

# Taiwan Cement Corporation Year 2024 Annual General Meeting of Shareholders Meeting Handbook



Cross

Diversity

Equity

Boundaries

Inclusion

Time : 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.

Taiwan Cement Corporation website : <http://www.taiwancement.com>

Market Observation Post System website : <http://mops.twse.com.tw>

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# Rules of Procedure for Taiwan Cement Corporation Shareholders Meeting

Amended and adopted by the regular shareholders meeting on July 5, 2021

1. The Company's shareholders meeting shall be governed by these Regulations except as otherwise provided in the Act and the Articles of Association of the Company.
2. Attending shareholders shall hand over the sign-in cards in place of sign-in. The number of shares in attendance is calculated based on the sign-in cards handed in and the number of shares in the voting rights submitted in writing or electronically.
3. The attendance and votes of the shareholders meeting are calculated on the basis of the shares.
4. The location of the meeting shall be the location where the company is located or where it is convenient for the shareholders to be present and suitable for the meeting of the shareholders. The meeting shall start no earlier than 9 am or later than 3 pm.
5. The shareholders meeting convened by the board of directors shall be chaired by the chairperson. If the chairperson takes leave or fails to exercise his/her power for any reason, the deputy chairperson shall act as the agent. If the vice chairperson also requests leave or fails to exercise his/her power for any reason, the chairperson shall appoint one of the directors to represent him/her. If the chairperson does not appoint an agent, an agent will be chosen by the directors. For the shareholders meeting convened by other convener with calling rights, the convener is appointed as the chairperson.
6. The lawyers, accountants or related personnel appointed by the company may attend the shareholders meeting.  
The meeting affair personnel handling the shareholders meeting should wear identification cards or armbands.
7. The process of the meeting should be recorded or videotaped throughout the process and kept for at least one year.
8. When the time of the meeting arrives, the chairperson announces to start the meeting, and disclose the information about the number of the shareholders with no voting rights and the number of shares in attendance. However, when no shareholders representing more than half of the total number of issued shares are present, the chairperson may announce a delay in the meeting. The number of delays shall be limited to twice, and the total delay time shall not exceed one hour. If the second time is still insufficient and the shareholders represent more than one-third of the total number of issued shares are present, it may be deemed to be false resolution in accordance with the subparagraph 1 of Article 175 of the Company Act.  
Before the end of the current meeting, if the number of shares represented by the shareholders attending the meeting exceeds half of the total number of issued shares, the chairperson may re-submit the created false resolution to the meeting to be voted on according to Article 174 of the Company Act.
9. The agenda of shareholders meeting convened by the board of directors is set by the board of directors. The meeting shall be conducted in accordance with the scheduled agenda and may not be changed without resolution.  
The shareholders meeting convened by other conveners with calling rights may use the above provisions.  
Before the agenda of the first two sub-paragraphs are finalized (including the provisional motion), the chairperson would not be allowed to announce the adjournment without a resolution.
10. After the meeting is adjourned, the shareholders must not elect another chairperson to continue the meeting at the original site or another site.  
Before an attending shareholder speaks, the speech notes should be filled out with the speech gist, the shareholder number (or attendance card number) and the account name, and the

chairperson should set the order of his/her speech.

Attending shareholders who present the speech notes alone but do not speak are considered as not speaking.

If the content of the speech is inconsistent with the record of the speech notes, the contents of the speech shall prevail.

When the attending shareholders speak, other shareholders may not interfere with the speech except with the consent of the chairperson and the speaking shareholders, and the chairperson shall stop the violators.

11. In the same motion, each shareholder's speech may not exceed two times without the consent of the chairperson and shall not exceed five minutes at a time.

If the shareholder makes a speech that violates the provisions of the preceding sub-paragraph or exceeds the scope of the topic, the chairperson may stop his/her speech.

12. When a legal person is entrusted to attend a shareholders meeting, the legal person may only appoint one person to attend as agent.

When a legal person shareholder appoints more than two representatives to attend the shareholders meeting, only one person may speak for the same motion.

13. After the attending shareholder's speech, the chairperson may reply in person or by designating the relevant person.

14. In the discussion of the motion, when the chairperson thinks that the degree of voting has been reached, he/she may announce that he/she will stop the discussion and put it to the vote.

15. The scrutineer and the vote counting personnel for the vote on the motion shall be designated by the chairperson. The scrutineers should have the status of shareholders.

The results of the vote shall be reported on site and recorded.

16. In the course of the meeting, the chairperson may declare a rest at a time of his/her discretion.

17. When the company convenes a shareholders meeting, it is likely to exercise the voting rights in writing or electronically. The relevant exercise methods are governed by the Company Act and the regulations of the competent authority.

The voting of the motion shall be passed with the consent of more than half of the voting rights of the shareholders present unless otherwise provided in the Company Act and the Articles of Association of the Company.

In case of a vote, if no objection is raised via the chairperson's query, it is deemed as passing. The effect is the same as that of a vote.

18. When there are amendments or alternatives to the same motion, the chairperson sets the voting order in conjunction with the original case. If one of the cases has been passed, other motions will be considered vetoed and no further voting will be required.

19. Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairperson of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting. The recording and distribution of the minutes thereof can be done in electricity.

The Company is allowed to insert the aforementioned minutes to the Market Observation System for publication as a substitution for distribution under the preceding paragraph.

The date, place of the meeting, name of Chairperson, ways of resolution, discussion, and the abstract of motions and resolution (including the numbers of votes) shall be recorded properly in the minutes.

When the motions involve the election of a director, it shall be held in accordance with the applicable election and appointment rules adopted by the company, and the voting results shall be announced on-site immediately, including the names of those elected directors and the numbers of votes with which they were elected, and the names of those who were not elected as directors and the numbers of votes with which they were not elected. As long as the Company exists, the minutes shall be kept eternally.

20. The chairperson may command pickets (or security personnel) to help maintain order at the venue. When pickets (or security personnel) are present to maintain order at the scene, they

should wear the “picket” armbands.

21. These rules will be implemented after approval by the shareholders meeting, which applies to any amendments thereto.

**Taiwan Cement Corporation**  
**2024 Annual General Meeting of Shareholders Meeting Agenda**  
**(Translation)**

Time & Date: 9 a.m., Tuesday, May 21, 2024

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

Meeting Type : Physical Meeting (with Live Broadcasting)

1. Chairperson's Speech
2. Report Items
  - (1) Employees' and directors' compensation from 2023 profits.
  - (2) 2023 Business Report.
  - (3) The Audit Committee's Review Report.
  - (4) Implementation of 1<sup>st</sup> Unsecured Euro-Convertible Bonds in 2023.
3. Proposed Resolutions
  - (1) The Annual Business Report and Financial Statements for the 2023 fiscal year.
  - (2) Proposal for the distribution of profits for the 2023 fiscal year.
4. Directors Election

Election of 15 directors (including 5 independent directors) for the 25<sup>th</sup> term.
5. Matters for Discussion
  - (1) Plans to undertake a long-term capital fundraising initiative.
  - (2) To approve the amendments to the Articles of Incorporation.
  - (3) Removal of non-compete restrictions for new directors.
6. Extemporaneous Motions
7. Meeting Adjourned

## **Report Items**

### **1. Employees' and directors' compensation from 2023 profits.**

#### **Notes:**

- I. 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.
- II. This proposal was approved by the 30<sup>th</sup> meeting of the 24<sup>th</sup> 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.

## **2. 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/cm<sup>2</sup> 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

### 3. The 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

#### 4. Implementation of 1<sup>st</sup> 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

<b>Phase / Type</b>	<b>The First Unsecured ECBs In 2023</b>
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.



## **Proposed Resolutions**

### **Case No. 1 (Proposed by the Board of Directors)**

Acceptance of the 2023 Business Report and Financial Statements.

#### **Notes:**

- I. In accordance with Article 228 of the Companies Act:
- II. The 2023 business report, individual financial statements and consolidated financial statements were approved at the 29<sup>th</sup> and 30<sup>th</sup> meetings of the 24<sup>th</sup> 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.
- III. The foregoing financial statements have been reviewed and approved by the Audit Committee referred to in this Handbook (pages 6 to 12 and 16 to 38).
- IV. Please review and ratify.

#### **Resolution:**

# **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
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
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
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
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
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
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>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
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>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(2,726,662)</u>	<u>(22,676,360)</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>4,243,295</u>	<u>26,919,655</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<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)

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	<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
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
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
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
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>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
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>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<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)

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	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)



## Case No. 2 (Proposed by the Board of Directors)

### Proposal for Distribution of 2023 Profits.

#### Notes:

I. 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:

i. Reversal of special reserve recognized from first adoption of TIFRS:  
NT\$5,369,000.

ii. Share of the adjustment of retained earnings of associates and joint ventures accounted for using the equity method: NT\$5,901,538.

iii. 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.
- II. 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.
- III. 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.
- IV. Please refer to Annex I (page 51 to 52) of this Handbook for the statement on the distribution of profits for 2023.
- V. The resolution was approved at the 30<sup>th</sup> meeting of the 24<sup>th</sup> Board of Directors of the Company and submitted to the Audit Committee for review and approval.
- VI. Please review and ratify.

**Resolution:**

## **Directors Election**

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

### **Notes:**

- I. The term of all directors of the 24<sup>th</sup> 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 25<sup>th</sup> term directors, it is proposed that all directors of the 24<sup>th</sup> Board resign early after the election of new directors at the Annual Shareholders' Meeting scheduled for May 21, 2024.
- II. 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.
- III. 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.
- IV. 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.

- V. Please refer to the Annex II for the list of candidates of 25<sup>th</sup> term Directors. (Page 53 to 61).

VI. This proposal has been approved by the resolution of the 4<sup>th</sup> meeting of the 1<sup>st</sup> Nominating Committee and 30<sup>th</sup> meeting of the 24<sup>th</sup> Board of Directors.

VII. Your attention and vote are respectfully requested.

**Election Result:**

## **Matters for Discussion**

### **Case No. 1 (Proposed by the Board of Directors)**

Plans to undertake a long-term capital fundraising project and we would like to put it to a vote.

#### **Notes:**

- I. 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.

- II. 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.

### III. 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:

#### (a) Issuance of GDRs through a Cash Capital Increase by issuing Ordinary Shares

1. 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.

2. 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.

3. 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.

4. 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.

- (b) 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.

IV. The rights and obligations attached to the newly issued shares are the same as those of the originally issued shares.

V. This proposal was approved by the resolutions of the 31<sup>st</sup> meeting of the 3<sup>rd</sup> Audit Committee and the 30<sup>th</sup> meeting of the 24<sup>th</sup> Board of Directors of the Company.

VI. Please review and ratify.

**Resolution:**

## **Case No. 2 (Proposed by the Board of Directors)**

To approve the amendments to the Articles of Incorporation.

### **Notes:**

- I. 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.
- II. This resolution was approved at the 29<sup>th</sup> meeting of the 24<sup>th</sup> session of the Board of Directors of the Company. Please refer to Annex III (page 62) for a comparative table of the relevant provisions to be amended.
- III. Please discuss and resolve.

### **Resolution:**

### **Case No. 3 (Proposed by the Board of Directors)**

Removal of non-compete restrictions for new directors.

#### **Notes:**

- I. 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.
- II. 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.
- III. The resolution was adopted at the 30<sup>th</sup> meeting, 24<sup>th</sup> 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 (page 63) of this Handbook.
- IV. Please discuss and resolve.

#### **Resolution:**

**Extemporaneous Matters**

**Meeting Adjourned**

## Annex I: 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 II: List of Director (including Independent Director) Candidates and the Related information

### List of director candidates

Company Name	Representative	Gender	Nationality or Place of Registration	Education	Past Positions	Current Positions	Number of shares held
Chia Hsin R.M.C. Corporation	An-Ping, Chang	Male	ROC	MBA, New York University	Chairman, International CSRC Investment Holdings Co., Ltd.  Chairman, Taiwan Prosperity Chemical Corporation  Chairman, Chia Hsin Cement Corporation  Independent Director, Synnex Technology International Corporation	Chairman, TCC Recycle Energy Technology Company  Chairman, Ho-Ping Power Company  Chairman, NHOA S.A.  Director, Taiwan Stock Exchange Corporation  Director, CTCI Corporation	Shares of Company : 3,335,997 shares
International CSRC Investment Holdings Co., Ltd.	Kenneth C.M. Lo	Male	ROC	M.A.in Finance, The University of Alabama	Honorary Chairman, O-Bank Co., Ltd.  Chairman, O-Bank Co., Ltd.	Managing Director, O-Bank Co., Ltd.	Shares of Company : 113,896,285 shares
Hsing Cheng Investment Co., Ltd.	Yu-Cheng, Chiao	Male	ROC	MS in Electronic Engineering, University of Washington	Chairman, Chin Xin Investment Co., Ltd.  Chairman, Nuvoton	Chairman & CEO, Winbond Electronics Corp.  Director, Nuvoton Technology	Shares of company : 4,000,929 shares

Company Name	Representative	Gender	Nationality or Place of Registration	Education	Past Positions	Current Positions	Number of shares held
					<p>Technology Corporation</p> <p>Chairman, Walsin Lihwa Corporation</p> <p>Chairman, Vishay Capella Microsystems (Taiwan) Limited</p> <p>Chairman, Taiwan Electrical and Electronic Manufacturers' Association</p>	<p>Corporation</p> <p>Director, Walsin Lihwa Corporation</p> <p>Director, United Industrial Gases Co., Ltd.</p> <p>Director, MiTAC Holdings Corporation</p>	
C. F. Koo Foundation	Sun-Te, Chen	Male	ROC	MBA, University of Missouri	<p>Director, Zoyi Capital Ltd.</p> <p>Chairman, Taipei Fubon Commercial Bank Co., Ltd.</p> <p>President of North Asia and Greater China, Fullerton Financial Holdings Pte. Ltd.</p> <p>CEO of Corporate Banking and President, Chinatrust Financial Holding Co., Ltd.</p> <p>Country Officer and</p>	<p>Independent Director, USI Corporation</p> <p>Independent Director, Lion Travel Service Co., Ltd.</p> <p>Independent Non-Executive Director, Uni-President China Holdings Ltd.</p> <p>Supervisor, Fubon Bank(China)Co.,Ltd.</p>	Shares of ompany : 3,485,455 shares



Company Name	Representative	Gender	Nationality or Place of Registration	Education	Past Positions	Current Positions	Number of shares held
					Country Head of Corporate Bank in Taiwan, Citigroup		
Chia Hsin Cement Corporation	Jason Kang-Lung, Chang	Male	ROC	MS, Massachusetts Institute of Technology	President, Chia Hsin Cement Corp.	Chairman, Chia Hsin Cement Corp. Chairman, Tong Yang Chia Hsin International Corp. Chairman, Chia Hsin Foundation Director, Chia Hsin Property Management and Development Corp. Chairman, Taiwan Cement Manufacturers' Association	Shares of company : 239,629,776 shares
Chia Hsin Cement Corporation	Li-Hsin, Wang	Female	ROC	MBA, Waseda University	CEO, Chia Hsin Cement Corp. Vice Chairman, TAS Board	Chairman, Jaho Life Plus+ Management Corp. Director, Tong Yang Chia Hsin International Corp. Director, Chia Hsin Green Electricity Corp. President, Chia Hsin Cement Corp.	Shares of company : 239,629,776 shares

<b>Company Name</b>	<b>Representative</b>	<b>Gender</b>	<b>Nationality or Place of Registration</b>	<b>Education</b>	<b>Past Positions</b>	<b>Current Positions</b>	<b>Number of shares held</b>
						Vice Chairman, Taiwan Women on Boards Association	
Tai Ho Farming Co., Ltd.	Yao-Hui, Cheng	Male	ROC	MBA, National Chengchi University	President, Taipei Fubon Commercial Bank Co., Ltd.	Chairman, Atlante s.r.l.  Director and President, TCC Energy Storage Technology Corporation  Director, TCC Sustainable Energy Investment Corporation  Director, Hong Kong Cement Manufacturing Co. Ltd.  Director, Hualien County Private Hoping Sustainability Charity Foundation	Shares of ompany : 6,647,005 shares
CS Development & Investment Co.	Kung-Yi, Koo	Male	ROC	MBA, Wharton School of the University of Pennsylvania	Vice President, Morgan Stanley Investment Banking Department  Vice Chairman, Taiwan Cement Corporation  Chairman, Taiwan Prosperity Chemical Corporation	Chairman, International CSRC Investment Holdings Co., Ltd.  Chairman, Linyuan Advanced Materials Technology Co., Ltd.  Chairman, Taiwan Transport & Storage Corp.  Director, Ho-Ping Power Company	Shares of ompany : 30,860,136 shares

Company Name	Representative	Gender	Nationality or Place of Registration	Education	Past Positions	Current Positions	Number of shares held
						Director, China Steel Chemical Corporation	
Heng Qiang Investment Co., Ltd.	Por-Yuan, Wang	Male	ROC	Ph.D., Carnegie Mellon University	Chairman, Sercomm Corporation  Chairman, Taiwan Venture Capital Association  Chairman, Monte Jade Science and Technology Association of Taiwan	Honorary Chairman, Sercomm Corporation  Chairman, Pacific Venture Partners  Chairman, K.T. Li Foundation Development of Science and Technology  Director, Prosperity Dielectrics Co., Ltd.  Independent Director, UPC Technology Corporation	Shares of ompany : 112,457,746 shares
Fu Pin Investment Co., Ltd.	Chien, Wen	Male	ROC	MBA, Wharton School of the University of Pennsylvania	Director, Chinatrust Investment Co., Ltd.  Director, International CSRC Investment Holdings Co., Ltd.  Supervisor, Winbond Electronics Corp.  CFO, Winbond Electronics Corp.	Supervisor, Ta-Ho Maritime Corporation	Shares of ompany : 85,225,165 shares

<b>Company Name</b>	<b>Representative</b>	<b>Gender</b>	<b>Nationality or Place of Registration</b>	<b>Education</b>	<b>Past Positions</b>	<b>Current Positions</b>	<b>Number of shares held</b>
					President, Cathay Securities Investment Trust		

## List of Independent Director Candidates

Name	Gender	Nationality or Place of Registration	Education	Past Positions	Current Positions	Number of shares held
*Victor, Wang	Male	ROC	EMBA, National Taiwan University	Vice Chairman, Deloitte & Touche	Director, Yageo Corporation  Director, YFY Inc.  Independent Director, Fulin Plastic Industry (Cayman) Holding Co., Ltd.  Independent Director, Taiwan Navigation Co., Ltd.  Independent Director, Da-Cin Construction Co., Ltd.	0 shares
Lynette Ling-Tai, Chou	Female	ROC	PhD of Accounting, University of Houston	Chief of Student Affairs, National Cheng Chi University  Dean, Department of Accounting, National Cheng Chi University  Managing Supervisor, Taiwan Public Television Services  Independent Director, Chief Telecom Co., Ltd.  Independent Director,	Independent Director, Next Commercial Bank Co., Ltd.  Emeritus and Tenured Professor of the Department of Accounting, National Cheng Chi University	1 shares

Name	Gender	Nationality or Place of Registration	Education	Past Positions	Current Positions	Number of shares held
				F-MStar Co., Ltd.		
Sherry S. L. Lin	Female	ROC	LLB, National Taiwan University	<p>Director, Cathay Financial Holding Co., Ltd.</p> <p>Director, Tong Lung Metal Industry Co., Ltd.</p> <p>Independent Director, Accton Technology Corporation</p> <p>Senior Consultant, Lee and Li, Attorneys-at-Law</p>	<p>Chairman, Bar Koo Investment Corporation</p> <p>Chairman, Bar Koo Consultation Corporation</p> <p>Chairman, Cheng Yu Financial Consultation Corporation</p> <p>Chairman, Cheng Yu Sheng Investment Corporation</p> <p>Special Senior Counselor, Lee and Li, Attorneys-at-Law</p>	0 shares
Nigel N. T. Li	Male	ROC	<p>LL.M., Harvard University</p> <p>LL.M., National Taiwan University</p>	<p>Adjunct professor, National Taiwan University and Soochow University</p> <p>Honorary Chairman, Chinese Arbitration Association, Taipei</p> <p>Chairman, Chinese (Taiwan) Society of International Law</p> <p>Member, Presidential Advisory Committee on</p>	<p>Special Senior Counselor, Lee and Li, Attorneys-at-Law</p> <p>Chairman, Taiwan Jurist Association</p>	0 shares

Name	Gender	Nationality or Place of Registration	Education	Past Positions	Current Positions	Number of shares held
				Human Rights Chairman, Lee and Li, Attorneys-at-Law		
Ruu-Tian, Chang	Female	ROC	MBA, University of Minnesota System	Member of the Remuneration Committee International CSRC Investment Holdings Co., Ltd. Vice Chairman, Taiwan CIO Association Consultant, International Integrated Systems, Inc. CIO, CTBC Financial Holding Co., Ltd. Director, Taiwan Lottery Co., Ltd.	Executive Vice President, Gartner Group Taiwan Limited Independent Director, FDC International Hotels Corporation	0 shares

\*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.

### 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 <b><u>TCC Group Holdings CO., LTD.</u></b> .</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 <b><u>Taiwan Cement Corporation.</u></b></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 <b><u>the 58th amendment was made on May 21, 2024.</u></b></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 58<sup>th</sup> amendment.</p>



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

<b>Director</b>	<b>Current Positions within the Scope of the Company's Business</b>
Chai Hsin R.M.C Corporation Representative: Chang, An Ping	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

## **Appendix I : Articles of Incorporation for Taiwan Cement Corporation**

[English Translation, for reference only]

### **Taiwan Cement Corporation**

### **Articles of Incorporation**

Amended on May 31, 2023

By the Annual General Meeting of Shareholders

#### **Section I--General Provisions**

- Article 1      The Company shall be incorporated under the provisions for company limited by shares of the Company Act of the Republic of China (the "Company Act") and the relevant regulations, and its name shall be Taiwan Cement Corporation (the "Company") and its English name shall be Taiwan Cement Corporation.
- Article 2      The scope of business of the Company shall be as follows:
- (1)    C901030: Cement Manufacturing
  - (2)    C901040: Concrete Mixing Manufacturing
  - (3)    C901050: Cement and Concrete Mixing Manufacturing
  - (4)    C901990: Other Non-metallic Mineral Products  
Manufacturing
  - (5)    B601010: On-land Clay and Stone Quarrying
  - (6)    F111090: Wholesale of Building Materials
  - (7)    F211010: Retail Sale of Building Materials
  - (8)    J101040: Waste Disposing
  - (9)    F401010: International Trade
  - (10)   G801010: Warehousing and Storage
  - (11)   C601030: Paper Containers Manufacturing
  - (12)   H701010: Residence and Buildings Lease Construction and  
Development
  - (13)   H701020: Industrial Factory Buildings Lease Construction  
and Development
  - (14)   H703100: Real Estate Rental and Leasing
  - (15)   ZZ99999: All business items that are not prohibited or  
restricted by law, except those that are subject to special  
approval.
- Article 3      All matters regarding the reinvestment of the Company shall be decided by resolutions passed by the Board of Directors. The total amount of reinvestment of the Company may exceed forty percent (40%) of its paid-in capital.
- Article 4      The Company shall have its head office in Taipei City, the Republic

of China (Taiwan).

The Company's manufacturing and distribution centers shall be set up at locations around Taiwan; branch offices may be established within or outside the territory of the Republic of China at proper locations when necessary.

The establishment, change and abolition of such centers or branch offices shall be determined by resolutions passed by the Board of Directors.

## Section II--Capital Stock

Article 5       The Corporation's total capital is established at NT\$100 billion, which has been divided into 10 billion shares. Each share is NT\$10, and shares are issued in installments; part of the shares may be preferred shares.

The Corporation may issue employee stock options to the employees of the Corporation or its domestic or foreign subsidiaries. 60 million shares out of the aforementioned total share capital shall be reserved for the issuance of employee stock options, which may be issued in installments by the resolutions of the board of directors. The board of directors is authorized to buy back the employee stock options of the Corporation in accordance with law when it is legally permitted to do so.

Article 5-1     The rights and obligations and other important issuance terms of preferred shares of the Corporation are as follows:

1. The dividend for preferred shares shall be capped at 8% per annum, calculated by the issue price per share, and the dividend may be distributed in cash once every year. After the financial statements and the profit distribution proposal are approved by the general shareholders' meeting, the board shall determine a record date to pay the distributable dividends of the previous year. The distribution amount of dividends in the year of issuance and redemption shall be calculated by the actual number of issue days the preferred shares remained outstanding in that year. The issue date shall be defined as the record date for the capital increase via issuance of the preferred shares.
2. The Corporation has sole discretion over the dividend distribution of preferred shares. The Corporation may decide not to distribute dividends of preferred shares, as resolved in the shareholders' meeting. If there are no earnings in the annual accounts or if the shareholders' meeting resolves not to distribute dividends, the undistributed dividends shall not be cumulative and shall not be

paid in arrears in a future year when there are earnings.

3. Except for the dividends prescribed in Subparagraph 2 of this Article, preferred shareholders may not participate in the distribution of cash or stock dividends with regard to the common shares derived from earnings or capital reserves.
4. Preferred shareholders are entitled to distribution priority on the residual property of the Corporation compared with common shareholders and shall rank *pari passu* with holders of other preferred shares issued by the Corporation, and the preferential right of the preferred shareholders shall be only inferior to general creditors; the amount of such distribution shall not exceed the amount of the issued and outstanding preferred shares at the time of such distribution calculated by the issue price.
5. Preferred shareholders have no voting right at the shareholders' meeting but may be elected as directors and have the right to vote in preferred shareholders' meetings or shareholders' meetings that involve the rights and obligations of preferred shareholders.
6. Preferred shares are not convertible to common shares.
7. Preferred shares have no maturity date, and preferred shareholders shall not request the Corporation to redeem preferred shares held thereby. Notwithstanding the foregoing, the Corporation may redeem all or part of the preferred shares at any time on the next day after five years of issuance at the original issue price. The rights and obligations set forth in the foregoing paragraphs will remain unchanged to the unredeemed preferred shares. If the Corporation decides to distribute dividends in a year, the amount of dividends that shall be distributed until the redemption date shall be calculated based on the actual days in the redemption year up to the redemption date.
8. The capital reserve received from the issuance of preferred shares in excess of par value shall not be capitalized during the issue period of the preferred shares. The board is authorized to determine the name, issuance date and specific issuance terms upon actual issuance after considering the situation of capital market and the willingness of investors in accordance with the Articles and related laws and regulations.

#### Article 5-2

If the exercise price in relation to the employee stock options issued by the Corporation is lower than the closing price of the common shares of the Corporation as of the issue date, it shall be approved by at least two-thirds of the voting rights represented at a shareholders

meeting attended by shareholders representing a majority of the total issued shares.

If the Corporation wishes to transfer an employee stock option to an employee at a price lower than the average price of the shares that were bought back, it shall be approved by at least two-thirds of the voting rights represented at the latest shareholders meeting attended by shareholders representing a majority of the total issued shares.

Article 5-3 Treasury stock purchased by the Company can be transferred to the employees of parents or subsidiaries of the Company or controlled by the Company.

Stock warrants of the Company can be issued to the employees of parents or subsidiaries of the Company or controlled by the Company.

Article 6 The share certificate of the Company shall be affixed with the signatures or personal seals of the director representing the company and issued upon certification by the bank authorized by authority to handle the registration of issuance of stock certificates.

Article 7 The Company may issue shares without printing share certificates; but such shares shall be registered at a Centralized Securities Depository Enterprise. The Company's stock certificates shall be in registered form. The shareholders shall notify the Company's shareholder service agent of their names and residential addresses to be recorded in the shareholder roster. The shareholders shall also provide such shareholder service agent with their specimens of signatures or seals.

Article 8 Registration for transfer of shares shall be suspended for sixty (60) days immediately before the day of an Annual General Meeting of shareholders, for thirty (30) days immediately before the day of any Special General Meeting of shareholders, and for five (5) days before the day on which dividends or any other benefit is scheduled to be paid by the Company.

Article 9 All matters related to the Company's shares shall be handled in accordance with the relevant regulations of the competent authority.

### Section III--Shareholders' Meeting

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

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

Meeting of the preferred shareholders can be convened in accordance with applicable laws and regulations when necessary.

The Corporation's Shareholders' meeting may be held by video conference or other methods announced by central competent authorities.

Article 11 The meeting of shareholders shall be presided over by the Chairperson of the Board of Directors. In the event of the Chairperson's absence, the Vice Chairperson shall act on the Chairperson's behalf. If the Chairperson and the Vice Chairperson are both absent, the Chairperson shall designate one of the Directors to act on the Chairperson's behalf. In the absence of such a designation, the Directors shall elect one Director from among themselves as the chair of the meeting.

Article 12 Unless otherwise stipulated by the Company Act, a shareholder shall be entitled to one (1) vote per share.

If a shareholder is unable to attend the shareholders' meeting in person, such shareholder may appoint a proxy to attend the shareholders' meeting and exercise such shareholder's right in his/her/its behalf by executing a proxy issued by the Company and specifying therein the scope of power authorized to the proxy. Except for trust enterprises or shareholder service agencies approved by the competent authority, when a person who acts as the proxy for two (2) or more shareholders, the excessive voting power represented by such person exceeding three percent (3%) of the total outstanding voting shares of the Company shall not be counted.

A shareholder shall serve the foregoing proxy to the Company no later than five (5) days prior to the day of the shareholders' meeting. If two (2) or more written proxies are received from one (1) shareholder, the first one received by the Company shall prevail; unless an explicit statement to revoke the previous proxy.

The voting power at a shareholders' meeting may be exercised in writing or by way of electronic transmission in accordance with the Company Act and the relevant regulations of the competent authority.

Article 13 Unless otherwise provided by the Company Act, a resolution of the shareholders' meeting shall be adopted by a majority of the shareholders attending such meeting, and the shareholders attending such meeting shall represent the majority of the total number of the

issued shares.

#### Section IV--Directors and Audit Committee

Article 14 The Corporation shall have eleven (11) to fifteen (15) Directors (including Independent Directors), elected by a shareholders' meeting from a list of director candidates through the candidate nomination system.

There shall be at least three (3) Independent Directors, who shall represent more than one-fifth (1/5) of the Board of Directors.

Independent Directors shall be elected by a shareholders' meeting from a list of independent director candidates. The relevant professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination and election, and other matters of compliance with respect to Independent Directors shall be governed by the relevant laws and regulations.

The election of Directors shall be held in accordance with the Company Act. Independent and non-Independent Directors shall be elected at the same time, provided that the number of Independent Directors and non-independent Directors elected shall be calculated separately.

The guidelines for electing all Directors shall be established by a shareholders' meeting.

Article 12 herein applies to the restrictions on the shareholders' voting power.

Article 14-1 The Company shall form an Audit Committee and may form committees of other functions.

The Audit Committee shall be composed solely of all Independent Directors. There shall be at least three (3) Audit Committee members, with one (1) of them serving as the convener and at least one (1) of them having expertise in accounting or finance.

The Audit Committee shall be responsible for performing the Supervisors' duties as stipulated in the Company Act, Securities and Exchange Act and other relevant laws and regulations as well as complying with applicable laws, regulations and rules and regulations of the Company.

Article 15 All Directors shall have a term of three (3) years and be eligible for re-election upon expiry of such term.

Article 16 The Directors shall elect one Director among themselves to serve as the Chairperson of the Board and may elect another among themselves to serve as the Vice Chairperson of the Board. The

Chairperson of the Board shall represent the Company over all matters of the Company.

Article 17 Unless otherwise specified in the Company Act, meetings of the Board of Directors shall be convened by the Chairperson of the Board. Unless otherwise stipulated by the Company Act, a resolution of the Board shall be adopted by the majority of the Directors attending the meeting and the Directors attending the meeting shall represent the majority of the Board of Directors.

A meeting of the Board of Directors shall be called in writing, via e-mail or facsimile.

Article 18 A notice setting forth the purpose of the meeting shall be given to each Director no later than seven (7) days prior to a Board meeting; however, a Board meeting may be convened at any time in case of emergency.

Article 19 The meeting of the Board of Directors shall be presided over by the Chairperson of the Board of Directors. In the event of the Chairperson's absence, the Vice Chairperson shall act on the Chairperson's behalf. If the Chairperson and the Vice Chairperson are both absent, the Chairperson shall designate one of the Directors to act on the Chairperson's behalf. In the absence of such a designation, the Directors shall elect one Director from among themselves as the chair of the meeting.

Article 20 The remuneration of the Directors shall be determined by the Board of Directors in accordance with each Director's involvement in and contribution to the Company's operation and also taking into consideration the national and international remuneration standards of the industry.

Article 21 The Company may, during the term of the Directors, take out liability insurance for the Directors with respect to the liabilities that might arise from the performance of duties during their term of office.

#### Section V--Managerial Officers

Article 22 The Company shall have one (1) Chief Executive Officer and one (1) General Manager, whose appointment and discharge shall be made by the Board of Directors.

Article 23 The General Manager shall, pursuant to the Company Articles of Incorporation, supervise and lead the managers and officers in handling all businesses of the Company.

#### Section VI--Closing of Accounts and Distribution of Profits

Article 24 The fiscal year for the Company shall be from January 1 of each year to December 31 of the same year. After the close of each fiscal year,



the Board of Directors shall prepare the following reports and forward the same to the Annual General Meeting of shareholders for acceptance in accordance with the legal procedures:

- (1) Business report;
- (2) Financial statements; and
- (3) Proposal concerning appropriation of net profits or making up losses.

Article 25 When allocating profit for each fiscal year, the Company shall set aside:

- (1) As the Employees' remuneration: 0.01% to 3% of the profit;
  - (2) As the Directors' remuneration: no more than 1% of the profit.
- However, if the Company has accumulated losses, the Company shall first reserve an amount to make up the losses, and then set aside the Employees' and the Directors' remuneration as specified in items (1) & (2) above.

The Employees' remuneration may be distributed in shares or in cash. Employees of the Company's subsidiaries or subsidiaries controlled by the Company who meet certain requirements may also receive such remuneration.

The distribution of the Employees' and the Directors' remuneration shall be approved by a majority vote at a Board meeting attended by over two-thirds of the Directors. In addition, a report of such distribution shall be submitted to the shareholders' meeting.

Article 26 When the Corporation makes the final accounting to obtain a net income, after all taxes and dues have been paid and losses have been covered and at the time of allocating surplus profits, it shall first set aside 10% of such profits as a legal reserve; provided that no legal reserve may be set aside when such legal reserve has reached the Corporation's total paid-in capital. If necessary, it may set aside or reverse a special reserve or retain surplus earnings with discretion in accordance with the relevant laws from the balance plus undistributed earnings. After that, it may distribute preferred stock dividends in accordance with Article 5-1 of the Articles, and after that it may distribute common stock dividends from the balance, and the board of directors shall draw up a surplus earnings distribution proposal containing the distribution ratio calculated in accordance with the dividends policies under Paragraph 2 of this Article to be resolved by the Annual General Shareholders' Meeting.

When the Corporation sets aside special reserve according to applicable laws, for the insufficient amount set aside for the

"cumulative amount of other equity net deductions in the preceding period", before distributing surplus profits, the Corporation shall set aside corresponding amount of special reserve from the past undistributed retained earnings; and if the amount still remains insufficient, the Corporation shall further set aside the special reserve from the current undistributed retained earnings, which should include the current net income after all taxes and items other than the current net income after all taxes.

The Corporation not only engages in manufacturing and marketing of cement and cement products that are capital intensive and more mature and steady, it also endeavors to diversify its business. For the purpose of accommodating to demands for diverse development and investment or planning of major capital budgets, the ratio of dividends paid in cash is set at 20% or more of common stock dividends, while the balance shall be distributed by means of stock dividends.

Article 27      The Company may, pursuant to the Company Act, distribute its profits to its shareholders in newly issued shares or in cash pro rata to the shareholders' percentage of shareholding.

#### Section VII--Supplementary Provisions

Article 28      The organizational regulations of the Company's Board of Directors, head office, and other branch organizations shall be established by the Board of Directors.

Article 29      The Company may act as a guarantor for an outside party if the Company's business requires so.

Article 30      In regard to any and all matters not provided for in these Articles of Incorporation, the Company Act and other relevant laws and regulations shall govern.

Article 31      These Articles of Incorporation were established on November 1, 1950. The 1st amendment was made on September 30, 1951, 2nd on May 5, 1952, 3rd on June 18, 1953, 4th on October 23, 1954, 5th on March 20, 1957, 6th on October 19, 1957, 7th on March 27, 1958, 8th on March 17, 1960, 9th on October 15, 1960, 10th on March 16, 1961, 11th on March 21, 1963, 12th on April 10, 1967, 13th on April 11, 1969, 14th on April 24, 1970, 15th on April 20, 1973, 16th on April 19, 1974, 17th on April 18, 1975, 18th on April 20, 1976, 19th on April 21, 1977, 20th on March 31, 1978, 21st on April 10, 1979, 22nd on April 10, 1980, 23rd on April 10, 1981, 24th on April 9, 1982, 25th on April 8, 1983, 26th on April 18, 1985, 27th on April 21, 1987, 28th on April 18, 1988, 29th on April 21, 1989, 30th on

April 20, 1990, 31st on April 19, 1991, 32nd on April 21, 1992, 33rd on April 20, 1993, 34th on April 21, 1994, 35th on April 20, 1995, 36th on May 30, 1997, 37th on April 30, 1998, 38th on May 28, 1999, 39th on May 30, 2000, 40th and 41st on May 31, 2001, 42nd on June 18, 2002, 43rd on June 26, 2003, 44th on June 11, 2004, 45th on June 30, 2005, 46th on June 9, 2006, 47th on June 15, 2007, 48th on June 18, 2010, 49th on June 22, 2011, 50th on June 21, 2012, 51st on June 18, 2015, and the 52nd on June 22, 2016, and the 53rd on June 22, 2018, and the 54th amendment was made on June 12, 2019, and the 55th amendment was made on June 9, 2020, and the 56th amendment was made on May 26, 2022, and the 57th amendment was made on May 31, 2023.

## **Appendix II : Regulations for Election of Taiwan Cement Corporation Director**

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

Amended at the shareholders' meeting on June 18, 2015.

- Article 1 The Rules are enacted in accordance with the Corporation's Articles of Association and applicable laws and regulations. Except when provided otherwise by related laws and regulations or the Articles of Association of the Company, the election of directors of the Corporation shall be conducted in accordance with the Rules.
- Article 2 Directors of the Corporation shall be elected pursuant to a cumulative voting mechanism. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders. The number of votes presented by each share shall be the same as the number of directors to be elected and may be consolidated for election of one director candidate or may be split for election amongst multiple director candidates, unless stipulated otherwise in the Company Act. The election of the directors of the Corporation shall be conducted with the candidate nomination mechanism set forth in the procedures of candidate nomination mechanism stipulated in the Company Act and other related regulations.
- Article 3 The number of votes for independent directors and non-independent directors shall be calculated separately according to the number of directors set forth in the Articles of Association of the Corporation. The top candidates to whom the votes cast represent a prevailing number of votes relative to the other candidates shall be elected sequentially. Where two or more candidates to whom the votes cast represent the same number of votes, and the number of directors is thus exceeded, lots will be drawn to determine the winner, with the Chairman of the shareholders' meeting drawing lots on behalf of any candidates not present.
- The qualifications and appointment of the independent directors at the Corporation shall be conducted in accordance with the "Securities and Exchange Act," the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and the applicable rules issued by the competent authority.
- Article 4 The Board of Directors shall prepare numbered ballots corresponding to the number on the attendance card. The election weight factor represented by each ballot shall also be specified on the ballots, and then the ballots are distributed to attending shareholders at the shareholders' meeting.
- Article 5 Before the outset of the voting process, the Chairman shall appoint a number of persons to perform their respective duties as ballot scrutineers and recorders.
- Article 6 The ballot box shall be prepared by the Board of Directors and inspected before the public by scrutineers before voting commences.
- Article 7 If the candidate is a shareholder, voters shall fill the account name and the shareholder account number of the candidate in the "candidate" column of the ballot. If the candidate is not a shareholder, voters shall fill the name and the identification number of the candidate in the "candidate" column of the ballot. Provided, however, if the candidate is a government agency or juristic-person shareholder, the name of the government agency or juristic-person shall be filled in the "account name of

candidate" column of the ballot, or both the name of such the government agency or juristic-person and its representative may be filled in such column.

Article 8 A ballot is void under any of the following circumstances:

1. A ballot which was not prepared pursuant to this Rule.
2. A blank ballot which was cast into the ballot box.
3. Illegible or altered handwriting.
4. If the candidate filled in is a shareholder, the account name or shareholder account number of the candidate filled in is inconsistent with the shareholder register; if the candidate filled in is not a shareholder, the name or the identification number of the candidate filled in is incorrect.
5. Two or more candidates are filled in the ballot.
6. A ballot with other written characters in addition to the account name (name) or the account number (identification number) of the candidate.
7. The account name (name) or the account number (identification number) of the candidate is left blank.

Article 9 The ballot boxes shall be prepared for election of the directors. After the end of the poll, ballot scrutineers and recorders shall jointly monitor and count the votes.

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

Article 10 The results of ballot counting should be declared by the Chairman on-site and duly recorded.

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

Article 12 Matters not prescribed in the Rules shall be conducted in accordance with the Company Act and related laws and regulation.

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

## Appendix III : Shareholdings of All Directors

Base date: March 23, 2024

Position title	Name	Date of being appointed	Number of shares held at the time of appointment		Number of shares currently held	
			Number of shares	As a percentage (%) to then issued shares	Number of shares	As a percentage (%) to then issued shares
Chairperson	Chia Hsin R.M.C Corp. Representative: An-Ping, Chang	2021.7.5	3,032,923 0	0.05 0.00	3,335,997 0	0.04 0.00
Director	C. F. Koo Foundation Representative: Sun-Te, Chen	2021.7.5	3,168,803 0	0.05 0.00	3,485,455 0	0.05 0.00
Director	Chia Hsin Cement Corp. Representative: Jason Kang-Lung, Chang	2021.7.5	217,859,506 0	3.56 0.00	239,629,776 0	3.17 0.00
Director	International CSRC Investment Holdings Co., Ltd. Representative: Kenneth C.M. Lo	2021.7.5	103,548,831 2,000,000	1.69 1.00	113,896,285 2,000,000	1.51 1.00
Director	Fu Pin Investment Co., Ltd. Representative: Por-Yuan, Wang	2021.7.5	77,482,477 0	1.27 0.00	85,225,165 0	1.13 0.00
Director	Tai Ho Farming Co., Ltd. Representative: Kung-Yi, Koo	2021.7.5	6,043,126 0	0.10 0.00	6,647,005 0	0.09 0.00
Director	Fu Pin Investment Co., Ltd. Representative: Chi-Chia, Hsieh	2021.7.5	77,482,477 0	1.27 0.00	85,225,165 0	1.13 0.00
Director	Chia Hsin Cement Corp. Representative: Chi-Te, Chen	2021.7.5	217,859,506 0	3.56 0.00	239,629,776 0	3.17 0.00
Director	Heng Qiang Investment Co., Ltd. Representative: Chien, Wen	2021.7.5	102,240,983 0	1.67 0.00	112,457,746 0	1.49 0.00
Director	Heng Qiang Investment Co., Ltd. Representative: Chun-Ying, Liu	2021.7.5	102,240,983 0	1.67 0.00	112,457,746 0	1.49 0.00
Independent Director	Yu-Cheng, Chiao	2021.7.5	0 0	0.00 0.00	0 0	0.00 0.00
Independent Director	Victor, Wang	2021.7.5	0 0	0.00 0.00	0 0	0.00 0.00
Independent Director	Lynette Ling-Tai, Chou	2021.7.5	1 200,000	0.00 0.10	1 200,000	0.00 0.10
Independent Director	Mei-Hwa, Lin,	2021.7.5	0 0	0.00 0.00	0 0	0.00 0.00
Independent Director	Sherry S. L. Lin	2021.7.5	0 0	0.00 0.00	0 0	0.00 0.00
Total			513,376,650 2,200,000		564,677,430 2,200,000	

Number of total issued common shares on July 5, 2021: 6,123,580,010 shares.

Number of total issued preferred shares on July 5, 2021: 200,000,000 shares.

Number of total issued common shares on March 23, 2024: 7,551,181,742 shares.

Number of total issued preferred shares on March 23, 2024: 200,000,000 shares

Note: 1. The minimum shares required to be held by the entire body of directors of the Corporation is 124,018,907 shares. As of March 23, 2024, the numbers of shares held by the entire body of directors were 566,677,429 shares.

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

# **MEMO**



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