is defective, the system switches to a cooling mode. If the heat goes out of control, it activates the patented water injection system and quickly injects more than 9,000 liters of water to ensure that the battery module is submerged, effectively blocking thermal runaway and sets in motion fire extinguishing functions.

Sustainable Green Energy Supports Life

TCC's Green Energy is guided by the ideals of Clean Air, Wind, Water and Earth and actively promotes the development of renewable energy. In 2023, we launched the second phase of the fishery and electricity symbiosis project in Chiayi's Yiju County. We foresee that this will add 22.1MW of grid-connected capacity. We have at present reached 50% of its scheduled completion. This project will be completed in 2024. We will also launch a 60MW fishery and electricity symbiosis project in Budai Township.

In terms of wind power generation, in 2023, we initiated phase II of a 9MW wind power project in the Zhangbin Line West Industrial Zone. In 2024, we expect all units to be connected to the grid. In the field of geothermal power generation, TCC Green Energy in 2023, has completed the drilling of all production wells and reinjection wells and this year, we look forward to finishing the construction of generating units and grid-connected power generation.

Overall, the total capacity of our renewable energy installations will reach 171.3MW. This is a clear step forward in advocating for green

energy and environmental sustainability.

TCC Energy Storage, Energy Innovation

TCC Energy Storage is a key part of the TCC Group's energy industry chain. It not only plays an important role in Taiwan's power trading market but in 2023, has also helped the Group build a total of 110MW of E-dReg energy storage systems that currently account for 94.83% of the market.

By the first half of this year, another 85MW E-dReg energy storage system presently under construction will also start operations. In addition, TCC Energy Storage has accumulated 9.9MW of AFC and 4MW of s-Reg energy storage. When integrated into the operations of the cement plant, these provide backup services of up to 40MW, creating promising profits for the enterprise group.

TCC Energy Storage actively fosters the use of energy storage systems and provides economical and long-term solutions plan to help enterprises achieve energy transformation, RE100, EV100, green logistics, low-carbon backup power and other goals, and meet the obligations of large power users.

Faced with single solutions on the market, TCC Energy Storage has integrated its renewable energy power plant resources to provide diversified and integrated green charging and storage solutions. It launched an energy storage system leasing program to help reduce the pressure on enterprises to invest in such systems, thus providing them with greater flexibility and more choices.

The rapid growth of the electric vehicle market encouraged TCC Energy Storage to cooperate with the Taipei City Government to establish two DC-DC integrated charging and storage stations in Zhishan and Lequn. In 2023, it also built charging stations in the Suao Crayon Factory, and in sugar factories in Hualien and Taitung.

TCC Energy Storage has also cooperated with some Taiwan financial enterprises to build a small Energy Ark fast charging and storage system in some bank parking lots to serve the charging needs of employees. This was an important step in the enterprise group's energy transformation.

In the future, TCC Energy Storage will continue to encourage the combined use of EnergyArk energy storage systems and charging piles to ensure the stability of the power grid. This will also strengthen Taiwan's power grid resilience, boost the energy transformation of cities and enterprises, and provide electric vehicle owners with fast and stable energy storage.

TCC Energy Storage plans to offer the Southern European market its charging stations services and its reverse power transmission transactions through the energy storage systems of aggregated charging stations.

Multi-faceted Innovation of High-end Batteries

In recent years, the battery business has created a unique market position and brand image with its pioneering technology. We are one of the few lithium battery R&D and manufacturers that can provide safety, high energy and high-power output in the field of next-generation high-power applications.

We have already introduced customers to high-end supercar models, high-end heavy-duty and off-road electric two-wheelers, and successfully obtained long-term orders for electric aerial vehicles (eVTOL). In the consumer and industrial markets, we continue to develop battery products for drones, machine tools, and data center backup systems with ultra-high safety requirements.

TCC is committed to promoting sustainable development and launching our sustainable blueprint through three core businesses: Low-carbon

Building Materials, Resources Recycling, and Green Energy.

Based on the Science Based Targets (SBT) for Carbon Reduction, we have set seven major carbon reduction strategies: 1) Alternative Raw Materials, 2) Alternative Fuels, 3) Process Improvement, 4) Waste Heat Power Generation, 5) Renewable Energy, 6) Energy Storage, Battery and Charging Services, and 7) Negative Carbon Technology.

As responsible members of the industrial sector, these management strategies demonstrate our commitment to reduce carbon emissions. We firmly believe that only by relying on the industrial structure and the limited capabilities of all enterprises can we return the "carbon genie" back into the magic lamp of nature and create a friendly living environment for future generations.

Chairperson: An-Ping Chang

President: Yao-Hui Cheng

Accounting Supervisor: Kuo-Hung Yeh

Appendix II : Audit Committee's Review Report

Audit Committee's Review Report

The Board of Directors of Taiwan Cement Corporation has prepared the Company's 2023 Business Report, 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.

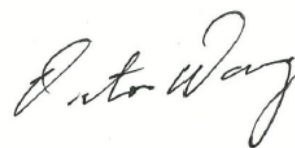
To

Taiwan Cement Corporation

2024 Annual General Shareholders' Meeting

Taiwan Cement Corporation

Audit Committee Convener: Victor Wang



March 20, 2024

Appendix III :Financial statements

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Taiwan Cement Corporation

Opinion

We have audited the accompanying financial statements of Taiwan Cement Corporation (the "Corporation"), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, based on our audits and the reports of other auditors (refer to the Other Matter section), the accompanying financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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 based on our audits and the reports of other auditors.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The description of the key audit matter of the Corporation's financial statements for the year ended December 31, 2023 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, 2023. 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

The financial statements of Cimpor Global Holdings B.V., an investee company held through Taiwan Cement (Dutch) Holdings B.V. accounted for using the equity method, for the year ended December 31, 2023, were audited by other auditors. Our opinion, insofar as it relates to the amounts included for the investee in the financial statements, is based solely on the reports of the other auditors. The aforementioned investment accounted for using the equity method constituted NT\$35,716,009 thousand, representing 9.3% of the total assets as of December 31, 2023. The Corporation's share of comprehensive income from the aforementioned investments accounted for using the equity method amounted to NT\$3,560,296 thousand for the years ended December 31, 2023, which accounted for 41.2% of the income before income tax.

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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of 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, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Ya-Ling Wong and Hui-Min Huang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 27, 2024

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.

TAIWAN CEMENT CORPORATION

BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,516,633	-	\$ 4,243,295	1
Financial assets at fair value through profit or loss (Notes 4, 7 and 26)	341,056	-	259,919	-
Financial assets at fair value through other comprehensive income (Notes 4, 8 and 26)	4,333,594	1	3,607,819	1
Notes and accounts receivable (Notes 4 and 9)	5,801,135	2	5,319,368	1
Notes and accounts receivable from related parties (Notes 4 and 27)	572,118	-	681,793	-
Inventories (Notes 4 and 10)	1,782,735	1	2,321,850	1
Other current assets (Notes 21 and 27)	411,540	-	248,683	-
Total current assets	14,758,811	4	16,682,727	4
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Notes 4, 8 and 26)	9,638,255	3	7,633,603	2
Investments accounted for using the equity method (Notes 4, 5 and 11)	312,351,291	82	307,101,709	82
Property, plant and equipment (Notes 4, 12, 20, 27 and 28)	28,052,603	7	35,583,596	10
Right-of-use assets (Notes 4, 13, 20 and 27)	1,797,820	1	1,788,972	1
Investment properties (Notes 4, 14 and 20)	13,042,677	3	2,436,675	1
Intangible assets (Notes 4 and 20)	58,840	-	64,956	-
Prepayments for property, plant and equipment (Note 12)	600,042	-	682,765	-
Net defined benefit assets (Notes 4 and 18)	1,507,153	-	1,526,546	-
Other non-current assets (Notes 4, 6, 21 and 28)	827,628	-	840,688	-
Total non-current assets	367,876,309	96	357,659,510	96
TOTAL	\$ 382,635,120	100	\$ 374,342,237	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term loans (Notes 15 and 24)	\$ 8,400,000	2	\$ 6,026,632	2
Financial liabilities at fair value through profit or loss (Notes 4, 7 and 26)	-	-	641,522	-
Accounts payable	1,390,170	1	1,857,952	-
Accounts payable to related parties (Note 27)	1,076,810	-	1,164,459	-
Other payables (Notes 12 and 17)	3,228,359	1	2,311,009	1
Other payables to related parties (Note 27)	439,620	-	226,537	-
Current income tax liabilities (Notes 4 and 21)	516,633	-	411,503	-
Lease liabilities (Notes 4, 13 and 27)	298,629	-	275,841	-
Long-term loans and bonds payable - current portion (Notes 15, 16 and 24)	13,101,840	4	20,785,447	6
Other current liabilities (Note 27)	104,135	-	110,791	-
Total current liabilities	28,556,196	8	33,811,693	9
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 16)	82,390,353	22	72,136,574	19
Long-term loans (Notes 15 and 24)	29,950,890	8	29,825,090	8
Lease liabilities (Notes 4, 13 and 27)	1,548,139	-	1,551,162	-
Deferred income tax liabilities (Notes 4 and 21)	5,363,831	1	5,370,199	2
Long-term bills payable (Note 15)	3,493,482	1	13,397,747	4
Other non-current liabilities (Note 12)	398,975	-	355,006	-
Total non-current liabilities	123,145,670	32	122,635,778	33
Total liabilities	151,701,866	40	156,447,471	42
EQUITY (Notes 4, 19 and 22)				
Ordinary shares	75,511,817	20	71,561,817	19
Preference shares	2,000,000	1	2,000,000	-
Capital surplus	74,119,162	19	65,985,865	18
Retained earnings	70,576,781	18	66,527,594	18
Other equity	9,457,953	2	11,991,090	3
Treasury shares	(732,459)	-	(171,600)	-
Total equity	230,933,254	60	217,894,766	58
TOTAL	\$ 382,635,120	100	\$ 374,342,237	100

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

(With Deloitte & Touche auditors' report dated February 27, 2024)

TAIWAN CEMENT CORPORATION

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

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 27)	\$ 26,082,074	100	\$ 25,428,507	100
LESS: SALES RETURNS AND ALLOWANCES	<u>60,561</u>	<u>-</u>	<u>67,609</u>	<u>-</u>
OPERATING REVENUE, NET	26,021,513	100	25,360,898	100
OPERATING COSTS (Notes 10, 20 and 27)	<u>19,448,386</u>	<u>75</u>	<u>19,866,302</u>	<u>78</u>
GROSS PROFIT	6,573,127	25	5,494,596	22
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	<u>1,228</u>	<u>-</u>	<u>1,228</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>6,574,355</u>	<u>25</u>	<u>5,495,824</u>	<u>22</u>
OPERATING EXPENSES (Notes 20 and 27)				
Marketing	283,456	1	277,792	1
General and administrative	1,200,476	4	1,194,687	5
Research and development	<u>209,323</u>	<u>1</u>	<u>50,410</u>	<u>-</u>
Total operating expenses	<u>1,693,255</u>	<u>6</u>	<u>1,522,889</u>	<u>6</u>
INCOME FROM OPERATIONS	<u>4,881,100</u>	<u>19</u>	<u>3,972,935</u>	<u>16</u>
NON-OPERATING INCOME AND EXPENSES				
Share of profit of subsidiaries and associates (Notes 4 and 11)	6,475,579	25	3,493,766	14
Interest income	232,390	1	114,030	-
Dividend income (Note 4)	464,153	2	559,116	2
Other income (Note 20)	170,366	-	125,159	1
Net gain on disposal of property, plant and equipment	9,450	-	13,938	-
Net gain on disposal of investment properties (Note 14)	44,496	-	502,346	2
Finance costs (Notes 4, 20 and 27)	(2,360,518)	(9)	(1,936,156)	(8)
Other expenses (Notes 16 and 20)	(565,122)	(2)	(138,725)	-
Foreign exchange losses, net	(736,485)	(3)	(210,323)	(1)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	<u>24,464</u>	<u>-</u>	<u>(474,616)</u>	<u>(2)</u>
Total non-operating income and expenses	<u>3,758,773</u>	<u>14</u>	<u>2,048,535</u>	<u>8</u>

(Continued)

TAIWAN CEMENT CORPORATION

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

	2023		2022	
	Amount	%	Amount	%
INCOME BEFORE INCOME TAX	\$ 8,639,873	33	\$ 6,021,470	24
INCOME TAX EXPENSE (Notes 4 and 21)	<u>642,059</u>	<u>2</u>	<u>616,486</u>	<u>3</u>
NET INCOME	<u>7,997,814</u>	<u>31</u>	<u>5,404,984</u>	<u>21</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 4)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plan (Note 18)	(37,928)	-	(304,887)	(1)
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (Note 19)	2,639,481	10	(1,050,539)	(4)
Share of other comprehensive loss of subsidiaries and associates accounted for using the equity method (Note 19)	(4,314,181)	(17)	(5,631,676)	(22)
Income tax related to items that will not be reclassified subsequently to profit or loss (Note 21)	<u>7,586</u>	<u>-</u>	<u>60,977</u>	<u>-</u>
	<u>(1,705,042)</u>	<u>(7)</u>	<u>(6,926,125)</u>	<u>(27)</u>
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method (Note 19)	<u>(854,729)</u>	<u>(3)</u>	<u>7,774,720</u>	<u>31</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(2,559,771)</u>	<u>(10)</u>	<u>848,595</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 5,438,043</u>	<u>21</u>	<u>\$ 6,253,579</u>	<u>25</u>
EARNINGS PER SHARE (Note 22)				
Basic earnings per share	<u>\$ 1.06</u>		<u>\$ 0.74</u>	
Diluted earnings per share	<u>\$ 1.04</u>		<u>\$ 0.73</u>	

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

(With Deloitte & Touche auditors' report dated February 27, 2024)

(Concluded)

TAIWAN CEMENT CORPORATION

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

	Other Equity											
	Retained Earnings							Exchange Differences on Translating Foreign Operations	Unrealized Gain/Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedges Instruments	Treasury Shares	Total Equity
	Share Capital		Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total					
Ordinary Shares	Preference Shares											
BALANCE AT JANUARY 1, 2022	\$ 61,252,340	\$ 2,000,000	\$ 56,757,470	\$ 21,881,915	\$ 13,039,860	\$ 39,018,077	\$ 73,939,852	\$ (16,068,895)	\$ 26,988,909	\$ -	\$ (392,343)	\$ 204,477,333
Appropriation of 2021 earnings												
Legal reserve	-	-	-	2,068,477	-	(2,068,477)	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	-	(6,116,173)	(6,116,173)	-	-	-	-	(6,116,173)
Preferred share dividends distributed by the Corporation	-	-	-	-	-	(350,000)	(350,000)	-	-	-	-	(350,000)
Share dividends distributed by the Corporation	6,116,173	-	-	-	-	(6,116,173)	(6,116,173)	-	-	-	-	-
Net income for the year ended December 31, 2022	-	-	-	-	-	5,404,984	5,404,984	-	-	-	-	5,404,984
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	(222,481)	(222,481)	7,774,720	(6,701,993)	(1,651)	-	848,595
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	5,182,503	5,182,503	7,774,720	(6,701,993)	(1,651)	-	6,253,579
Issuance of global depositary receipt	4,200,000	-	9,193,957	-	-	-	-	-	-	-	-	13,393,957
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity metho	-	-	(42,912)	-	-	-	-	-	-	-	-	(42,912)
Difference between consideration received and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	-	-	-	-	-	(12,415)	(12,415)	-	-	-	-	(12,415)
Changes in ownership interests of subsidiaries	-	-	64,744	-	-	-	-	-	-	-	-	64,744
Compensation costs of treasury shares transferred to employees	-	-	66,820	-	-	-	-	-	-	-	-	66,820
Treasury shares transferred to employees	-	-	(31,702)	-	-	-	-	-	-	-	191,535	159,833
Cancelation of treasury shares	(6,696)	-	(22,512)	-	-	-	-	-	-	-	29,208	-
Reversal of special reserve recognized from asset disposals	-	-	-	-	(35,459)	35,459	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2022	71,561,817	2,000,000	65,985,865	23,950,392	13,004,401	29,572,801	66,527,594	(8,294,175)	20,286,916	(1,651)	(171,600)	217,894,766
Appropriation of 2022 earnings												
Legal reserve	-	-	-	520,555	-	(520,555)	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	-	(3,566,091)	(3,566,091)	-	-	-	-	(3,566,091)
Preferred share dividends distributed by the Corporation	-	-	-	-	-	(350,000)	(350,000)	-	-	-	-	(350,000)
Net income for the year ended December 31, 2023	-	-	-	-	-	7,997,814	7,997,814	-	-	-	-	7,997,814
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	(26,634)	(26,634)	(854,729)	(1,679,110)	702	-	(2,559,771)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	7,971,180	7,971,180	(854,729)	(1,679,110)	702	-	5,438,043
Issuance of global depositary receipt	3,950,000	-	8,390,525	-	-	-	-	-	-	-	-	12,340,525
Buy-back of treasury shares	-	-	-	-	-	-	-	-	-	-	(732,459)	(732,459)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	54,540	-	-	-	-	-	-	-	-	54,540
Difference between consideration received and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	-	-	-	-	-	(1,754)	(1,754)	-	-	-	-	(1,754)
Changes in ownership interests of subsidiaries	-	-	(309,134)	-	-	(4,148)	(4,148)	-	-	-	-	(313,282)
Compensation costs of treasury shares transferred to employees	-	-	37,766	-	-	-	-	-	-	-	-	37,766
Treasury shares transferred to employees	-	-	(40,400)	-	-	-	-	-	-	-	171,600	131,200
Reversal of special reserve recognized from asset disposals	-	-	-	-	(5,369)	5,369	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2023	\$ 75,511,817	\$ 2,000,000	\$ 74,119,162	\$ 24,470,947	\$ 12,999,032	\$ 33,106,802	\$ 70,576,781	\$ (9,148,904)	\$ 18,607,806	\$ (949)	\$ (732,459)	\$ 230,933,254

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

(With Deloitte & Touche auditors' report dated February 27, 2024)

TAIWAN CEMENT CORPORATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 8,639,873	\$ 6,021,470
Adjustments for:		
Depreciation expense	1,124,749	1,011,625
Amortization expense	12,824	11,796
Net loss (gain) on fair value changes of financial assets and liabilities at fair value through profit or loss	(24,464)	474,616
Finance costs	2,360,518	1,936,156
Interest income	(232,390)	(114,030)
Dividend income	(464,153)	(559,116)
Share-based compensation	37,766	66,820
Share of profit of subsidiaries and associates	(6,475,579)	(3,493,766)
Gain on disposal of property, plant and equipment, net	(9,450)	(13,938)
Gain on disposal of investment properties, net	(44,496)	(502,346)
Loss on disposal of investments, net	-	16
Write-down (reversal) of inventories	(63,420)	19,604
Unrealized loss (gain) on foreign exchange, net	(4,495)	3,357
Loss on redemption of bonds payable	393,503	-
Changes in operating assets and liabilities:		
Notes and accounts receivable	(481,767)	(153,506)
Notes and accounts receivable from related parties	108,742	(35,211)
Inventories	602,535	(700,917)
Other current assets	(81,685)	(28,069)
Net defined benefit assets	(18,535)	(8,165)
Accounts payable	(468,606)	698,009
Accounts payable to related parties	(87,649)	(162,503)
Other payables	242,911	(403,302)
Other payables to related parties	213,377	151,077
Other current liabilities	34,518	46,919
Cash generated from operations	5,314,627	4,266,596
Income tax paid	(604,349)	(629,366)
Net cash generated from operating activities	4,710,278	3,637,230
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(209,156)	-
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	118,210	-
Acquisition of financial assets at amortized cost	(32)	-
Disposal of financial assets at amortized cost	-	15,470
Net cash out flow on acquisition of subsidiaries	(6,330,153)	(36,844,773)
Disposal of subsidiary	199,800	-
Payments for property, plant and equipment	(3,396,167)	(2,815,142)
Proceeds from disposal of property, plant and equipment	10,396	14,142

(Continued)

TAIWAN CEMENT CORPORATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	2023	2022
Payments for intangible assets	\$ (6,708)	\$ (527)
Proceeds from disposal of investment properties	53,224	560,763
Decrease in other non-current assets	2,116	13,912
Interest received	231,744	111,485
Dividends received	<u>2,390,630</u>	<u>3,484,193</u>
Net cash used in investing activities	<u>(6,936,096)</u>	<u>(35,460,477)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	2,379,297	-
Decrease in short-term loans	-	(19,404,870)
Decrease in short-term bills payable	-	(1,897,708)
Issuance of bonds	22,773,544	11,050,000
Redemption of bonds payable	(22,194,450)	-
Increase in long-term loans	43,876,000	29,809,000
Repayment of long-term loans	(43,276,000)	(17,200,000)
Increase in long-term bills payable	30,500,000	38,734,624
Decrease in long-term bills payable	(40,500,000)	(37,318,956)
Repayment of the principal portion of lease liabilities	(336,272)	(368,022)
Increase (decrease) in other non-current liabilities	43,472	(7,886)
Cash dividends paid	(3,916,091)	(6,466,173)
Proceeds from issuance of ordinary shares	12,340,525	13,393,957
Treasury shares transferred to employees	131,200	159,833
Acquisitions of subsidiaries	(732,459)	-
Interest paid	<u>(1,589,610)</u>	<u>(1,336,912)</u>
Net cash generated from (used in) financing activities	<u>(500,844)</u>	<u>9,146,887</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,726,662)	(22,676,360)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>4,243,295</u>	<u>26,919,655</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,516,633</u>	<u>\$ 4,243,295</u>

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

(With Deloitte & Touche auditors' report dated February 27, 2024)

(Concluded)

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The entities that are required to be included in the combined financial statements of affiliates as of and for the year ended December 31, 2023 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are all the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10 “Consolidated Financial Statements”. In addition, relevant information required to be disclosed in the combined financial statements has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Consequently, Taiwan Cement Corporation and its subsidiaries did not prepare a separate set of combined financial statements of affiliates.

Very truly yours,

TAIWAN CEMENT CORPORATION

AN-PING CHANG
Chairman

February 27, 2024

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, 2023 and 2022, 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 material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, based on our audits and the reports of other auditors (refer to the Other Matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The description of the key audit matter of the Group's consolidated financial statements for the year ended December 31, 2023 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, 2023. 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

The financial statements of Cimpor Global Holdings B.V., an investee company held through Taiwan Cement (Dutch) Holdings B.V. accounted for using the equity method, for the year ended December 31, 2023, were audited by other auditors. Our opinion, insofar as it relates to the amounts included for the investee in the Groups's consolidated financial statements, is based solely on the reports of the other auditors. The aforementioned investment accounted for using the equity method constituted NT\$35,716,009 thousand, representing 7.6% of the Group's total assets as of December 31, 2023. The Group's share of comprehensive income from the aforementioned investments accounted for using the equity method amounted to NT\$3,560,296 thousand for the years ended December 31, 2023, which accounted for 24.8% of the Group's consolidated income before income tax.

We have also audited the parent company only financial statements of Taiwan Cement Corporation as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of 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, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Ya-Ling Wong and Hui-Min Huang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 27, 2024

Notice to Readers

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

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

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 66,366,622	14	\$ 88,842,494	19
Financial assets at fair value through profit or loss (Notes 4, 7, 33 and 35)	727,762	-	611,802	-
Financial assets at fair value through other comprehensive income (Notes 4, 8, 33 and 35)	6,972,790	2	5,934,753	1
Financial assets at amortized cost (Notes 4, 6 and 35)	34,236,957	7	20,954,299	5
Notes receivable (Notes 4, 9 and 24)	11,043,595	2	19,450,723	4
Accounts receivable (Notes 4, 9, 10 and 24)	12,362,489	3	15,148,760	3
Notes and accounts receivable from related parties (Notes 4 and 34)	563,421	-	513,975	-
Other receivables (Notes 4 and 26)	3,558,791	1	2,309,268	1
Other receivables from related parties (Notes 4, 13 and 34)	25,823	-	415,606	-
Inventories (Notes 4 and 12)	11,494,015	3	16,089,980	4
Prepayments (Note 34)	4,884,225	1	4,268,024	1
Disposal groups held for sale (Notes 4 and 11)	196,403	-	-	-
Other current assets (Notes 4 and 24)	680,407	-	1,084,374	-
Total current assets	153,113,300	33	175,624,058	38
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss (Notes 4, 7, 33 and 35)	278,424	-	284,876	-
Financial assets at fair value through other comprehensive income (Notes 4, 8, 34 and 35)	19,847,669	4	22,751,646	5
Financial assets at amortized cost (Notes 4, 6 and 35)	22,599,386	5	9,577,103	2
Investments accounted for using the equity method (Notes 4, 14 and 35)	58,053,608	12	53,586,673	12
Property, plant and equipment (Notes 4, 15, 25, 34 and 35)	124,115,635	27	114,739,983	25
Right-of-use assets (Notes 4, 16, 25 and 34)	15,397,170	3	15,503,775	3
Investment properties (Notes 4, 17, 25 and 35)	15,493,520	3	5,323,016	1
Intangible assets (Notes 4, 18 and 25)	29,757,225	6	27,934,663	6
Prepayments for property, plant and equipment (Notes 15 and 34)	8,734,339	2	9,658,047	2
Long-term finance lease receivables (Notes 4 and 10)	18,204,271	4	21,372,402	5
Net defined benefit assets (Notes 4 and 22)	1,558,089	-	1,567,531	-
Other non-current assets (Notes 4, 26 and 35)	2,285,886	1	2,885,188	1
Total non-current assets	316,325,222	67	285,184,903	62
TOTAL	\$ 469,438,522	100	\$ 460,808,961	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term loans (Notes 19, 31, 33 and 35)	\$ 20,251,073	4	\$ 22,416,812	5
Short-term bills payable (Note 19)	2,784,443	1	3,065,961	1
Financial liabilities at fair value through profit or loss (Notes 4, 7 and 34)	-	-	641,522	-
Contract liabilities (Note 24)	2,001,946	1	1,774,714	-
Notes and accounts payable (Note 35)	12,815,863	3	13,691,411	3
Other payables (Notes 15 and 21)	15,337,889	3	9,771,591	2
Other payables to related parties (Note 34)	1,375,133	-	750,236	-
Current income tax liabilities (Notes 4 and 26)	3,057,589	1	1,063,356	-
Lease liabilities (Notes 4, 16 and 35)	515,108	-	400,136	-
Long-term loans and bonds payable - current portion (Notes 19, 20, 31, 33 and 35)	13,859,614	3	21,511,839	5
Other current liabilities	582,578	-	121,833	-
Total current liabilities	72,581,236	16	75,209,411	16
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 20)	82,390,353	17	72,136,574	16
Long-term loans (Notes 19, 31, 32 and 35)	36,791,733	8	42,864,736	9
Lease liabilities (Notes 4, 16 and 34)	3,719,264	1	3,550,048	1
Deferred income tax liabilities (Notes 4 and 26)	12,942,041	3	12,359,419	3
Long-term bills payable (Note 19)	5,086,333	1	14,990,589	3
Net defined benefit liabilities (Notes 4 and 22)	133,115	-	119,623	-
Other non-current liabilities (Notes 14 and 15)	1,893,406	-	1,302,781	-
Total non-current liabilities	142,956,245	30	147,323,770	32
Total liabilities	215,537,481	46	222,533,181	48
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE CORPORATION (Notes 4, 23 and 30)				
Ordinary shares	75,511,817	16	71,561,817	16
Preference shares	2,000,000	-	2,000,000	-
Capital surplus	74,119,162	16	65,985,865	14
Retained earnings	70,576,781	15	66,527,594	14
Other equity	9,457,953	2	11,991,090	3
Treasury shares	(732,459)	-	(171,600)	-
Equity attributable to shareholders of the Corporation	230,933,254	49	217,894,766	47
NON-CONTROLLING INTERESTS (Notes 23 and 30)	22,967,787	5	20,381,014	5
Total equity	253,901,041	54	238,275,780	52
TOTAL	\$ 469,438,522	100	\$ 460,808,961	100

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

(With Deloitte & Touche auditors' report dated February 27, 2024)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 24 and 34)	\$ 109,314,335	100	\$ 113,929,706	100
OPERATING COSTS (Notes 4, 12, 22, 25 and 34)	<u>88,780,566</u>	<u>81</u>	<u>103,794,557</u>	<u>91</u>
GROSS PROFIT	<u>20,533,769</u>	<u>19</u>	<u>10,135,149</u>	<u>9</u>
OPERATING EXPENSES (Notes 22, 25 and 34)				
Marketing	967,612	1	820,576	1
General and administrative	8,095,687	8	6,850,260	6
Research and development	<u>1,440,310</u>	<u>1</u>	<u>1,302,175</u>	<u>1</u>
Total operating expenses	<u>10,503,609</u>	<u>10</u>	<u>8,973,011</u>	<u>8</u>
INCOME FROM OPERATIONS	<u>10,030,160</u>	<u>9</u>	<u>1,162,138</u>	<u>1</u>
NON-OPERATING INCOME AND EXPENSES				
Share of profit of associates and joint ventures (Notes 4 and 14)	4,568,339	4	3,919,856	3
Interest income (Note 25)	3,402,888	3	2,102,495	2
Dividend income (Note 4)	1,433,442	2	2,498,353	2
Other income (Note 25)	670,792	1	583,112	1
Net gain on disposal of investment properties (Note 17)	332,065	-	502,346	-
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	57,357	-	(514,394)	-
Finance costs (Notes 4 and 25)	(3,542,684)	(3)	(2,869,888)	(2)
Other expenses (Notes 20 and 25)	(763,103)	(1)	(829,313)	(1)
Net loss on disposal of property, plant and equipment (Note 15)	(111,686)	-	(20,296)	-
Foreign exchange gains (losses), net	(847,143)	(1)	201,611	-
Non-financial assets impairment loss (Notes 15 and 18)	<u>(873,596)</u>	<u>(1)</u>	<u>(89,923)</u>	<u>-</u>
Total non-operating income and expenses	<u>4,326,671</u>	<u>4</u>	<u>5,483,959</u>	<u>5</u>
INCOME BEFORE INCOME TAX	14,356,831	13	6,646,097	6
INCOME TAX EXPENSE (Notes 4 and 26)	<u>4,352,218</u>	<u>4</u>	<u>2,489,012</u>	<u>2</u>
NET INCOME	<u>10,004,613</u>	<u>9</u>	<u>4,157,085</u>	<u>4</u>

(Continued)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

	2023		2022	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
(Notes 4 and 23)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plan (Note 22)	\$ (28,691)	-	\$ (282,252)	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income (Note 23)	(1,735,932)	(1)	(6,366,804)	(6)
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method (Note 23)	64,129	-	(352,936)	-
Income tax related to items that will not be reclassified subsequently to profit or loss (Note 26)	<u>6,880</u>	<u>-</u>	<u>57,170</u>	<u>-</u>
	<u>(1,693,614)</u>	<u>(1)</u>	<u>(6,944,822)</u>	<u>(6)</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Note 23)	(1,870,284)	(2)	4,288,246	4
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method (Note 23)	<u>1,029,458</u>	<u>1</u>	<u>3,801,499</u>	<u>3</u>
	<u>(840,826)</u>	<u>(1)</u>	<u>8,089,745</u>	<u>7</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(2,534,440)</u>	<u>(2)</u>	<u>1,144,923</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 7,470,173</u>	<u>7</u>	<u>\$ 5,302,008</u>	<u>5</u>
NET INCOME (LOSS) ATTRIBUTABLE TO:				
Shareholders of the Corporation	\$ 7,997,814	7	\$ 5,404,984	5
Non-controlling interests	<u>2,006,799</u>	<u>2</u>	<u>(1,247,899)</u>	<u>(1)</u>
	<u>\$ 10,004,613</u>	<u>9</u>	<u>\$ 4,157,085</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Shareholders of the Corporation	\$ 5,438,043	5	\$ 6,253,579	6
Non-controlling interests	<u>2,032,130</u>	<u>2</u>	<u>(951,571)</u>	<u>(1)</u>
	<u>\$ 7,470,173</u>	<u>7</u>	<u>\$ 5,302,008</u>	<u>5</u>

(Continued)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	<u>2023</u>		<u>2022</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
EARNINGS PER SHARE (Note 27)				
Basic earnings per share	<u>\$ 1.06</u>		<u>\$ 0.74</u>	
Diluted earnings per share	<u>\$ 1.04</u>		<u>\$ 0.73</u>	

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

(With Deloitte & Touche auditors' report dated February 27, 2024)

(Concluded)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Shareholders of the Corporation							Other Equity						
	Share Capital		Capital Surplus	Retained Earnings				Exchange Differences on Translating Foreign Operations	Unrealized Gain/Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Treasury Shares	Total	Non-controlling Interests	Total Equity
	Ordinary Shares	Preference Shares		Legal Reserve	Special Reserve	Unappropriated Earnings	Total							
BALANCE AT JANUARY 1, 2022	\$ 61,252,340	\$ 2,000,000	\$ 56,757,470	\$ 21,881,915	\$ 13,039,860	\$ 39,018,077	\$ 73,939,852	\$ (16,068,895)	\$ 26,988,909	\$ -	\$ (392,343)	\$ 204,477,333	\$ 21,177,340	\$ 225,654,673
Appropriation of 2021 earnings														
Legal reserve	-	-	-	2,068,477	-	(2,068,477)	-	-	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	-	(6,116,173)	(6,116,173)	-	-	-	-	(6,116,173)	-	(6,116,173)
Preferred share dividends distributed by the Corporation	-	-	-	-	-	(350,000)	(350,000)	-	-	-	-	(350,000)	-	(350,000)
Share dividends distributed by the Corporation	6,116,173	-	-	-	-	(6,116,173)	(6,116,173)	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(1,161,092)	(1,161,092)
Net income (loss) for the year ended December 31, 2022	-	-	-	-	-	5,404,984	5,404,984	-	-	-	-	5,404,984	(1,247,899)	4,157,085
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	(222,481)	(222,481)	7,774,720	(6,701,993)	(1,651)	-	848,595	296,328	1,144,923
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	5,182,503	5,182,503	7,774,720	(6,701,993)	(1,651)	-	6,253,579	(951,571)	5,302,008
Issuance of global depositary receipts	4,200,000	-	9,193,957	-	-	-	-	-	-	-	-	13,393,957	-	13,393,957
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	(42,912)	-	-	-	-	-	-	-	-	(42,912)	-	(42,912)
Difference between consideration received and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	-	-	-	-	-	(12,415)	(12,415)	-	-	-	-	(12,415)	1,529,061	1,516,646
Changes in ownership interests of subsidiaries	-	-	64,744	-	-	-	-	-	-	-	-	64,744	(212,724)	(147,980)
Compensation costs of treasury shares transferred to employees	-	-	66,820	-	-	-	-	-	-	-	-	66,820	-	66,820
Treasury shares transferred to employees	-	-	(31,702)	-	-	-	-	-	-	-	191,535	159,833	-	159,833
Cancellation of treasury shares	(6,696)	-	(22,512)	-	-	-	-	-	-	-	29,208	-	-	-
Reversal of special reserve recognized from asset disposals	-	-	-	-	(35,459)	35,459	-	-	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2022	71,561,817	2,000,000	65,985,865	23,950,392	13,004,401	29,572,801	66,527,594	(8,294,175)	20,286,916	(1,651)	(171,600)	217,894,766	20,381,014	238,275,780
Appropriation of 2022 earnings														
Legal reserve	-	-	-	520,555	-	(520,555)	-	-	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	-	(3,566,091)	(3,566,091)	-	-	-	-	(3,566,091)	-	(3,566,091)
Preferred share dividends distributed by the Corporation	-	-	-	-	-	(350,000)	(350,000)	-	-	-	-	(350,000)	-	(350,000)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(145,345)	(145,345)
Proceeds from capital reduction of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(100,200)	(100,200)
Net income for the year ended December 31, 2023	-	-	-	-	-	7,997,814	7,997,814	-	-	-	-	7,997,814	2,006,799	10,004,613
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	(26,634)	(26,634)	(854,729)	(1,679,110)	702	-	(2,559,771)	25,331	(2,534,440)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	7,971,180	7,971,180	(854,729)	(1,679,110)	702	-	5,438,043	2,032,130	7,470,173
Issuance of global depositary receipts	3,950,000	-	8,390,525	-	-	-	-	-	-	-	-	12,340,525	-	12,340,525
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	54,540	-	-	-	-	-	-	-	-	54,540	-	54,540
Buy-back of treasury shares	-	-	-	-	-	-	-	-	-	-	(732,459)	(732,459)	-	(732,459)
Difference between consideration received and the carrying amount of subsidiaries' net assets during actual acquisitions or disposals	-	-	-	-	-	(1,754)	(1,754)	-	-	-	-	(1,754)	862,044	860,290
Changes in ownership interests of subsidiaries	-	-	(309,134)	-	-	(4,148)	(4,148)	-	-	-	-	(313,282)	(61,856)	(375,138)
Compensation costs of treasury shares transferred to employees	-	-	37,766	-	-	-	-	-	-	-	-	37,766	-	37,766
Treasury shares transferred to employees	-	-	(40,400)	-	-	-	-	-	-	-	171,600	131,200	-	131,200
Reversal of special reserve recognized from asset disposals	-	-	-	-	(5,369)	5,369	-	-	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2023	<u>\$ 75,511,817</u>	<u>\$ 2,000,000</u>	<u>\$ 74,119,162</u>	<u>\$ 24,470,947</u>	<u>\$ 12,999,032</u>	<u>\$ 33,106,802</u>	<u>\$ 70,576,781</u>	<u>\$ (9,148,904)</u>	<u>\$ 18,607,806</u>	<u>\$ (949)</u>	<u>\$ (732,459)</u>	<u>\$ 230,933,254</u>	<u>\$ 22,967,787</u>	<u>\$ 253,901,041</u>

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

(With Deloitte & Touche auditors' report dated February 27, 2024)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 14,356,831	\$ 6,646,097
Adjustments for:		
Depreciation expense	8,266,622	7,473,531
Amortization expense	1,018,100	1,054,300
Net loss (gain) on fair value changes of financial assets and liabilities at fair value through profit or loss	(57,357)	514,394
Finance costs	3,542,684	2,869,888
Interest income	(3,402,888)	(2,102,495)
Dividend income	(1,433,442)	(2,498,353)
Share-based compensation	126,950	103,396
Share of profit of associates and joint ventures	(4,568,339)	(3,919,856)
Loss on disposal of property, plant and equipment, net	111,686	20,296
Gain on disposal of investment properties, net	(332,065)	(502,346)
Loss on disposal of intangible assets	2,607	-
Loss on disposal of investments, net	-	16
Non-financial asset impairment loss	873,596	89,923
Write-down of inventories	65,867	259,108
Unrealized loss (gain) on foreign exchange, net	1,215	(18,198)
Loss on redemption of bonds payable	393,503	-
Changes in operating assets and liabilities:		
Financial assets mandatorily classified as at fair value through profit or loss	4,522	(618,799)
Notes receivable	8,195,756	6,742,899
Accounts receivable	2,666,730	(5,325,704)
Notes and accounts receivable from related parties	(51,129)	(44,065)
Other receivables	(966,069)	(138,781)
Other receivables from related parties	389,559	(52,768)
Inventories	4,409,178	(2,774,387)
Prepayments	(628,132)	(19,124)
Other current assets	333,890	(286,894)
Contract liabilities	318,744	352,425
Notes and accounts payable	(831,942)	3,565,856
Other payables	1,738,234	(293,088)
Other payables to related parties	625,222	(640,789)
Other current liabilities	404,103	(62,315)
Net defined benefit liabilities	(112,071)	(45,669)
Cash generated from operations	35,462,165	10,348,498
Income tax paid	(1,711,015)	(4,156,197)
Net cash generated from operating activities	33,751,150	6,192,301

(Continued)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	\$ (209,156)	\$ (286,227)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	229,968	-
Acquisition of financial assets at amortized cost	(26,528,183)	-
Disposal of financial assets at amortized cost	-	390,801
Acquisition of long-term equity investments accounted for using the equity method	(99,198)	(65,443)
Acquisition of subsidiaries	(329,336)	-
Payments for property, plant and equipment	(24,726,266)	(23,458,453)
Proceeds from disposal of property, plant and equipment	212,985	98,435
Payments for intangible assets	(1,913,693)	(901,526)
Payments for investment properties	-	(1,255)
Proceeds from disposal of investment properties	559,212	560,763
Decrease in finance lease receivables	3,168,131	2,962,021
Decrease (increase) in other non-current assets	882,916	(707,292)
Interest received	3,089,449	1,732,229
Dividends received	<u>2,785,290</u>	<u>3,074,114</u>
Net cash used in investing activities	<u>(42,877,881)</u>	<u>(16,601,833)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term loans	(2,185,384)	(27,377,773)
Decrease in short-term bills payable	(281,518)	(3,703,085)
Issuance of bonds	22,773,544	11,050,000
Redemption of bonds payable	(22,194,450)	-
Increase in long-term loans	57,040,690	48,396,400
Repayment of long-term loans	(62,342,123)	(28,834,975)
Increase in long-term bills payable	30,500,000	39,900,000
Decrease in long-term bills payable	(40,500,000)	(37,500,000)
Repayment of the principal portion of lease liabilities	(525,451)	(442,617)
Increase in other non-current liabilities	643,345	155,205
Cash dividends paid	(4,061,436)	(7,627,265)
Proceeds from issuance of ordinary shares	12,340,525	13,393,957
Treasury shares transferred to employees	131,200	159,833
Payment for buy-back of treasury shares	(732,459)	-
Acquisition of subsidiaries	(37,980)	(18,966)
Interest paid	(3,867,477)	(3,044,895)
Changes in non-controlling interests	<u>788,265</u>	<u>1,535,612</u>
Net cash generated from (used in) financing activities	<u>(12,510,709)</u>	<u>6,041,431</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(838,432)</u>	<u>2,088,653</u>

(Continued)

TAIWAN CEMENT CORPORATION AND SUBSIDIARIES

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

	2023	2022
NET DECREASE IN CASH AND CASH EQUIVALENTS	\$ (22,475,872)	\$ (2,279,448)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>88,842,494</u>	<u>91,121,942</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 66,366,622</u>	<u>\$ 88,842,494</u>

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

(With Deloitte & Touche auditors' report dated February 27, 2024)

(Concluded)

Annex I: Breakdown Of Individual Remuneration Of The Company's Directors In 2023

Unit: NT\$ thousands

Title	Name	Director's remuneration								(A+B+C+D) as a % of net income	Compensation earned by a director who is also an employee of TCC or of TCC's consolidated entities								(A+B+C+D+E+F+G) as a % of Net Income		Other compensations from nonsubsidiary affiliates or parent company	
		Base compensation (A)		Severance pay and pensions (B)		Remuneration for directors (C)		Allowances (D)			Base compensation, bonuses, and allowances. (E)		Severance pay and pensions (F) (Note 1)		Employee profit sharing from earnings distribution (G)							
		From TCC	From all consolidated entities	From TCC	From all consolidated entities	From TCC	From all consolidated entities	From TCC	From all consolidated entities	From TCC	From all consolidated entities	From TCC	From all consolidated entities	From TCC	From all consolidated entities	Cash	Shares	Cash	Shares	From TCC		From all consolidated entities
Chairman	Chai Hsin R.M.C. Corporation Representative: An-Ping Chang	0 5,400	0 7,276	0	0	6,601 22,005	6,601 22,005	0 85	0 85	6,601/ 0.08% 27,490/ 0.34%	6,601/ 0.08% 29,366/ 0.36%	0 7,857	0 7,857	0	0	0	0	0	0	6,601/ 0.08% 35,347/ 0.44%	6,601/ 0.08% 37,223/ 0.47%	0
Director	C. F. Koo Foundation Representative : Sun-Te Chen	0 1,200	0 1,200	0	0	6,601 0	6,601 0	0 78	0 78	6,601/ 0.08% 1,278/ 0.01%	6,601/ 0.08% 1,278/ 0.01%	0	0	0	0	0	0	0	0	6,601/ 0.08% 1,278/ 0.01%	6,601/ 0.08% 1,278/ 0.01%	0
Director	Chia Hsin Cement Corporation Representative : Jason Kang-Lung Chang	0 1,200	0 1,200	0	0	6,602 0	6,602 0	0 71	0 71	6,602/ 0.08% 1,271/ 0.01%	6,602/ 0.08% 1,271/ 0.01%	0	0	0	0	0	0	0	0	6,602/ 0.08% 1,271/ 0.01%	6,602/ 0.08% 1,271/ 0.01%	0
Director	International CSRC Investment Holdings Co., Ltd. Representative: Kenneth C.M. Lo	0 1,200	0 1,200	0	0	6,601 0	6,601 0	0 71	0 71	6,601/ 0.08% 1,271/ 0.01%	6,601/ 0.08% 1,271/ 0.01%	0	0	0	0	0	0	0	0	6,601/ 0.08% 1,271/ 0.01%	6,601/ 0.08% 1,271/ 0.01%	0
Director	Fu Pin Investment Co., Ltd. Representative: Por-Yuan Wang	0 1,200	0 1,200	0	0	6,602 0	6,602 0	0 52	0 52	6,602/ 0.08% 1,252/ 0.01%	6,602/ 0.08% 1,252/ 0.01%	0	0	0	0	0	0	0	0	6,602/ 0.08% 1,252/ 0.01%	6,602/ 0.08% 1,252/ 0.01%	0
Director	Tai Ho Farming Co., Ltd. Representative: Kung-Yi Koo	0 1,200	0 3,000	0	0	6,601 0	6,601 0	0 85	0 85	6,601/ 0.08% 1,285/ 0.01%	6,601/ 0.08% 3,085/ 0.04%	0 1,911	0 1,911	0 62	0 62	0 355	0	0 355	0	6,601/ 0.08% 3,613/ 0.04%	6,601/ 0.08% 5,413/ 0.07%	0 5,446
Director	Fu Pin Investment Co., Ltd. Representative : Chi-Chia Hsieh	0 1,200	0 1,200	0	0	6,601 0	6,601 0	0 71	0 71	6,601/ 0.08% 1,271/ 0.01%	6,601/ 0.08% 1,271/ 0.01%	0	0	0	0	0	0	0	0	6,601/ 0.08% 1,271/ 0.01%	6,601/ 0.08% 1,271/ 0.01%	0
Director	Chia Hsin Cement Corporation Representative : Chi-Te Chen	0 1,200	0 1,200	0	0	6,601 0	6,601 0	0 78	0 78	6,601/ 0.08% 1,278/ 0.01%	6,601/ 0.08% 1,278/ 0.01%	0	0	0	0	0	0	0	0	6,601/ 0.08% 1,278/ 0.01%	6,601/ 0.08% 1,278/ 0.01%	0
Director	Heng Qiang Investment Co., Ltd. Representative: Chien Wen	0 1,200	0 2,400	0	0	6,602 0	6,602 0	0 85	0 85	6,602/ 0.08% 1,285/ 0.01%	6,602/ 0.08% 2,485/ 0.03%	0	0	0	0	0	0	0	0	6,602/ 0.08% 1,285/ 0.01%	6,602/ 0.08% 2,485/ 0.03%	0
Director	Heng Qiang Investment Co., Ltd. Representative : Chun-Ying Liu	0 1,200	0 1,200	0	0	6,601 0	6,601 0	0 65	0 65	6,601/ 0.08% 1,265/ 0.01%	6,601/ 0.08% 1,265/ 0.01%	0	0	0	0	0	0	0	0	6,601/ 0.08% 1,265/ 0.01%	6,601/ 0.08% 1,265/ 0.01%	0
Independent Director	Yu-Cheng Chiao	3,000	3,000	0	0	0	0	58	58	3,058/ 0.04%	3,058/ 0.04%	0	0	0	0	0	0	0	0	3,058/ 0.04%	3,058/ 0.04%	0
Independent Director	Victor Wang	3,000	3,000	0	0	0	0	85	85	3,085/ 0.04%	3,085/ 0.04%	0	0	0	0	0	0	0	0	3,085/ 0.04%	3,085/ 0.04%	0
Independent Director	Lynette Ling-Tai Chou	2,640	2,640	0	0	0	0	85	85	2,725/ 0.03%	2,725/ 0.03%	0	0	0	0	0	0	0	0	2,725 0.03%	2,725/ 0.03%	0
Independent Director	Mei-Hua Lin	2,400	2,400	0	0	0	0	85	85	2,485/ 0.03%	2,485/ 0.03%	0	0	0	0	0	0	0	0	2,485 0.03%	2,485/ 0.03%	0
Independent Director	Sherry S. L. Lin	2,400	2,400	0	0	0	0	71	71	2,471/ 0.03%	2,471/ 0.03%	0	0	0	0	0	0	0	0	2,471 0.03%	2,471/ 0.03%	0

1. Please describe the policy, system, standards, and structure of the remuneration for independent directors, and explain the correlation between the amount of remuneration paid and factors such as the responsibilities borne, risks, time invested, etc.:

The remuneration of independent directors, in addition to considering the results of the director performance evaluation, is also deliberated by the Compensation Committee in accordance with the provisions of Article 20 of the Company's charter. This process takes into account the degree of each director's involvement in and value contributed to the Company's operations, linking the reasonableness and fairness of performance risk with the compensation received, and considering the Company's operational performance and the salary levels in the market to propose reasonable compensation recommendations for submission to the board of directors.

2. Besides the disclosure above, the remuneration received by directors of the Company in the most recent year for services provided to all companies within the financial report (such as serving as a non-employee consultant) was: NT\$0.

Note 1: The Company has set aside NT\$62,000 for pension expenses in the fiscal year 2023, with no actual pension payments made.

Annex II: 2023 Earnings Distribution Schedule

TAIWAN CEMENT CORPORATION

2023 Earnings Distribution Schedule

Unit: New Taiwan Dollars

Unappropriated earnings at the beginning of the period	25,136,155,437
Plus: Net profit after tax for the period	7,997,813,524
Reversal of special reserve from the first adoption of TIFRS	5,369,000
Less: Retained earnings due to investment adjustment under the equity method	(5,901,538)
Defined benefit plan re-measurement recognized in retained earnings	(26,634,129)
Net profit after tax for the period plus the amount of items other than net profit for the period included in undistributed earnings for the year	7,970,646,857
Less: 10% set aside as legal reserve	(797,064,686)
Surplus earnings available for distribution for the period	32,309,737,608
Less: Allocated items	
Special share dividends (NT\$ 1.76362329/share)	(352,724,658)
Dividends on common shares - cash (approximately NT\$1/share)	(7,531,181,742)
Unappropriated surplus earnings at the end of the period	24,425,831,208

Notes.

1. The calculation of dividends is based on the number of shares issued less the number of shares excluded from shareholders' rights under the *Company Act*.
2. After the distribution of earnings, the Chairperson of the Board of Directors is authorized to exercise his/her full authority in any subsequent change needed in the dividend distribution rate to shareholders if the number of outstanding shares is affected due to the conversion of overseas unsecured convertible bonds into

common shares and the transfer or cancellation of treasury shares, etc.

3. The amount of cash dividends payable to each shareholder shall be rounded to whole numbers (NT\$).
4. In accordance with the Ministry of Finance's Interpretation No. Tai-Tsai-Sui-871941343 dated April 30, 1998, the distribution of surplus earnings shall be individually recognized; the distribution of surplus earnings for the current year shall be a priority distribution for the most recent year.
5. On December 13, 2018, the Company issued its second series of preferred stock, comprising 200 million shares, at an issue price of NT\$50 per share. The issuance period was 5 years. The original terms of the preferred stock included an annual interest rate of 3.50%. On the day following the completion of five years from the issuance (i.e., December 13, 2023), the dividend rate for the preferred stock was reset to 4.0525%, and dividends were calculated based on the actual number of days outstanding.

Chairperson: An-Ping Chang

President: Yao-Hui Cheng

Accounting Supervisor: Kuo-Hung Yeh

Annex III: Comparison Table for the Amended Provisions of the Articles of Incorporation

TAIWAN CEMENT CORPORATION

Comparison Table for the Amended Provisions Articles of Incorporation

Proposed Amendments	Existing Provisions	Remarks
<p>Article 1</p> <p>The Company shall be incorporated under the provisions for company limited by shares of the Company Act of the Republic of China (the "Company Act") and the relevant regulations, and its name shall be Taiwan Cement Corporation (the "Company") and its English name shall be <u>TCC Group Holdings CO., LTD.</u> .</p>	<p>Article 1</p> <p>The Company shall be incorporated under the provisions for company limited by shares of the Company Act of the Republic of China (the "Company Act") and the relevant regulations, and its name shall be Taiwan Cement Corporation (the "Company") and its English name shall be <u>Taiwan Cement Corporation.</u></p>	<p>In pursuit of business transformation and internationalization, the Company intends to change its English name.</p>
<p>Article 31</p> <p>These Articles of Incorporation were established on November 1, 1950. The 1st amendment was made on September 30, 1951, [Omitted] and <u>the 58th amendment was made on May 21, 2024.</u></p>	<p>Article 31</p> <p>These Articles of Incorporation were established on November 1, 1950. The 1st amendment was made on September 30, 1951, [Omitted] and the 57th amendment was made on May 31, 2023.</p>	<p>Addition of the date for the 58th amendment.</p>

Annex IV: List of Releasing Director Candidates from Non-Competition Restriction

Director	Current Positions within the Scope of the Company's Business
Chai Hsin R.M.C Corporation Representative: An-Ping Chang	Director, CTCI Corporation
Chia Hsin Cement Corporation Representative: Jason Kang-Lung Chang	Chairman, Chia Hsin Cement Corporation Chairman, Tong Yang Chia Hsin International Corporation Director, Chia Hsin Property Management and Development Corporation
Chia Hsin Cement Corporation Representative: Li-Hsin Wang	Director, Tong Yang Chia Hsin International Corporation President, Chia Hsin Cement Corporation